

Japan's Media:

Inside and Outside Powerbrokers

2nd edition

**Japan's Media:
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Foreword to the 2nd edition

It is nearly three years ago that we published the first edition of "Japan's Media: Inside and Outside Powerbrokers" in the summer of 2007. The small booklet met with more reader interest than we had ever anticipated.

Since 2007, however, a lot has changed in Japan overall as well as in its media landscape, for example the rise of the new social media or the new government under the DPJ. Further accelerations in adjustments can be expected, whether they happen in media alone or across all of society.

Therefore, we decided to issue a new edition to update figures from the old guide and to account for the changing media landscape as much as possible. It is too early to predict whether the characteristics of the Japanese media environment will change fundamentally under a DPJ-led government, although there are some indicators saying they may do so slowly.

We hope that this new booklet will continue to serve as a valuable information tool to those interested in the media in Japan. The peculiarities of Japanese media will continue to set Japan apart from Western countries in the future. We are only too happy to contribute to bridging any gaps in understanding.

Tokyo, March 2010

Japanese media: Superlatives and criticism

Media in figures

Figures show that Japan is one of the most media-saturated societies in the world. In 2008 the number of daily newspapers printed exceeded 51 million, the equivalent of 630 newspapers per 1,000 adults. This diffusion rate easily dwarfs any other G-8 country, including Germany (298), the United Kingdom (335) and the U.S. (241).

One third of the 120 different newspapers available carry a morning and evening edition. The five largest newspapers each sell more than four million copies daily, more than any of their largest Western counterparts such as *Bild* in Germany (3.5 mil.), *The Sun* in the U.K. (2.9 mil.) or *USA Today* in the U.S. (2.3 mil.) and even more than the largest Chinese daily, *Cankao Xiaoxi* (3.1 mil.).¹ This is even more remarkable as these five Japanese dailies are quality papers unlike *Bild*, *The Sun* or *USA Today*, which rather belong to the low-quality, tabloid type of papers.

¹ The morning edition of the world's largest newspaper *Yomiuri Shimbun* alone exceeds 10 million copies, more than the combined number of the largest 10 dailies of either Germany or the U.S.

Table 1: The world's top 10 daily newspapers, 2008

Rank	Title	Country	Circulation
1.	Yomiuri Shimbun	Japan	13,800,000*
2.	Asahi Shimbun	Japan	11,650,000*
3.	Mainichi Shimbun	Japan	5,200,000*
4.	Nihon Keizai Shimbun	Japan	4,660,000*
5.	Chunichi Shimbun	Japan	4,230,000*
6.	BILD	Germany	3,548,000
7.	Cankao Xiaoxi	China	3,183,000
8.	The Times of India	India	3,146,000
9.	The Sun	UK	2,986,000
10.	People's Daily	China	2,808,000

* Includes morning and evening editions

Source: Company websites, World Association of Newspapers 2008

The country's public service broadcasting company *NHK* is second in size only to the *BBC* and directly employs roughly 12,000 people, even 100,000 when counting outside production staff. In addition, more than 120 companies provide commercial terrestrial broadcasts with the five major TV stations being present in nearly all regions.

In addition, about 3,600 magazines are published weekly or monthly together with more than 70,000 new books annually. Adding all forms of mini-media, free papers, wire services, the internet and the new social media, Japan earns the title of a media superpower.

Article 21 of the Constitution guarantees freedom of expression and assures an absolute ban on state censorship on media even in times of emergency. Japanese elites rate their mass media as the most influential group in society, higher than any other institution including business, the bureaucracy, political parties, intellectuals and civic groups (NSK 2006).

Criticism

Many observers however, draw a different and sometimes negative picture of the Japanese media. Although the Paris-based organization *Reporters Without Borders* used to rank Japan fairly low in terms of press freedom (No. 51 in 2006), Japan has steadily climbed since then up to No. 17 (2009 survey) and is thus currently higher rated than Germany, Canada, the U.K. or the U.S. The major persisting criticism regarding press freedom in Japan focuses on the press-club system and its linkages to government and bureaucracy. Likewise, critics point to a high concentration of media ownership around five highly influential media groups each controlling at least one national daily, one TV station plus several magazines.

Another complaint of foreigners in the past has been the uniformity of reporting of Japan's mass media, often described to be among the "the most boring in the world". Major newspapers, NHK and most of the commercial TV stations tend to avoid opinionated reporting. They rather focus on a mere description of facts resulting in a middle-of-the-road reporting, which makes these newspapers look and read similar. In addition, there is ample space given to the coverage of the public sector. As a result many foreign observers concluded in the past that Japan's media functions rather as a servant of state than being an independent critic and pro-active agenda setter.

Media power, servant of state or watchdog of society – to really grasp the media's role in Japan we will look in detail at its basic structure and functioning before turning to recent changes, issues and the role of the media today.

The press-club system

The system of press-clubs (*kisha kurabu*) is unique to Japan² and probably the most decisive single factor of how media works in this country. There are about 800 clubs countrywide attached to all major institutional news sources in Japan including the Diet, ministries, national and local government departments, public agencies, political parties but also industrial associations, the Tokyo Stock Exchange, and even the imperial household agency. The system dates back to 1890 when the first press-club was formed by journalists to gain access to the new Diet and quickly took off with 27 press-clubs established already in 1925 just in Tokyo; by 1939 that number had risen already to 84 in the capital and many more country-wide (Yamamoto 1989, Freeman 2000).

Like all clubs Japanese press-clubs are membership-based dividing the Japanese media traditionally into two distinctive groups: members and non-members, inside and outside media (see table 2). Members usually consist of Japan's two news agencies, its four national and four regional newspapers, the business daily *Nikkei*, NHK and the five national commercial TV stations. The other group, the outside media, includes (low-quality) sports and evening newspapers and scandal-type weekly magazines as well as high-quality specialty newspapers and specialty magazines, foreign press, freelancers and journalists from all other media organizations.

² South Korea is the only country having a system resembling Japanese press clubs. Other institutions such as the White House Press Corps in the U.S. or the "Westminster Lobby" in London work differently and only deal with specific political issues while press clubs in Japan cover all types of news.

Table 2: Members and non-members of press-clubs

Members (Inside media)		Non-members (Outside media)
General national newspapers	Yomiuri Shimbun	Weekly magazines
	Asahi Shimbun	Monthly magazines
	Mainichi Shimbun	Specialty/trade papers
	Sankei Shimbun	Free papers
		Local/community papers
Bus.newspaper	Nihon Keizai Shimbun	Commercial radio
General regional newspapers	Hokkaido Shimbun	Commercial television (other than Big 5 left)
	Tokyo Shimbun	Foreign news agencies
	Chunichi Shimbun	Foreign newspapers
	Nishi-Nippon Shimbun	Foreign magazines
News agencies	Kyodo News	Foreign TV
	Jiji Press	Foreign radio
Television	NHK (incl. radio)	Internet media
	Nippon Television Network	Freelance journalists
	TV Asahi	
	Tokyo Broadcasting System	
	Fuji Television Network	
	TV Tokyo	

Note: The division into members and non-members is a simplified and idealized one for national-level press-clubs. Numbers of members increase for regional/local press-clubs or industrial associations. Larger foreign media such as Bloomberg or Reuters have joined some press-clubs recently.

Source: Compiled by author

Each press-club is located within its hosting organization, e.g. the Diet, the Ministry of Finance or the Prosecutor's Office. The hosts usually provide conference and working rooms for the journalists but also desks, telephone, fax, computer access, kitchen facilities and sometimes even beds for overnight stays. In contrast to German and other Western news organizations that assign their reporters to special fields or so-called beats,

the Japanese inside press assigns a large part of their staff to these press-clubs around the country where they have highly privileged access to news and to news sources. The bigger ones such as *Yomiuri Shimbun* or *Nikkei* sometimes send up to 10 reporters each to a single important press-club such as the ones at the Diet, the Prime Minister's Residence, or the Tokyo Stock Exchange.

Proponents of the press-club system claim that the press-clubs efficiently facilitate the gathering of news and allow for a speedy and exact reporting of information to the public. They also point to the joint force of journalists helping to press state authorities, companies and others to disclose information they would otherwise keep to themselves.

Foreign media has been the most outspoken critic of the press-club system complaining about being shut out from essential news in Japan for a long time. In 2002 the European Union even issued a formal request to the Japanese government demanding access to all press conferences for accredited journalists, which was basically met two years later by all press-clubs but that at the imperial household agency. However, the press-club system continues to exist and only very few large foreign media organizations such as *Reuters* or *Bloomberg* can afford to assign reporters to these clubs. And even they remain mainly outsiders to the informal info flows at the press-clubs as they rarely work from there full-time. Even more important, the Japanese outside press including all magazine journalists remain barred from access. All attempts to fundamentally abolish the system itself have failed so far although the Hatoyama government has brought some changes (also see pp. 19 ff.).

The inside media: Significance of national dailies and NHK

With over 50 million copies distributed daily, Japanese newspapers are omnipresent. Only 10% (sports and evening newspapers) do not belong to the inside press. All others depend either directly (national/block dailies) or indirectly via *Kyodo* (regional/local dailies) on the press-clubs as their main information source. Likewise major TV stations rely on this system, especially NHK, traditionally the most important TV channel for news.

These high reach-out figures are of special importance because newspapers and NHK are also by far the most trusted social institutions in Japan. In Japan, more than 70% of the people believe in the overall reporting of newspapers and NHK while only 40% trust commercial broadcasters and even less other media such as weekly magazines. Trust in dailies and NHK also clearly exceeds that in all other social institutions such as the government (28%), the Diet (30%) and even the courts (61%).

International comparison demonstrates how remarkable these figures are. A 2007 survey showed high trust in newspaper articles and TV news coverage in Japan (62% and 55% respectively) but much lower figures for Europe (46% and 45%) and the U.S. (46% and 43%) (WorldOne Research 2007).³

This combination of high reach-out with great trust make Japan's dailies and NHK (the core of the inside media) highly influential throughout all layers of the Japanese society. Hence

³ Magazines – a major part of the Japanese outside press – were given a low trust score of 35%, a very interesting result especially when comparing with the much higher trust scores for magazines in Europe (51%) and the U.S. (55%).

it is important to understand how this Japanese inside media gather, process and report news to the Japanese public.

Relationship between inside media and news sources

Journalists at press-clubs receive a continuous official information flow from their hosting institution. This comes in form of press releases and other written documents, interviews and press conferences held by officials as well as formal and informal briefings on specific topics. Post boxes of inside media at most press-clubs are flooded daily with press material not only from their hosts but also from outside.

In addition to official press-club conferences there are informal meetings, either in conjunction with press conferences called *kondan* (literally 'chats') or as stand-alone background study meetings (*benkyokai, kenkyukai*).⁴

These arrangements are convenient for the journalists as they receive a large amount of information in a coordinated fashion and without the need for individual investigation. This system also partially relieves press-club journalists from competing with other media for news and the fear of being scooped.⁵ Official sources benefit as they can effectively disseminate information to all key media and thus the public in a controlled

⁴ These are background briefings held by officials – *kondan* sometimes even by ministers themselves – and provide information beyond an official line. They are either off-record or on-record. Information given in off-record meetings is purely for the journalists and must not be reported. On-record information may be reported but only withholding the source.

⁵ A famous saying in press clubs states that “no scoop is everybody’s happiness”. However, this does not mean a complete absence of competition as even press club reporters need and personally wish to stand out occasionally, though much less than in the West. Overall the rivalry between the two leading dailies, the leftist *Asahi* and the conservative *Yomiuri*, can be clearly felt also at press clubs. Likewise business and financial reporters do compete with each other relying only partially on press clubs.

but yet partially anonymous way.⁶ Of the news that is actually reported by the inside press, it is estimated that as much as up to 90% stem from official sources (Hara 1979, Freeman 2000), a strong indicator for how effective the news distribution process works from the view of the press-club hosts.

The mechanism of restricting news coverage by sharing part of it with a closed circle of insiders is crucial to understand how media in Japan works until today.⁷ Journalists of the inside press usually have a deep knowledge of facts and relations but the source-media rules of their press-club memberships prevent them from using it fully. This knowledge also results from their close personal relations with their sources.⁸ It sums up to a Japan-specific form of embedded journalism with reporters so close to their sources that they cannot report about many things they know.

Group self-censorship within the inside media

The second pillar of how the press-club system regulates reporting in Japan comes with complementary rules on behavior and relations between the press-club media themselves.

⁶ Even more so they can prevent certain issues to appear in the media by intentionally mentioning them in an off-record briefing as this effectively bans all press club members from reporting these facts until they are presented (or not) in an official announcement at a later stage.

⁷ Already back in the Tokugawa period (1603-1868) elitist samurai-bureaucrats successfully implemented information control by the famous “closed door” (*sakoku*) policy. Access to information – whether about affairs of state or the state of the world – was then understood as a privilege, not as a right, granted to only a few (Freeman 2000, p. 24). This is exactly how the press club system does it still today for its members, the inside media.

⁸ Many reporters make morning and evening visits (*asagake, youchi*) to the private homes of government officials or business leaders to obtain additional information, a practice often done by journalists from the same press club.

Formal and tacit press-club rules assure that all members gain equal access to information in exchange for restrictions on individual news gathering and reporting. One such formal mechanism are the so-called blackboard agreements (*kokuban kyotei*). After listing the schedule of upcoming press briefings and conferences in the press-club, journalists are no longer allowed to conduct independent news gathering or reporting.

Members of the same press-club tend to cooperate very closely and often exchange memos with one another. Major national newspapers even push this adjustment principle a step further by mutually exchanging their first editions on a daily basis. The last edition (usually for Tokyo) is printed some hours later than the first one, which offers time to check competitors' versions and to fill any eventual holes, and is another reason why Japanese newspapers tend to look so similar.⁹

Overall a friendly, cooperative working atmosphere is prevailing in all press-clubs. In addition to the emotional intimacy felt to their sources as described above, these reporters also feel very close to their competitors within the same press-club, usually even closer than to their real colleagues working for the same newspaper or TV station but for a different bureau. Sharing the same facilities and often working back to back for two years, there is little room for individual and independent news gathering and reporting but much for collusive agreements with each other.

Specialization and sectionalism within the inside media

To fully understand the functioning and consequences of the press-club system we also need to look at the substantial extent of sectionalism existing within Japanese media. Put

⁹ Of course, newspapers can opt out from this system for a day when they feel to have a scoop. However, this happens only rarely.

simply, competition between different newspapers is partially substituted by an intense rivalry between the various bureaus within a single newspaper, especially between the three bureaus for political, economic and social affairs.

Political and economic journalists of the inside press usually focus their attention on only a narrow range of topics. The former ones mainly concentrate on the inner workings of the political parties while the latter ones traditionally focus on business strategies, new products and services or personnel shifts within corporations. The investigation and coverage of political or economic/business scandals by contrast is the domain of their colleagues from the social affairs bureau (*shakaibu*). Political journalists at the Diet press-club obviously have the best background knowledge to investigate or cover political scandals. But ironically it is exactly this closeness to their sources and objects, which forces them to leave any such reporting to their shakaibu colleagues.

The results are striking: none of the political scandals of the last three decades was uncovered by press-club political journalists. Many scandals never come to light because the journalists who know most about the matter do not pick them up. Those scandals that break usually do so because of investigations and revelations by the outside press, mainly the magazines as we will see in more detail later.

If a scandal has broken, *shakaibu* journalists of newspapers and TV immediately take over and monitor it with painstaking attention to detail, while their political and economic colleagues stay on the sidelines. This often leads to a situation where the acting media misses the big picture as it suffers from a lack of political, economical or industry-specific know-how. In addition, such shakaibu driven coverage usually focuses on punishing the wrongdoers. This has created a seemingly endless series of public bows and apologies of politicians and business officials.

Yet, this rarely leads to serious media-led discussions with a thorough analysis of underlying problems and suggestions to their eventual solution.¹⁰

Business factors stabilizing the inside media system

In addition to the rivalry between different bureaus of a single media there is also fierce commercial competition between the various national newspapers. Nevertheless, this competition is not threatening the press club system itself. The main reason to this is that this competition is not played out so much over contents but rather focuses on the mechanism of newspaper sales. 94% of the newspapers are sold to subscribers and delivered to them by hand in a well-honed door-to-door delivery system with more than 20,000 agents nationwide each morning and evening.¹¹ It is here where the national newspapers compete against each other but also with the many regional/local newspapers in a two-tier structure (Nambu 2000, NSK 2006).

Sales income makes up for more than half of total newspaper revenues while advertising accounts only for roughly a third (others from publishing, printing commissions etc.). In order to keep high subscription figures it makes perfect business sense for the large newspapers to appeal to a wide group of readers and advertisers by a balanced and descriptive reporting and not to focus on investigative journalism and opinioned reporting style. Rather, they stay within the club system and

¹⁰ Recent examples of widely covered business scandals without in-depth analysis of underlying problems include the firms Snow Brand, Mitsubishi Motors/Fuso, Schindler, Livedoor, Kanebo, Citibank, Fujiya and Nikko Cordial.

¹¹ Competition between the sales agents is fierce. Among others new subscribers are offered free household goods such as huge amounts of washing detergents or even free tickets for movies or popular baseball games.

keep their huge joint information advantage over the outside press in the long run.

The outside media: Complementarities and role as watchdog

The Japanese outside media make up a highly diverse and heterogeneous group. It contains low-quality tabloid-type sports and evening newspapers but also a large number of industrial dailies, which often cover just one industry such as steel, automotive, retail or finance.¹² In addition, there are over 100 weekly and about 3,500 monthly magazines with annual sales of more than three billion copies. They range from general interest titles to highly specialized magazines, from low-quality scandal-sheets to high-quality journals for Japanese opinion leaders (Hayakawa 2004). Other “members” of the outside media include the foreign press, freelancers and journalists from other media organizations such as free papers, community papers, independent TV and radio stations and the internet-based and new social media.

All of the media mentioned here lack the proprietary access to information and sources via the press-clubs. At the same time they are free of the strict rules attached. This has resulted in a very different and often complementary approach to reporting, especially by the Japanese weekly news magazines which are probably the most important and influential part of the outside media. At its best the outside press produces well-executed investigative reporting; at its worst it is mere sensationalistic irresponsible rumor mongering.

¹² In some cases, these industrial publications function as a kind of hybrid in that they also have membership at press clubs which are relevant to their sector. As such, they constitute a valuable outlet for industry players. Publications such as The Chemical Daily, Japan Education Newspaper or The Cement Newspaper show how specific some of these papers are.

Several examples illustrate the complementary mechanism at work between the inside and outside press. When former Prime Minister Sosuke Uno's geisha mistress offered her story to the *Mainichi* newspaper in 1989, she was refused but directed to the affiliated weekly *Sunday Mainichi*. This weekly – not bound by press-club closeness to the prime minister – ran a lengthy article to be picked up by another outside press member, the *Washington Post*. Then all major dailies incl. *Mainichi Shimbun* also jumped on the story eventually forcing Uno out of office.

A recent case comes from within the media itself. On January 16, 2007, the weekly *Shukan Asahi* revealed that the TV program "Encyclopedia of Living" produced by *Kansai Telecasting Corp (KTV)* included major fabrications. However, it was not until January 21 that *Asahi Shimbun* as well as *Yomiuri* and *Mainichi* picked up this topic, which they did in unison as the top story on each paper's cover page. With KTV being an affiliate of *Fuji TV* and thus a member of the inside media, all other inside media had tacitly agreed to refrain from any reports until a formal apology by KTV on the afternoon of January 20 made it impossible to keep the story only in the realms of the outside press.

On the other hand, it must be observed that many of the weekly and monthly magazines are not above using gossip, hearsay and sensationalism. As elsewhere commercialism exerts its influence on the media, all the more so in the case of magazines. Unlike newspapers that rely on subscription-based sales, over 90% of magazines in Japan are bought at the newsstand and thus must appeal to their readers on the basis of their headlines. As a result even fabricated stories are run as long as they sell. In some cases this has even led to truly libelous and slanderous reporting.

Blunt sensationalism and extremely-well investigated articles can be found side by side in one magazine. Both approaches

complement the descriptive, fact-oriented, 'official' reporting of the national newspapers or NHK. It is thus the outside press that fulfills the role of media watchdog in Japan. Many read the weekly news magazines knowing they cannot trust every article. But a wide group of readers including politicians, bureaucrats, businessmen, academics and intellectuals rely on them to provide complementary info and opinions not to be found in the inside press. The public prosecutor's office often relies on them as tip sheets prior to the start of an investigation.

Interestingly the outside media's watchdog role does not really conflict with the inside media but rather functions with their tacit approval and sometimes even outright support. Intentional leakages from press-club journalists to outside press colleagues are frequent. Some inside journalists even write articles for magazines under a pseudonym.

The inside-outside media system eventually benefits all players within the system. The information cartels among the inside media stabilize their information advantage over competitors outside of the press-clubs. At the same time the outside press does not want to become member of the described information cartels. One reason is because they believe that operating the way they currently do so is a more 'pure' form of journalism, and free of the influence that comes with press-club membership. In fact, the Japanese Magazine Publishers' Association (JMPA) continues to be uninterested in obtaining press-club membership.

While the inside-outside system benefits its members, it comes at a high price to the public, which is denied a lot of available information. Individuals and minority groups in particular tend to suffer as the influential inside media does not give room for extreme opinions. On the other hand, the system does limit the influence of low-quality newspapers and TV on public opinion, a

problem many Western countries increasingly suffer from. The media also has succeeded in several cases of agenda-setting for important social topics such as policies toward the environment, the aging society or constitutional revision (Campbell 1996, Saito 2005).

Recent trends and issues

Political influence and freedom of press

Like in other countries, the Japanese government has the chance to indirectly control its media, especially in the area of broadcasting where private networks have their license renewed every five years by the Ministry of Internal Affairs and Communications. Governmental influence on the public broadcaster NHK is even larger. NHK's Board of Governors are appointed by the prime minister and its budget must be approved by the Diet. This has resulted in several cases of self-censorship by NHK (Krauss 2000).

Much more of a concern, however, are direct attempts by the government to influence NHK reporting. In 2006, Internal Affairs and Communications Minister Yoshihide Suga ordered NHK to focus on abductions of Japanese by North Korea in its programs. While Suga's predecessors had issued orders for NHK to focus on important national policies in abstract language, this was the first time in history for such a concrete attempt to interfere with NHK's programs, a move that is concerning all media in Japan.

But the government's efforts to control what the media reports are not limited to its rather close relationship to NHK – which is quite natural as NHK is a public entity. Indeed, in the legislative arena, the government has gone even further to

control and stifles reporting, it would rather not see, to an extent that some observers claim to be outright censorship.

In 2003, then Prime Minister Junichiro Koizumi was at the forefront of a new law ostensibly aimed at protecting citizens' privacy. However, the vague wording of the law could also effectively prevent the media from researching and reporting on any private individual. The first version of the bill was opposed by inside media such as the Yomiuri Shimbun and the Japan Newspapers Publishing Association, but when a revised definition of what constituted a 'media organization' was presented the inside media assented and the bill passed.

The revisions to the law again allowed for great leeway of interpretation, with the key phrase being 'objective reporters.' Most publishers of weekly magazines saw this as a threat to their ability to research and publish news. As these magazines have broken scandals involving politicians in the past, it is no wonder that they found themselves locked out. Now, misusing private information – such as writing a story that exposes a political scandal – can carry the possibility of fines or even imprisonment for up to six months. The impact of the new privacy law was seen with some ambivalence by the outside media, who reasoned that they would find other methods to get their scoops. Nevertheless, it shows the degree to which the inside players are supported by the system, while those on the outside face resistance, legal or otherwise.

In addition to this, the courts have been steadily increasing the amount of damage payments awarded in libel cases. In the past, libel damage payments were a maximum of 100,000 yen, but by 2007 this rose considerably to between 500,000 and 1,000,000 yen. Although these are not huge sums, they can be enough to dissuade many outside publishers – which tend to be small firms – from running controversial stories. (McNicol 2008)

The discrepancy between insiders and outsiders is also underlined by the way the press-club system functions with respect to the various political beats. Reporters assigned to a political beat are not only assigned to a specific ministry, but often they cover a single politician. As the politician changes ministries, so too does the reporter, a process that facilitates relationship building and mutual identification. As the fortunes of a given politician rise, the reporter's career likewise improves. Reporters then become increasingly inclined to ignore information that might be compromising to their political counterparts (Uesugi 2008).

Impact of the new DPJ government

The election of the Democratic Party of Japan DPJ – under the leadership of Yukio Hatoyama – has meant more than a few changes are likely to occur in Japan. After more than five decades of nearly continuous reign by the outgoing LDP, the DPJ came to power with a mandate to revitalize virtually all aspects of Japanese political, economic and to some extent, social life. And early in its tenure, it is clear that this means there will be some effect on media practices in Japan.

Already back in 2002, the DPJ had started to open their press conferences beyond the press-club corps to all media. And consequently, at Hatoyama's first press conference as prime minister, he made the unusual step of inviting outside media, such as magazine and internet-based reporters. Since then press conferences at the Prime Minister's Office have been open to some selected magazines but not yet completely to all media.¹³

¹³ Hatoyama also attempted to ban outright the practice of bureaucrats speaking directly to the media, a step he later partially retracted again. Also, in media conferences held by himself and in other ministries, DPJ cabinet members have been speaking without referring to notes prepared

The Ministry of Foreign Affairs MOFA under the lead of foreign minister Katsuya Okada by contrast has completely abolished restrictions on media participation for its press conferences. It is thus leading the drive for breaking the power of the old press-club system.

The Financial Services Agency FSA attempted the same but partially retracted after opposition by its press-club. As an interim result Minister for Financial Services, Shizuka Kamei decided to cut short the time for press-club conferences by half and to offer a second press conference for non-members. In reality however, this second press conference is sometimes cancelled.

Other ministries are still debating on which way to go. Even at the onset of 2010, the power struggle between the new government and the press-club media insisting on their long-established information privilege still continues and is not likely to change in the near future.

Yet, it seems obvious that more change is on the way rather than less. It is doubtful that something as radical as the abolition of press-clubs would take place, and certainly not in the next four years. But the gradual inclusion of more and more non-traditional journalists in government media events could one day mean the distinction between inside and outside media will become redundant in this area – and probably overall in Japan's media.

Media ownership and news diversity

To avoid concentration of media ownership Japan law has traditionally prohibited newspaper publishers or business corporations from controlling more than one broadcasting

by the ministry, again a sign that they are taking power away from the bureaucracy and putting it it back in the hands of the elected government.

station. This regulation has helped the development of Japan's five leading media groups.

Each of these media groups is built around one of the five national newspapers Yomiuri, Asahi, Mainichi, Sankei and Nikkei and additionally controls one major and many more small TV stations as well as other newspapers and numerous magazines, as can be seen in table 3 on the next page.

Table 3: Japan's five media groups

Yomiuri		Asahi
Yomiuri Shimbun The Daily Yomiuri Hochi Shimbun (sports)	Newspapers	Asahi Shimbun IHT/Asahi (English) Nikkan Sports
Shukan Yomiuri	Weekly	Shukan Asahi
Yomiuri PC	Monthly	Asahi Camera
Nippon Television Network (30 UHF/VHF stations)	TV Station	TV Asahi (25 UHF/VHF stations)
Mainichi		Nihon Keizai
Mainichi Shimbun Sports Nippon	Newspapers	Nihon Keizai Shimbun Nikkei Sangyo Shimbun (industrial) Nikkei Kinyu Shimbun (financial)
Sunday Mainichi Weekly Economist	Weekly	The Nikkei Weekly Nikkei Business
Mainichi Life	Monthly	Nikkei Personal Computing
Tokyo Broadcasting System (28 UHF/VHF stations)	TV Station	TV Tokyo (6 UHF/VHF stations)
Sankei		
Sankei Shimbun Yukan Fuji, Sankei Sports Fuji Sankei Business "i" (industrial)	Newspapers	
Spa!	Weekly	
Atarashii Sumai no Sekkei	Monthly	
Fuji Television Network (28 UHF/VHF stations)	TV Station	

Note: Only major media included

Source: Compiled by author

Many observers applaud the creation of five similarly strong media groups as an effective means to ensure a variety of views. Clearly, Japan has so far avoided the major ownership problems and overt business influence on media as experienced in the U.S. and Europe.¹⁴ Takeovers of major media organizations in Japan have been difficult to accomplish as shares of these companies usually are not widely traded. The trend however goes toward a relaxation of media ownership rules.

Newspaper takeovers are even more difficult as a special provision of the Commercial Code restricts the sale and transfer of newspaper shares and thus safeguards them from business and other outward pressures. Not a single Japanese newspaper is listed on the stock exchange making hostile takeover attempts not only unheard of but also unthinkable.

Clearly, the Japan-specific concentration around five similarly structured media groups combined with a press-club system for a long time contributed strongly to substantial similarity in the reporting of Japanese newspapers in particular and the inside media in general. As described before it made perfect business sense for all involved and there were few external forces pushing for change.

None the less, a distinctive trend towards more diversity has been emerging over the last years. For example the most conservative papers Sankei and Yomiuri support the revision of Japan's constitution to allow military actions outside of Japan,

¹⁴ But others point to the low level of independence enjoyed by Japan's major broadcast stations which rely on newspapers not only for capital and personnel. While NHK creates its own content, commercial broadcasters depend on their affiliated newspapers for their news. Hence, the lack of diversity in newspaper reporting, which is supported by the press club system, also spread to broadcasting (Yamada 2004, Westney 1996).

while the furthest left Asahi shows stronger opposition (Ishizuka 2004).

Signs of a more direct competition between the various media groups have also recently emerged on a different front. While there was a tacit understanding in the past not to overly report about problems and scandals at other newspapers or TV stations, reports that directly accuse competitors of wrongdoing have rapidly increased over the last years.

The scandal mentioned above regarding KTV's program fabrications is the most recent example. For the first time since its establishment in 1951, the National Association of Commercial Broadcasters decided to expel one of its major stations in March 2007, a decision within a part of the inside media that would have been unthinkable just a few years ago.

The internationalization of media

Significant foreign ownership of Japanese mass media is yet unheard of. The most prominent attempt to exert control was done by Rupert Murdoch, who tried to acquire a substantial part of TV Asahi but who was successfully blocked by Asahi Shimbun at that time (Yamada 2004). Likewise foreign topics still fare low in the coverage by Japanese media, which continue to take a very domestic perspective in their reporting. Less than 20% of TV news is attributed on average to non-Japanese issues.

By contrast, the impact of foreign media on Japan and its media landscape has already increased sharply over the last years, especially in the area of business and economic news. The two global news agencies *Reuters* and *Bloomberg* (and to a lesser degree *Dow Jones* and *Associated Press*) have large numbers of reporters stationed in Japan and serve their clients both in English and Japanese. Within a fast globalizing

economy the impact on their Japanese peers and Nikkei is substantial, probably much higher than that of *Financial Times* or *Wall Street Journal*. However so far this has led only to a partial erosion of the press-club system, which has been gradually opened up to foreign media. Ironically large news agencies such as Bloomberg are the only ones of the classical outside media that can afford to send some reporters to the press-clubs, thus reinforce the old system while working against it at the same time.

The rise of internet and new media

At the end of the 1990s, Japan still appeared to be lagging far behind other nations in terms of internet use and development. The spread of the new media was retarded by high user fees, restricting the audience to diehard technophiles. Similar to the case of their U.S. and European counterparts, the traditional Japanese printing media in the beginning hesitated to adopt the internet as a mainstream media and wondered how to define and develop a profitable business model in relation to content creation and readership. In response to this situation, the Japanese government launched its E-Japan Strategy at the end of 2000, with the aim of propelling Japanese business and society as a whole to the forefront of information technology. Along with the regulatory changes, industry outsiders such as Masayoshi Son, president of Softbank, began pushing hard for the deployment of broadband access, with rapid results. In 2002, broadband users numbered only 9 million. By 2009, this has increased to over 30 million, making Japan the third largest broadband market in the world behind the U.S. and China. With this high penetration rate it has become commonplace for Japanese users to access news, video and other multimedia contents on the internet on a daily basis.

As a result, in 2010 almost all of Japan’s publishers are presented in the digital world and all major newspapers maintain their own online portals, most of them even in English language.

Table 4: Internet portals of five Japanese media groups

General Newspapers	Online Portal	English Portal	Special Contents
Yomiuri	YOMIURI	DAILY	RSS Feed, Video
Shimbun	ONLINE	YOMIURI ONLINE	Contents, News Podcast
Asahi Shimbun	Asahi.com	The Asahi Shinbun	RSS Feed, Video Contents, News Podcast
Mainichi Shimbun	Mainichijp	The Mainichi Daily News	RSS Feed, Twitter Online Tools, Video Contents
Sankei Shimbun	MSN- Sankei News		Partnership with Microsoft’s MSN
Nihon Keizai Shimbun	NIKKEI NET	NIKKEI com	RSS Feed, Video Contents, Several Business- Related Podcasts

Source: Compiled by author

In addition to articles out of their papers, the online portals offer various services as for example video contents, podcasts, e-mail magazines, contents for mobile phones, RSS feeds or even online shops. There also are special-interest online magazines inside the portals, as for example on food or lifestyle. Nikkei for example offers some of its numerous magazines completely online, as IT Pro or NE Asia Online.

With this massive online presence the Japanese papers follow a business model similar to the American (Wall Street Journal) or

European (Financial Times) players, meaning luring customers by providing them free abstracts of their articles and charging subscription fees for the access to archives and in-depth content.¹⁵

Further, by providing most of the information also in English language, the inside media tries to appease the critics of the foreign user, who is now able to get real-time access to the essential news from the press-clubs. The papers are not merely translating their articles but providing a lot of extra contents and information especially for the non-Japanese reader. At the same time the Japanese inside media is trying to fight back the foreign media, which on their part have established Japanese portals and go for users by providing them also good coverage on international issues (Wall Street Journal, Reuters).

Another area where Japan has also dramatically caught up is in the area of social media, especially personal blogs. Japanese social networking sites such as *Mixi* are enjoying tremendous popularity (with Mixi having as many as 17 million users as of January 2009). Most of the American portals like Facebook or Second Life lack similar success in Japan. Facebook, for example has grown to 200 million users internationally but as of August 2008, there were only 538,000 users in Japan. Sites like the infamous Channel 2¹⁶ are also into the tens of millions of users.

¹⁵ To further develop and work the market, in 2007 three major papers (Nikkei, Asahi and Yomiuri) started the website "*Aratanis*", on which the user can read and compare extracts from their portals' articles. However, in order to get the full articles and additional insight he has to move to the respective main portal. This service is especially used by business and opinion leaders, who want to get a fast overview of different coverage.

¹⁶ The online bulletin channel with its sensational style is known to frequently uncover corporate and political scandals, and therefore being one major source for journalists seeking for complementary information and stories.

Other important indicators of Japan's high level of web integration and the rising importance of the internet media are the changing marketing expenditures and the increasing amount of Japanese blogs. The investment in online advertising grew from 3% to 8.6% of all advertising investments between 2004 and 2007. In comparison, newspaper advertising accounts for around 14%.

In the last three months of 2006, 37% of all blogs posted in the world were written in Japanese, versus 36% in English as shown by a report issued by Technorati, a U.S. based internet research firm. It is a surprising figure considering the size of Japan's population compared to the number of English speakers in the world. Furthermore, growth in the number of people blogging in Japan has been extremely in fast: in September 2005 there were an estimated 4.3 million people writing blogs. By 2008, this figure had reached 16.9 million.

Despite these staggering figures, however, blogs in Japan have yet to see the kind of social impact as they have done elsewhere. For the last years most of these sites were devoted only to leisure topics, and there have been no major instances of significant stories being broken via blogging. The overwhelmingly dominant usage trend in Japanese blogging is for the purposes of recording daily life. The focus on Japanese language is another factor that still restricts the impact of these blogs mainly on domestic issues, participation in international discussions still remains rare in Japan.

Only recently Japanese go beyond the territory of mere daily life blogging. Those so-called 'citizen journalism' portals provide information on various topics and cover a broader field (factually and geographically) than the inside media. Two famous examples are *JanJan News* and *Livedoor PJ*. Following

the motto: “news for the people, by the people and of the people” those portals steadily grow in terms of access rate and popularity even if it is questionable whether they will ever receive the same level of credibility as the traditional media.¹⁷

Nevertheless, the prevalence of mobile technology in Japanese daily life represents one potential new outlet for those members of the outside media. This was demonstrated in the Akihabara stabbing incident of June 2008. The attack by a disturbed individual in a district known for its high concentration of technologically inclined shoppers was almost instantaneously broadcast via handheld devices of all types. In effect, the event was covered ‘live’ by a large number of amateur reporters, people who had no express desire to report news per se, but who nonetheless felt compelled to record and relay the event to others.

New ways of communications through the web strengthen the role outside media in general. Tools as *Twitter* or the Japanese pendant *Timelog* give politicians and other key institutions the possibility to keep in touch with people through the exchange of quick, frequent messages without interposing the press-clubs or other media.

When the government’s newly-created budget screening process in 2009 was heavily criticized by the general newspapers, members of the working groups started to “twitter” and to communicate directly to the public in order to give a different view on the process. Prime Minister Hatoyama utilizes Twitter and Youtube actively to communicate his issues.

¹⁷ An exception is “The Journal”, a portal run by some of the most respected Japanese journalists, who try to serve the reader with “news been hidden” in the main stream media.

Japan does not yet have the kind of situation that existing in the United States.¹⁸ It is though obvious that Japan's decision makers are experimenting with this new way of two-way political communication while the traditional media are trying to demonstrate their ability to adapt to new formats and thereby remain well received by their audiences.

The future of media in Japan

Servant of state or watchdog of society? Japan's media will continue to be both at the same time. Singular attempts to meddle with NHK are cause for concern but do not pose a substantial threat to press freedom itself in Japan. Rather the noted rise in more diverse reporting including that on the internet will bring along more power to the Japanese media as an important force in society. Compared to Western countries, especially the U.S. with an additional strong business influence on media, the situation in Japan does actually not look bad in comparison. Clearly media has also entered center stage in Japanese politics with all main parties meanwhile employing public relations agencies to strengthen and sharpen their public image.

Despite this rather Western approach Japanese media continue to tick and function differently from its counterparts in the U.S. and Europe. Its main characteristic, the differentiation and complementarities within the inside-outside media system, has been in place for several decades and will continue to distinguish Japanese media in the foreseeable future. TV and foreign media will probably be the most important drivers for changes to come, complemented by the rising importance of

¹⁸ Some Japanese politicians wanted to use twitter as a tool for their campaign in the 2009 election but the constitution prohibits any such political campaign.

the internet and new social media. However, the various levels of information cartels will most likely safeguard the Japan-specific system itself as all of its members so far continue to benefit from its existence.

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CNC is an international communications consulting firm headquartered in Germany and with 13 offices worldwide including Tokyo, Beijing, Seoul and New Delhi in Asia. It provides advisory and support services in communications to senior management. Founded on the principle of delivering results based on proven strategies and insider perspective, CNC advises some of the world's leading companies on corporate and financial communications, M&As and IPOs, public affairs, corporate branding, crisis management and litigation support.

CNC Japan was established in 2004 as a wholly-owned subsidiary of CNC AG. It is the first and only European consultancy in Japan that offers corporate communications services to all industries and sectors.

The organization of Japanese media is unlike any other system in the world. It requires a special approach by any practitioner acting in Japan. This guide describes in complete detail the structural and functional aspects of this system, and the significance of its division into two groups: inside and outside media. Beginning with a thorough examination of the press club system, the guide provides real examples of media practices at work and postulates the future direction of reporting in Japan, both as a result of the recent political changes, as well as due to the influence of new technologies and reporting methods.



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