Taiwan’s Digital Wallet and Japan’s My Number Card: A Comparative Analysis

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Introduction

This article compares and analyses Taiwan and Japan's digital identity infrastructure projects, namely Taiwan’s Taiwan Digital Identity Wallet (TW DIW) under the Digital Nation and Innovative Economic Development Program (DIGI+), and Japan’s My Number Card System, the cornerstone of Society 5.0. These two national digital identity infrastructures, though, share a human-centric normative ambition of state-led digital transformation, but operate differently owing to three factors: the architecture of the national digital identity, trust-building, and the socio-political context. This difference is remarkable given the similarities between these regional peers, such as shared democratic values and mutual recognition of the strategic significance of secure digital infrastructure in the Indo-Pacific. The contrast is not just technological. It is a deep reflection on the distinct political histories of the state and citizens’ digital relations, rooted in the varied legal philosophies of information and citizens’ self-determination. At the intersection of international studies and digital humanities, this study addresses and reflects on ‘Trust Requisites’ in the modern ‘Digital Society’.

Taiwan’s DIGI+ and Digital Wallet

Taiwan’s digital identity infrastructure is anchored in its national digital strategy, called the DIGI+ strategy, which was launched in 2017.[1]

The first concrete attempt to realise DIGI+ was a mandatory chip-based national eID card announced in 2019. eID suffered harsh criticism from Taiwanese civil society. In Nov 2020, the Taiwan Association for Human Rights filed a preventive injunction against the Ministry of the Interior. The human rights watchdog argued that mandatory eID cards would create digital footprints that would violate citizens' constitutional rights to informational self-autonomy and privacy.[2] This criticism forced the Executive Yuan to suspend the eID in Jan 2021 indefinitely. The Taiwanese government was also pushed to pay contractors TWD 280 mn in termination costs.[3]

The Taiwan Constitutional Court affirmed that future digital identity initiatives should comply with data protection legislation and an independent data protection

commission, following which the Personal Data Protection Commission (PDPC) was established in Dec 2023.[4.] Also, the Ministry of Digital Affairs (MODA) was established in 2022. MODA was tasked with designing the TW DIW as a fundamentally voluntary, decentralised, and citizen-consent-based approach.

The current MODA Lin Yi-jing reiterated TW DIW's philosophy. He described digital credentials not as government-issued identifiers but as tools that provide selective disclosure and can effectively protect the privacy of the public.[5] The TW DIW was formally launched in Dec 2025, initially allowing citizens to verify their identity at convenience stores for parcel collection via QR code, with health insurance cards, driver's licenses, and professional certificates to follow.[6]

Japan's Society 5.0 and My Number Ecosystem

Japan's digital transformation is the linchpin of Society 5.0 policy architecture. Society 5.0 was announced by the Cabinet Office in 2016 as a policy framework for an integrated cyber-physical society.[7] Digital identity infrastructure is not merely an administrative convenience but a structural prerequisite for Japan's Society 5.0 vision.

Taiwan and Japan increasingly regard digital identity systems not merely as governance tools but as strategic assets linked to cyber resilience, national security, and technological sovereignty. In the evolving Indo-Pacific strategic environment, secure digital infrastructure has become essential for addressing cyber threats, data vulnerabilities, hybrid warfare, and broader geopolitical competition through digital statecraft.

The My Number system predates Society 5.0 as it was introduced in 2013 and activated in 2016. It assigns all Japanese residents a unique 12-digit number linked to taxation and a variety of public and private services. The physical My Number Card (MNC) followed, containing an integrated circuit chip with digital certificate functions for identity verification and electronic signatures. Society 5.0 prioritised increasing card adoption, yet adoption remained strikingly slow. In 2021, fewer than 40 percent of residents adopted and used it, indicating wavering citizen motivation. This episode reflected distrust of government data management following earlier pension data leaks.[8]

The Japanese government's response followed incentive and compulsion measures. These included a cashback points program, the abolition of the health insurance card, and the legislative expansion of My Number's for driving licenses. These measures accelerated adoption growth. In 2026, Minister for Digital Transformation Matsumoto Hisashi announced that more than 100 million My Number Cards had been registered (approximately 80 percent of the population). He also declared that “The foundation for a digital society in Japan is considered firmly established”.[9] Further, he outlined the government's 2026 priorities, which are deepening Healthcare Digital Transformation using the MNC as a health insurance credential.[10]

Comparative Analysis

Architectural Philosophies: Centralisation Vs Decentralisation.

- The most fundamental difference between the two systems lies in data architecture. Japan's My Number system is a centralised identifier model. The 12-digit number serves as a linking key across administrative databases - tax, social security, healthcare, banking, etc. Though the data itself is based in separate ministry silos, the number functions as a universal connector. This architecture enables efficient information coordination. Citizens can omit documentary attachments in administrative procedures, as the concerned agencies can look up the necessary data themselves.[11] However, this same connectivity has been hooked up to criticism. A breach of the identifier potentially exposes linkages across multiple sensitive domains simultaneously.
- Taiwan's TW DIW operates on a fundamentally different philosophy. The system functions as a ‘Credential management container, rather than a single digital ID’, with credentials stored directly on the user's device rather than in a central government database.[12] Conversely, TW DIW enables selective disclosure. A citizen can prove their age without revealing their birth date or verify their professional licence without disclosing their residential address. Also, the wallet code was publicly released in Mar 2025 to allow security researchers and citizens to verify its integrity.[13] This architecture was explicitly designed to address the concerns that had sunk the 2021 eID

project as the MODA sought to pre-empt the surveillance and profiling anxieties that had mobilised civil society opposition.

The Trust Deficit: Different Crises, Different Remedies.

- In Japan, the trust concerns primarily on data security and digital administrative competence. Japan's Personal Information Protection Commission reported a record 21,007 personal data breach cases in fiscal year 2024, a 58 percent year-on-year increase. The My Number-specific leaks rose from 334 cases to 2,052 in a single year, a sixfold increase driven primarily by unauthorised access to a human resources management system provider, further alarming Japanese citizens' concerns.[14] Public opposition to the merger of My Number and health insurance cards was fuelled by reports of linkage errors, with health insurance data attached to the wrong numbers.[15]
- Tokyo Foundation identified the structural source of this skepticism as the memories of the pension data leak of the early 2000s, which had durably undermined citizens' confidence in government data protection. It also highlighted that attempts to increase adoption through financial incentives were undermined as survey respondents discovered that their online activity might be monitored.[16] Japan's trust deficit is thus primarily about the state's track record as a data steward.
- Conversely, Taiwan's trust crisis is different from Japan’s. It was constitutional and deliberative. In Taiwan, the fears of data breaches did not primarily drive the opposition to the 2019–21 eID scheme. Rather, the opposition stemmed from a more informed citizenship debate grounded in objections to mandatory digital identification. Also, in parallel to Japan, there was a perceived inadequacy of existing privacy law to constrain state use of digital footprints. The suspension of the eID and the subsequent establishment of the PDPC in Dec 2023 represent a democratic renegotiation of the terms on which citizens would accept digital identity infrastructure.
- The 2025 TW DIW launch reflects this renegotiation. MODA conducted a public consultation process involving role-play exercises, scenario

simulations, and workshops attended by citizens from ‘Varied Backgrounds’, testing the wallet through simulated transactions. These measures were explicitly aimed at ‘Co-creating a transparent, collaborative digital identity infrastructure that strengthens public-private partnerships and builds lasting social trust’.[17] It is noteworthy that the deliberate voluntariness of the TW DIW participation is opt-in. The code is public, and disclosures are selective, reflecting a worked political settlement for a digital society.

Digital Sovereignty and Democratic Governance

Japan and Taiwan represent two distinct models of democratic digital sovereignty. Japan adopts a state-centric approach focused on administrative efficiency, centralised integration, and enhanced governance capacity through the My Number system. Taiwan, by contrast, follows a citizen-centric model emphasising privacy, voluntary participation, transparency, and citizen consent through the TW DIW framework. These differing approaches reflect broader political philosophies shaped by historical experiences and state–society relations. Ultimately, the debate concerns not merely technology versus privacy, but competing models of democratic digital governance balancing state efficiency with constitutional freedoms and public trust.

The Taiwan–Japan comparison suggests that democratic digital governance cannot rely solely on technological efficiency or bureaucratic integration. Sustainable digital identity systems require legitimacy rooted in transparency, legal safeguards, public participation, and constitutional accountability. Public trust increasingly constitutes a strategic prerequisite for the successful implementation of digital governance infrastructure in democratic societies.

Conclusion

This comparative analysis reveals two digital identity systems that have arrived at partial but complementary answers to the question of how states can build trustworthy digital infrastructure. Japan has demonstrated that, given sufficient political will and service incentives, even a trust-deficit-ridden centralised system can achieve near-universal adoption (80 percent card penetration). Taiwan’s eID replacement by TIW DW has demonstrated that democratic legitimacy can be a design input. The participatory co-design of the TW DIW and its open-source

transparency model offers a template for building citizen acceptance that Japan's more coercive incentive strategy has only partially achieved.

Taiwan's hard-won lesson is that mandatory, centralised systems generate durable political opposition that can derail even well-funded programs for years, a significant digital infrastructure routing lesson for Japan and other countries. Taiwan's device-resident, selective-disclosure architecture provides one technical approach to reducing the attack surface of identity systems, as Taiwan's TW DIW and Japan's My Number are not merely administrative instruments. The Taiwan and Japan cases illustrate that the future legitimacy of democratic digital states will depend not merely on technological sophistication, but on the extent to which digital infrastructures are perceived as transparent, participatory, secure, and consistent with constitutional norms of citizen autonomy.

Endnotes

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