

Japan's Media:

Inside and Outside Powerbrokers

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Japanese media: Superlatives and criticism

Media in figures

Figures show that Japan is one of the most media-saturated societies in the world (FPCJ 2004, World Association of Newspapers 2005, NSK 2006):

In 2005 the number of daily newspapers printed exceeded 70 million, the equivalent of 644 newspapers per 1000 adults. This diffusion rate easily dwarfs any other G-7 country, including Germany (313), the United Kingdom (352) and the U.S. (233).

45 out 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 (3.9 mil.), *The Sun* in the U.K. (2.4 mil.) or *USA Today* in the U.S. (2.3 mil.) and even more than the largest Chinese daily, *Cankao Xiaoxi* (2.6 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 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, 2005

Rank	Title	Country	Circulation
1.	Yomiuri Shimbun	Japan	14,067,000*
2.	Asahi Shimbun	Japan	12,121,000*
3.	Mainichi Shimbun	Japan	5,587,000*
4.	Nihon Keizai Shimbun	Japan	4,635,000*
5.	Chunichi Shimbun	Japan	4,512,000*
6.	BILD	Germany	3,867,000
7.	Sankei Shimbun	Japan	2,757,000
8.	Cankao Xiaoxi	China	2,627,000
9.	People's Daily	China	2,509,000
10.	Tokyo Sports	Japan	2,425,000

* Includes morning and evening editions

Source: World Association of Newspapers 2005

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

Article 21 of the Constitution guarantees freedom of expression. It also assures an absolute ban on state censorship on media even in times of emergency and hence goes further than most other countries.

Against this background it comes as no surprise that Japanese elites rate their mass media as the most influential group in society, higher than any other institution including business,

the bureaucracy, the Liberal Democratic Party, intellectuals and civic groups (Freeman 2000, NSK 2006).

Criticism

Many observers however draw a different and rather negative picture of the Japanese media. The Paris-based organization Reporters Without Borders has continuously ranked Japan low in terms of press freedom worldwide, in 2006 only at No. 51 versus Germany (No. 23), the U.K (No. 27), France (No. 35) and the U.S. (No. 53). A major criticism is the continued existence of the press club system and their 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 foreign observers 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 (Jameson 1997). Major newspapers, *NHK* and most of the commercial TV stations tend to avoid opinioned reporting and rather focus on a mere description of facts resulting in a middle-of-the-road reporting, which makes all 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 as a watchdog of state and society.

Media power, servant of state or watchdog of society – to really grasp the media's role in Japan we need to 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 more than 800 clubs countrywide attached to all major institutional news sources in Japan including the Diet, all 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 magazines as well as high-quality specialty newspapers and 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	Speciality/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: Above division into members and non-members is a simplified and idealized one for national-level press clubs. Membership at regional/local press clubs or industrial associations often include additional members. 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, the LDP, 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. Other positive effects noted are the easy implementation of press embargoes via gentleman's agreements with the police in cases such as kidnappings or state emergency situations.³

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* or the *Japan Times* can afford to assign reporters to these clubs.

³ One of the most famous cases of such orchestrated press embargoes took place between February 1992 and January 1993 during crown prince Naruhito's search for a wife. For eleven months the Japanese media agreed to refrain from covering this topic to not endanger the search. Ironically, it was a member of the outside press, the *Washington Post*, which made the scoop in first reporting on the upcoming engagement with Masako Owada, the later crown princess.

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 access. Any attempts to abolish the system itself have failed so far.⁴

The inside media: Significance of national dailies and NHK

With 70 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*, the traditionally 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 2001, 76% of Japanese believed in the overall reporting of newspapers and 72% in that of *NHK* while only 40% trusted commercial broadcasters and even less other media such as weekly magazines. Trust in dailies and *NHK* also clearly exceeded that in all other social institutions such as the government (28%), the Diet (30%) and even the courts (61%) (Nambu 2004, p. 17). International comparison demonstrates how remarkable these figures are. A 2005 survey showed high

⁴ At the start of the only non-LDP reign in 1993, prime minister Morihiro Hosokawa partially abolished the Diet press club privileges as a sign of reform. However, the move turned out to be as short-lived as his time as prime minister. Likewise the former governor of Nagano prefecture, Yasuo Tanaka, could only make a temporary impression on the system when he abolished the press clubs attached to his office back in 2001. They were reinstalled after his successor Jin Murai took office in October 2006.

trust in newspaper articles and TV news coverage in Japan (68% and 65% respectively) but much lower figures for Europe (34% and 43%) and the U.S. (42% and 32%) (WorldOne Research 2005).⁵

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 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. In addition, press clubs also serve as the focal point for written and oral announcements for all players of the sector governed by the press club host.⁶ As a result, post boxes of journalists at most press clubs are flooded daily with press material not only from their hosts but also from outside.

While press club conferences with officials of the hosting institution can occasionally turn into hot debates, they often tend to be staged events with questions previously agreed upon between the press club and officials to allow for meaningful answers in front of TV cameras. However, there are informal

⁵ 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%).

⁶ For example, a railway company will first and dominantly communicate to the public via the press club at the Transport Ministry after a railroad accident as will an automaker in the case of a recall.

meetings in addition, either in conjunction with press conferences called *kondan* (literally 記者会見) or stand-alone background study meetings (*benkyokai*, *kenkyukai*). Both types are structured background briefings held by high 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. Political leaders employ identical practices in Washington, London, Paris or Berlin. Japan, however, is the only place that extends this system via its 800 press clubs in a highly institutionalized way beyond politics to most facets of life and society.

These arrangements are very convenient for the journalists as they receive a large amount of information in a highly 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.⁷ Official sources benefit as they can effectively disseminate information to all key media and thus the public in a controlled but yet partially anonymous way. 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. Of the news that is actually reported by the inside press, it is estimated that as

⁷ A famous saying in press clubs states that no scoop is everybody's happiness (Farley 1996, p. 137). 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.

much as 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.⁸ 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 results from above-mentioned briefings but also from the practice to build up close personal relations with their sources over time. Many reporters make morning and evening rounds (*asagake, youchi*) to the private homes of government officials or powerful business leaders to obtain additional hints of information, a practice which again is often done in groups of journalists from the same press club. 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 agreements described above between media and their sources go far beyond deals between individual reporters and sources in other countries and constitute the first pillar of how the press club system regulates reporting in Japan. The second one comes with complementary rules on behavior and relations between the press club media themselves resulting in an additional Japan-specific form of press self-censorship (Kawai 1989, Freeman 2000).

⁸ 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.

Put simply, 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 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.⁹ Breaking such an embargo might result in severe punishment including expulsion from the club.

In addition to these forbidding rules members of the same press club tend to cooperate very closely. For example, informal *kondan* briefings are usually followed by a procedure called *memo-awase* (literally adjustment of notes). Here journalists agree among themselves how to interpret the briefing comments, what to regard as off/on-record and finally what to report. A reporter missing such a meeting can usually be sure to be later briefed by another press club member. 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, another reason why Japanese newspapers tend to look so similar.¹⁰

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

⁹ The number of such blackboard agreements differs greatly between various press clubs but often reaches more than ten per month in the case of larger national press clubs.

¹⁰ Of course, newspapers can opt out from this system for a day when they feel to have a scoop. However, this happens only rarely.

newspaper or TV station but for a different bureau. Sharing the same facilities and often working back to back for two to three 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 and territoriality existing within Japanese media. Put 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 LDP or inter- and intrafactional issues 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 LDP or Diet press clubs 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. And only one major scandal was actually broken by the inside press at all – the 1988 Recruit scandal, which was uncovered by social affairs reporters from the Asahi

newspaper's Yokohama bureau.¹¹ Many scandals never come to light because the journalists who know most about the matter do not pick them up due to tacit agreements within the inside media system. 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 of a political or business scandal 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. But it rarely leads to serious media-led discussion with a thorough analysis of underlying problems and suggestions to their eventual solution.¹²

Business factors stabilizing the inside media system

In addition to the rivalry between different bureaus of a single media there is of course fierce commercial competition between the various national newspapers. But this competition is not threatening the press club system itself. Main reason is that

¹¹ These reporters had intentionally kept their distance from their press club colleagues in Tokyo throughout their investigation. They did so not because they were afraid their Tokyo colleagues could steal the story but out of fear they might warn their government sources (Farley 1996, p. 148), a telling example for the inside-outside rules and barriers that even exist within a single organization of the inside press.

¹² Examples for widely covered business scandals without such in-depth analysis of underlying problems over the last years include among others the firms Snow Brand, Mitsubishi Motors / Fuso, Schindler, Livedoor, Kanebo, Citibank, Fujiya and Nikko Cordial.

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 highly innovative, well-honed door-to-door delivery system with more than 20,000 delivery agents nationwide each morning and evening.¹³ It is here where the several 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.). To keep high subscription figures it makes perfect business sense for the large newspapers to appeal to 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 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 in Japan. 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. In addition, there are about 100 weekly and nearly 3,000 monthly magazines with annual

¹³ 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.

sales of more than three billion copies. They range from general interest to highly specialized magazines and include low-quality scandal-type of magazines as well as high-quality journals targeting opinion leaders in Japanese society (Hayakawa 2004). Further members of the outside media include the foreign press, freelancers and journalists from other media organizations such as free papers, community papers or independent TV and radio stations.

All these media 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 newsmagazines, 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 creates sensationalistic irresponsible rumor mongering.

Several examples illustrate the complementation mechanism at work between 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 notbound by press-club closeness to the prime minister ran a lengthy article which was picked up by another outside press member, the *Washington Post*. Only then all major dailies including *Mainichi Shimbun* also jumped on the story eventually forcing Uno out of office.

A similar media pattern had preceded the resignation of the powerful prime minister Kakuei Tanaka in 1974. The monthly magazine *Bungei Shunju* had run two well-researched pieces on

Tanaka's questionable financial dealings.¹⁴ The political press-club journalists close to Tanaka at that time had also known about the dealings but ignored them until Tanaka came under fire by the foreign press following a press conference at the Foreign Correspondents Club in Tokyo. Only then *Asahi Shimbun* and other newspapers joined the criticism and finally forced Tanaka's resignation.

The most recent case is not from the political world but from within the media itself. On January 16, 2007, the weekly *Shukan Asahi* revealed that the TV program *Hakkutsu! Aru Aru Daijiten II* (Encyclopedia of Living) produced by *Kansai Telecasting Corp. KTV* included major fabricated parts. However, it took until January 21 that *Asahi Shimbun* as well as *Yomiuri* and *Mainichi* picked up this topic, however then in uniformity as the top story on each paper's cover page (*Asahi Shimbun, Yomiuri Shimbun, Mainichi Shimbun, January 21, 2007*). 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* in the afternoon of January 20 made it impossible to keep the story only in the realms of the outside press.

The dark side of many magazines comes with their strong trend towards gossip and sensationalism. As in other countries this form of journalism exists as the product of public demand on the one hand and commercial interests by publishers on the other. Different from subscription-based newspapers, magazines in Japan fully rely on kiosk and bookshop sales and thus must appeal to their readers week by week. As a result many editors do not hesitate to run even fabricated stories as long as they sell. In some cases this has even led in

¹⁴ These pieces were investigated and written by Takashi Tachibana, who as a freelancer at that time was interestingly even more an outsider than the magazine itself enabling him to speak up against the powerful Tanaka.

combination with weak legal constraints against libel to cases of overly excessive reporting violating the rights of individuals as well as minorities.¹⁵

Blunt sensationalism and extremely-well investigated articles are often to be found side by side in one magazine. This might look bizarre but it is not. Both approaches complement the purely descriptive and fact-oriented, official source dependent and often rather boring reporting of the national newspapers and *NHK*.

It is the outside press that fulfills the media watchdog role in Japan. Many read the weekly newsmagazines although they know they cannot trust each 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. Members of the public prosecutor's office often rely on the weeklies as tip sheets prior to the start of an investigation (Ogawa 1993, p. 9, Farley 1996, p. 141).

Interestingly the outside media's watchdog role does not really conflict with the inside media but rather functions with their consent, tacit approval and sometimes even outright support as seen in the above described Mainichi case. Intentional leakages from press club journalists to outside press colleagues happen often. Some inside journalists even write articles for magazines

¹⁵ One example is that of Yoshiyuki Kono, a victim of the *Aum Shinrikyo* sect's sarin-nerve gas attack in Matsumoto in 1994. Despite his innocence Japanese weeklies led an overall media attack on Kono for more than six months, which was based purely on dubious police leaks and (mis)information. Until today he has only received lukewarm apologies from the media but no financial compensation at all. Prominent cases of major historic distortions by Japanese magazines include the Holocaust denial by the magazine *Marco Polo* of the large publishing house *Bungei Shunju* as well as revisionist articles on the Nanjing incident and the comfort women issue during World War Two by the weekly *Shukan Shincho* and other magazines (Gamble and Watanabe 2004).

under a pseudonym, be it out of the frustration of not being able to report these facts as a press club reporter or just to earn some extra money.

The inside-outside media system eventually benefits all players within the system. The information cartels of the inside press media with their sources are advantageous for both sides. The information cartels among the inside media themselves stabilizes their information advantage over potential competitors outside of the press-clubs. At the same time this outside press does not really want to become member of the described information cartels for two reasons. First, they have found above described routes to obtain inside information. And second and even more importantly, their non-member status has allowed them to carve out a commercially very lucrative niche in the Japanese media system. As a logical consequence the magazine association JMPA did not join the EU in their fight for press-club access in 2002 but has before and since shown a remarkable disinterest in press-club membership.

While the inside-outside system benefits all its members it comes as a high price for the public, which is kept from a huge pool of available information in general. Individuals and minority groups tend to suffer in particular as the influential inside media does not give room for extreme opinions (Tahara 1997). On the other hand, the system deserves praise for effectively limiting 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 revision of the constitution (Campbell 1996, Saito 2005).

Recent trends and issues

Political influence on media

Like in other countries the government of Japan 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. The members of its Board of Governors are appointed by the prime minister and *NHK*'s budget must be submitted to the Diet annually for approval (Oto 2004). This has given the government the opportunity to exert influence and resulted in various well-documented cases of self-censorship by *NHK* in the past (Krauss 2000).

This dependence of *NHK* on the government became again clearly visible in January 2007. Following a rapid increase of households refusing viewing fee payments after a number of recent scandals that included *NHK* officials misusing and embezzling funds, the public broadcaster had suggested to make its fee system mandatory to ensure its revenue base. The Ministry of Internal Affairs and Communications however flexed its muscle and demanded in exchange that *NHK* would lower its viewing fees by 20%.¹⁶

Much more of direct concern, however, are two recent attempts by the government to influence *NHK* reporting. In early 2005, then LDP secretary-general Shinzo Abe caused uproar when he admitted that he had successfully pressured *NHK* back in 2001

¹⁶ In contrast to Japan, payments for public TV broadcasting are obligatory in Europe and South Korea resulting in high payment rates with non-payers subject to fines up to £1,000 and prison sentences in countries such as the U.K. Non-payment rates in Japan are estimated at up to 30% of viewers who either have not signed viewer ship contracts with *NHK* or just have refused payments (Katori and Hatamoto 2007).

to censor and re-edit a documentary on the issue of comfort women, which had originally been critical on the Japanese government's stance on war compensation and reparations (Laurence 2005).

On November 10, 2006, Internal Affairs and Communications Minister Yoshihide Suga ordered *NHK* to focus on abductions of Japanese by North Korea in its programs.¹⁷ 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 (Suzuki 2006).

Both cases of the government's meddling with the media here *NHK* are cause for concern but by no means a Japan-specific phenomenon as numerous examples from other countries show. Likewise it would be wrong to assume that private networks in Japan take on a more efficient watchdog role than *NHK*. Although *NHK* had buckled under governmental pressure in the comfort women issue it had at least taken up the topic. By contrast no commercial broadcaster had dared to cover this sensitive subject in Japan, seemingly afraid to offend private sponsors.

It can even be argued that *NHK*'s high journalistic standards and its strict neutrality might make it appear rather left-leaning if the current trend towards a rising nationalism in Japan should gain further strength. Compared with advertisement-dependent

¹⁷ Prior to becoming prime minister Abe had gained prominence and high approval with the Japanese by showing a strong stance towards North Korea on the issue of Japanese abducted by North Korea in the past. The issue continues to be among those supporting Abe's popularity with the Japanese public. Hagihara (2005) describes how the popular Korea issue has been strategically pushed by TV stations again and again to push their ratings (and commercial revenues).

TV stations around the world, *NHK* fares well. A major report on public broadcasting in the UK even suggested to look to Japan and the *NHK* rather than America for a model [for the BBC] (Laurence 2005).

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 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 (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 avoided until today the major ownership problems and an overly business influence on media as experienced in the U.S. and recently also Europe.¹⁸ Takeovers of major media organizations in Japan have been difficult to arrange as shares of these companies usually are not widely traded. The trend however goes toward a relaxation of media ownership rules. Recently the Japanese government announced plans to allow broadcast holding companies with a maximum investment of up to 50% of voting rights in these companies from 2008 onwards (*Asahi Shimbun*, 10 February, 2007). Even before corporate influence on broadcasting from without traditional media companies has risen as could be seen in the recent though eventually failed takeover attempt of the *Fuji Television Network* in 2005.

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 (Yamada 2004).

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

¹⁸ But others point to the low level of independence enjoyed by Japan's major broadcast stations as they do rely on the newspapers not only for capital and personnel. While *NHK* creates its own content the commercial broadcasters depend on their affiliated newspapers for the supply of most of their news. Hence the press club system supported lack of diversity in newspaper reporting also basically spread to broadcasting. (Yamada 2004, Westney 1996).

sense for all involved and there were few external forces pushing for change.

However, a distinctive trend towards more diversity has been emerging over the last years. When, for example, in late 2003 the government deliberated to send troops of the Japanese Self-Defense Forces to Iraq, four newspapers (*Yomiuri*, *Sankei*, *Mainichi*, *Nikkei*) were in favor while two (*Asahi* and *Tokyo*) were strongly opposed. Likewise the most conservative papers *Sankei* and *Yomiuri* support the revision of Japan's constitution to allow military actions outside of Japan, while the furthest left *Asahi* shows stronger opposition (Ishizuka 2004). Similar explicit differences in tone and stance could also be seen in editorials on the anti-Japan demonstrations in China in spring 2005 or on the recent military build-up in China. Likewise *Asahi*, which has been traditionally leftist and rather critical of the government, has recently remarkably increased its indirect criticism of the Abe administration, clearly in opposition to the more positive reporting in *Yomiuri* and *Sankei*.

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, such reports of directly blaming competitors over wrongdoings have rapidly increased over the last years.

The above mentioned scandal around 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 (*Asahi Shimbun/Yomiuri Shimbun*, 28 March, 2007)

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.

At the same time, the ability of Japan's media esp. its domestic-focuses news agencies, to transmit information from Japan to other countries remains limited and constitutes a serious issue for Japan's role in an increasingly globalizing world (Fujita 2004). *NHK* currently only offers a limited range of international TV broadcasting: *World TV*, a free news and information program service, and *World Premium*. *World TV* reaches a potential 72 million households, while some 15 million are *World Premium* subscribers. This compares to *BBC World*, which reaches 280 million homes, while about 260 million homes subscribe to U.S.-based *CNN*.

Against this background prime minister Koizumi for once made one exception from his small government crusade in 2006 and ordered his Internal Affairs Communications minister Heizo Takenaka to develop the concept of a more global television network. (*Asahi Shimbun 4 March, 2006*). Current plans to expand English language broadcasting are being set for 2009 but still many details including increased government and commercial cooperation have to be decided. As of now it still seems a long way to achieve a similar global presence or impact along the lines of Britain's *BBC*.

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. Adoption as a mainstream media was slow. 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 2005, this has increased to over 21 million, making Japan the third largest broadband market in the world behind the U.S. and China.

Despite these infrastructure advancements, change to the overall media structure has yet to occur. The case of Livedoor, however, showed the possibility of a major transformation in

the works. Livedoor's president Takafumi Horie, similar to Son, had cultivated a reputation as a maverick and outsider eager to shake up the system. His vision was to combine banking and media into an online platform, through which the company could collect the rich profits of both media advertising and financial services.

In February 2005, Horie made an attempt to take a controlling interest in *Nippon Broadcasting Corporation*, through which he envisioned being able to take over its subsidiary *Fuji Television Network*. It was a bold move that was finally blocked after a highly publicized fight by shareholders, but it signaled Horie's intentions and potential future directions in media ownership.¹⁹ For the time being however, the inside media had succeeded in preserving the status quo. But recently Rakuten, an Internet portal company, has also expressed its interest in acquiring a major stake in *Tokyo Broadcasting System*, which suggests that the struggle between new and traditional media has only just begun.

One area where Japan has also dramatically caught up to other leading nations is in the area of blogging. The Ministry of Internal Affairs and Communications estimated that 4.3 million people were writing blogs at the end of September 2005, and that another 16 million people visited these sites. But although these figures are predicted to continue rising exponentially, blogs in Japan have yet to see the kind of social impact as they have done elsewhere. For the most part, these sites are devoted to leisure topics, and there have been no major instances of significant stories being broken via blogging, at

¹⁹ Later the same year, Horie ran for a seat in Japan's parliament. By January 2006, however, Horie's plans were effectively smashed. Police arrived at Livedoor headquarters with search warrants, and eventually the former rebel was charged with accounting fraud and sentenced to two and half years in prison in spring 2007.

least for the time being. 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.

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. Recent singular attempts of the Abe government 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 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 continues 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 the internet and gradual changes in media ownership. 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 several offices in Europe, New York, Moscow and Tokyo providing advisory and support services 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.

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The Japanese media environment is unlike any other media context in the world, and requires a special approach by practitioners. This guide describes in complete detail the structural and functional aspects that are unique to Japan's media system, and the significance of its overall division of media into two groups: insiders and outsiders. Beginning with a thorough examination of the press club system and its impact on the dissemination of knowledge, the guide provides real examples of media practices at work and postulates the future direction of reporting in Japan.



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