

JAPANESE INTERNET DEVELOPMENT SINCE 1995

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1 "Intellectual Silence": A Personal Statement

On August 15, 1996, Maruyama Masao, the leading Japanese scholar in the history of political thought, died at the age of eighty-two. He was often labelled as an enlightened intellectual.

He died on a day that carries special meaning for the Japanese people as it was the anniversary of the defeat of Japan in World War II. He often stressed the point that democracy can be maintained, but only through ceaseless effort; that democracy could never be fully complete or be perfected but rather that the democratic process was an endless, perpetual revolution directed towards the ideal of democratisation.

Speaking personally, to live in an adopted country (such as Australia) has a great deal to do with questions of values, such as the openness and tolerance of the society and the relaxed way of doing things within it. However, these values should not be taken for granted and every effort should be constantly made to maintain and further strengthen and nurture the humanist, pluralist and democratic conditions of that society.

A strange silence exists in Japan concerning the new Australian race debate. Yet it is a quite different story when one looks at the reactions of other ASEAN countries.

Australian intellectuals have also been quiet throughout much of this debate on the 'race question' generated by the independent MP from Queensland. This 'silence' points to a lack of preparedness and capability of Australian intellectuals - for quite some time - to engage in debates of this kind.

As another example of this "silence", consider the following: Australian Asian intellectual input was also absent from the list of submissions provoked by Mr Rod West's review of higher education financing and policy⁽¹⁾. The only exception to this was the submission made by the Research School of Pacific and Asian Studies at the Australian National University (ANU). That is, there was only one submission out of 299 submissions specifically addressing concerns for these recent negative developments in the higher education financing policy.

2 Introduction

It was 'Japan Bashing' in the 1980s, 'Japan Passing' in the early 1990s, and now some people say it is 'Japan Nothing'.

What accounts for this apparent, current state of affairs? Let's list some of the reasons behind this idea of 'Japan Nothing':

- a **The bubble recession** and the post bubble recession in the early 1990s
- b **Ineffective crisis management** exhibited in the Great Hanshin Earthquake of March 1995
- c **Erosion of social order** exemplified by the Aum Shinrikyo sarin gas attacks in March 1995
- d **Political disarray** depicted by Japan having had a succession of five prime ministers in four years
- e **Corruption and scandals** amongst elite government bureaucrats
- f **Problems in financial institutions** as in Jusen and banks with bad loans
- g **A depressed stock market**
- h A post war **high unemployment** rate of 3.4%

This paper examines the developments that have been made in Japan's use of the Internet since 1995: the first year that Japan began to access the Internet in a noticeable fashion.

Since the paper I presented to the Forum "East Asian Library and Information Services: Looking Ahead", (October 1996 at the ALIA'96 Conference in Melbourne) the feeling of 'crisis' amongst people in Japan has declined. This is due to the fact that world attention towards the apparent 'economic threat' of Japan has somewhat shifted now to focus on the security issues related to 'military threats' from China. After the evaporation of the Soviet military threat, the Japanese economic threat became a focal point for bashing Japan. Now the West under-estimates Japan's economic strength as they previously over-estimated Japan's economic strength in the 1980s.

Japan is still the second largest economy in the world. Japan's GDP (Gross Domestic Product) is \$5.1 trillion which makes it roughly 70% in size to that of the United States. This ten times the size of China's GDP; seventeen times the size of India's GDP, and it is more than double the size of Germany's GDP. Another way to consider the size of Japan's GDP is that it is larger than that of Germany, France and the United Kingdom combined.

The fundamental elements of Japanese economic power, such as growth-oriented macro economic management, are still intact. Japan's economy has enjoyed more than 3percent growth in the last two consecutive years. This situation has allowed Japan and the Japanese people to feel that they are facing a less critical situation than they have for some years.

This means to say that Japan now listens less to what the West demands of her because Japan's confidence in her own growth and in her management of her own affairs which means less need to react or respond to what other countries demand of Japan.

3. The Japanese Internet Since 1995

According to IDC Japan Co., there were 5.3 million users of the Internet in Japan at the end of 1996. At the time of writing this paper, according to Japan Internet Report No 16 in June this year, the number of people with Internet access in Japan reached 6.7 million. An projection of the Internet users in Japan by 1999 is estimated to be 29 million. These figures may look ambitious but Japan looks set to reach that number when one considers the recent increase recorded in the number of host computers in Japan. According to a survey by Network Wizard in January 1997, there are well over 16 million host computers in 191 countries worldwide: of these, Japan has 730,000 host computers. This increase from 6th January 1997 places Japan second in the world and begins to challenge the United States for first place.

The first Internet watch survey by Impress Co Ltd on Japanese Internet Use (7 March 1997)⁽²⁾ provided the following information: -

Sex:	Male	94.2 %
	Female	5.8 %
Profession:	Engineers (Gijutsu shoku)	51.9 %
	Professionals (Senmon shoku)	11.7 %
	Managers (kanri shoku)	10.6 %
	Admin workers (Jimu shoku)	8.9 %
	Business personnel (Eigyo shoku)	4.8 %
	Others	12.1 %
Use for:	Works	6.6 %
	Hobby	18.8 %
	Both (works and hobby)	74.6 %
Place of access:	Work or School	46.4 %
	Mainly Home	34.3 %
	Only Home	9.6 %
	Only Work or School	7.6 %
	Others	2.1 %
Experience:	Less than 3 month	1.2 %
	3 - 6 month	3.0 %
	6 - 12 month	14 %
	1 - 2 years	35.4 %
	2 - 3 years	24.1 %
	3 - 5 years	12.7 %

	5 years or more	9.6 %	
OS:	Windows95	40.9 %	
	Windows NT	16.1 %	
	Windows 3.1	9.8 %	(68.7 %)
	Macintosh	15.1 %	
	UNIX	13.6 %	
	Others	4.6 %	
Services:	WWW	27.7 %	
	Email	27.3 %	
	FTP	19.2 %	
	Telnet	9.1 %	(83.3 %)
	Newnews	10.3 %	
	Internet phone	0.9 %	
	Others	5.6 %	
Email Software:	Netscape mail	23.7 %	
	Microsoft mail	18.5 %	
	Eudora Pro	10.1 %	
	AL-Mail	8.8 %	
	Eudora J	6.4 %	
	Becky!	5.6 %	
	Microsoft Exchange	6.6 %	
	Winbiff	3.3 %	
	MH	3.0 %	
	Others	14 %	
WWW browser:	Netscape 3.X	40.3 %	
	Netscape 2.X	8.8 %	
	Netscape Communicator	9.3 %	(58.4 %)
	Internet Explorer 3.X	37.0 %	
	Internet Explorer 2.X	1.0 %	38 %)
	NCSA Mosaic	0.9 %	
	Others	2.7 %	

Of a total seven million Internet users in Japan (according to the Nikkei MA survey: 18 April 1997) three and a half million Japanese used the World Wide Web (WWW), 3.3 percent of these having joined in the last three months⁽³⁾.

Interestingly, 10 percent of WWW users are female, 40 percent of whom joined in the last year, which tends to imply a big potential female use of the WWW in the future.

3.1 Profile of a "typical" Internet user in Japan

He is a 34 year old male, working in research and living in Tokyo. He began using the Internet in April 1995 using 'Windows 95'. He accesses the Internet

at work using a dedicated line for a little under three hours per day. He mainly uses the following:

email; FTP; TELNET; Newsgroups; WWW

He considers the cost of Internet use as a little too expensive.

In Australia, by comparison, 87 percent of users of the Internet are males who are between the ages of twenty-two and forty-four years of age. Forty percent of these users began using the Internet in the last six months. This survey claims that it is the second largest comprehensive online survey available in the world⁽⁴⁾.

In the United States, the survey predicts that by the end of 1997, 20 percent of American adults will be using the Internet. Currently nearly twenty-eight million adult Americans use the Internet⁽⁵⁾.

3.2 Nippon Telegraph and Telephone Corporation

Nippon Telegraph and Telephone Corporation (NTT) is one of the world's biggest companies with operating revenues, in US dollars, of seventy billion (a larger income than the combined GDPs of Malaysia, Singapore, the Philippines and Russia).

Former Japanese prime minister Nakasone Yasuhiro first became involved in the administration reform and moves towards the privatisation of NTT in 1995. NTT began issuing stock in 1987 in anticipation of this change. However after the last general election in 1996 the expected privatisation did not materialise, this decision having been made conjointly by NTT and the Japanese Government in December of that year.

This was supposed to have been a Japanese version of a "Big Bank" launch of Japan's Telex market. This could be described as one step forward and two steps backwards when considered against the blistering pace at which the telecommunications events are moving outside of Japan. Full privatisation of NTT will not now be implemented until 1999.

According to this plan NTT will be split into three units. Each unit will be managed by a holding company (set up for that purpose). This arrangement has been 'created' by laws passed in the lower house on 22 May 1997.

Some newspapers have suggested that NTT's plans not to be fully privatised at this time were heavily influenced by the announcement of a merger of MCI with British Telex immediately prior to the impending Japanese government's decision. The government worried that NTT might suffer a loss of international competitiveness if the move had gone ahead at that

time. (If you reflect on the losses suffered by AT & T after its 'deconstruction' into discreet, smaller entities in the 1980s, it is easy to understand the worries that the Japanese Government had.)

NTT said recently that it would lower the cost of domestic long distant calls to 100Y (US\$ 0.86) per three minutes by the year 2000. This means that Japanese users will be paying 260 percent of what American users pay for a New York to Portland call today (that is, right across America)!

It is important news to know that NTT will be an Internet provider as that move has already caused a significant price fall to ISP (Internet Service Provider) business in Japan.

Here are some price comparisons of four major long distant operators in Japan:

1. NTT's OCN economy (128kbps) - 38,000 yen (monthly) no access fees
2. Nihon Telecom (ODN) economy-34,900 yen (monthly) +access fees 8,900 yen
3. Nihon Express Telecom(Sirius -2)-34,900 yen (monthly) +access fees 8,900 yen
4. Second Telecommunication & Telephone (DDI) -32,900 yen(monthly) +access fees 8,900 yen

Most of the Japanese ISPs are small companies. A 1996 survey by the Minister for Post and Telecommunications⁽⁶⁾ found that of the 237 domestic providers, 74 percent had revenues of less than, in US dollars \$87,000. Seventy three percent had fewer than ten employees; 38 percent had between 100 and 1000 clients and 62 percent had only one access point. Only two firms had revenues of more than US \$900,000. Only three companies had over 10,000 subscribers. In September 1996 there were 884 ISPs.

America Online started Japanese operations in April 1997. It charges US\$8 per month for up to 3 hours per day access. It has no access fees and offers 34 access points across Japan.

Tokyo Corp will enter the ISP business with the lowest rates of US \$8 to sign up and US \$81 per month unlimited usage.

4. Japanese Government Ministry Sites

The Basic Plan for Promoting Administrative Information⁽⁷⁾ aims at ensuring the wholeness of public administration to promote its streamlining and efficiency. Further aims are to cope with needs of the people and respond correctly to internal and international changes affecting public administration. The Basic Plan is three years old now. It was started in 1995 with a budget of 1,000 million Yen. Although it does not compare with the US Government's Internet operations, twenty-one Japanese ministries and/or agencies have opened their WWW pages with the one exception of the Imperial Agency.

According to a special issue of *WebShinto* (20 May 1997) looking at the Japanese Government WWW page, the Prime Minister's Office opened its page two months earlier than that of US President Clinton. The Prime Minister's page is now accessed two million times a month contrasting with an average of twenty-five letters per day. The Prime Minister's site is considered better than some other Japanese government sites.

The Ministry of Finance is rated poorly for not providing enough information. They should have been motivated to do far better because of the need to reverse the negative publicity from scandals of recent years. It is hard to believe, but this site is now accessed around five thousand times a day.

The Ministry of Foreign Affairs is a relatively better site than other Government sites. Most use of the site comes from overseas and there are quite a few repeat users. There is an English language version of this site in America but its content somewhat differ from that of the one in Japan.

The Japanese Ministry of Education site has a poor rating due to its lack of substantial content.

The Ministry of International Trade and Industry site has been affected by the fact that Ministry staff have created the page. It looks 'old' and lacks the quality of a professionally developed site.

The Ministry of Health and Welfare site is one of the most useful. It has information on AIDS, 0-157, and so on. Average monthly access is around 250,000 which makes it possibly the most heavily accessed government site.

The Ministry of Posts and Telecommunications site is highly rated. This site is the best of the government sites and is the benchmark against which all Ministries and Agencies sites are measured.

Whatever the quality of the various sites, and whatever the amount of access they attract it is true that compared to two years ago the situation has improved a great deal.

4.1 GIOSS-NET⁽⁸⁾

GIOSS-NET (Government Information Online Service System) is run by the Government Data Research Center of Japan (GDRC) which is a statutory organisation located in Tokyo. It provides search facilities for citations of government secondary materials held by GDRC and original fulltext can be accessed and also faxed to members. It is an online system accessed via public telephone line with Telnet for overseas users. The materials on the database are various white papers, annual reports, yearbooks, various statistical reports, items produced by various committees, inquiries and research reports by various research centres and laboratories around Japan. A diversity of outsourced research results and experiment reports from a number of Think-tanks are also on the database. This database can only be accessed by members who are registered by applying for membership. The GDRC often organises various seminars, monthly meetings on many topics and conducts research trips to places in Japan to provide first hand project information.

Membership costs, in US dollars, are:

Joining Fee	\$454
Annual Membership	\$1,136
Database registration fee	\$115
Database annual use fee	\$1,400

This gives a total in Australian Dollars of \$ 3,100, which is very expensive!

5. Interesting Developments

In 1967 the United States Freedom of Information Act was enacted. The Attorney General at a time, Mr Ramsey Clark, stated that democracy was of the people, by the people, and for the people. In order to achieve real democracy those fundamental principles are indispensable and to achieve that we must have freedom of information in the community. Without those principles and the freedom of information, democracy exists only in name. Freedom of information is an essential part of a real democracy.

Japan (at the Federal level) has been, and still is, without a freedom of information act although at the local level there have been such acts enacted. They have become an essential part for people in Japan to find out the local officials' wrong doings frequently reported in Japanese newspapers these days. Japan has been a country operating by the open secret of the bureaucrats, by the bureaucrats, for the bureaucrats since the Meiji democratisation. The

current democracy exists in name only and will remain this way until Japan is equipped with, and practised the principles of the people, by the people and for the people.

On 16th December 1996, the Administrative Reform Committee presented their version of "Freedom of Information Act" to Prime Minister Hashimoto.

The biggest opposition party, Shinshin To, presented their version of the "Freedom of Information Act" to the public in June 1997 and Democratic party did the same. They are planning to debate this matter in the Autumn Parliamentary sessions in September 1997⁽⁹⁾.

Citizen Ombudsman System made tremendous contributions in uncovering scandals of local officials using local the Freedom of Information Acts⁽¹⁰⁾.

Furthermore, another bill called the Civil Activities Promotion Act has already been presented to the Parliament and will be an ongoing debate at the Autumn session of the Diet in September 1997. There is a strong possibility that the bill will be passed by the Parliament.

There are other positive signs that Japan is becoming a more democratic nation with or without foreign pressure.

6. Conclusion

As I indicated at the outset, Japan is now more confident than a year ago. This is demonstrated in the recent event that took place at Columbia University. During the Questions and Answers session following a speech at Columbia University on Monday (23rd June 1997), Prime Minister Hashimoto, in replying to a question, hinted that there was a possibility selling of Japanese US Bonds. This news caused the biggest falls in the US stock market (192 points) since Black Monday in the 1980s.

According to some analysts the Prime Minister was, in essence, sending a message to the Clinton Administration to "back off" on the reintroduction of a lot of talks on trade issues. In addition to this event, the Japanese trade surplus problems were not official agenda at the Denver Summit meeting, though they were assumed to be on the agenda at the preliminary stage.

The reading of Japan's future is not an easy task for anyone. We have seen a big shift already from the very pessimistic views of themselves to a more optimistic one within less than a year. It indicates even greater difficulties of predicting anything about Japan. However, it is possible to say that Japan will evolve from the current position to the one of becoming more open society.

Is it wishful thinking, I wonder ?

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