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The Press as an Elite Power Group in Japan

by Roya Akhavan-Majid

A lengthy field study in Japan using interviews and other sources and focusing on the nation's five leading national newspapers and Tokyo's major television stations finds evidence of much overlap between industry and the news media, through interlocking directorships and social club memberships, for example. Also journalists and other industrial leaders tend to be educated at the same exclusive universities and journalists also belong to professional clubs in which common values *are* shared. There already is a concentration of ownership of Japanese mass media and, through the mean sketched in this study, one can find how the mass media are integrated with other power centers of Japanese society.

Despite the growing importance of Japan on the international scene, the last five decades have seen few analytical investigations of the postwar mass media in Japan. To the extent that they do exist, studies of the Japanese mass media characterize the system as essentially Libertarian, albeit one that tends to deviate, more so than its western counterparts, from the Libertarian ideal-type. It is the contention of this paper, however, that far from representing minor deviations, these anomalies reflect inherent structural differences with the Libertarian model, calling for an altogether different conceptualization.

The key characteristics of the alternative model exemplified by the Japanese mass media system include 1) concentration of ownership (as opposed to diversity and plurality of media units), 2) integration with other elite power groups (as opposed to independence from the power elite), and 3) two-way flow of influence and control between the government and the press (as opposed to freedom of the press from government control). In the context of this model, the press — by virtue of the power accrued from its concentration and integration into the elite power structure — is viewed as an "elite power group" able to exercise reverse control on the ruling elite, even as it is controlled by it. This reverse control, furthermore, is exercised not through theoretical influence on public opinion, a diffuse influence which may or may not translate into government policy, but through direct participation in government policy-making structures and process. Motivated by its own interests, the media elite is then likely to influence government policy in the direction of further concentration and conglomeration (i.e., economic integration with big business), thus reinforcing the three major components of the model in a positive feed-back loop.

Although certain aspects of the first two of the abovementioned characteristics have been studied in the past with respect to a variety of mass media systems, few studies have addressed the third characteristic, namely the media's ability to exercise reverse influence on government policy directly and in the direction of its own interests. These characteristics, furthermore, have never been viewed as components of a single press

structure and considered together as a coherent, theoretically interrelated set of characteristics making up an alternative press model.

Against this backdrop the purpose of this study is to provide a framework for understanding the Japanese mass media system, while also elucidating the components of an alternative press model which could potentially provide a basis for the study and reexamination of other press systems, including that in the United States. In so doing, this study will focus on an analysis of the Japanese mass media system in terms of the specific characteristics of the model delineated above.

Concentration of Ownership

The highly concentrated nature of the mass media in Japan is one of the major characteristics contributing to the media's collective power over the other traditionally recognized Japanese elite power groups.²

Media ownership in Japan is concentrated primarily in the hands of five major mass media conglomerates which own newspaper and broadcasting enterprises all over Japan. The five major national newspapers, *Yomiuri, Asahi, Mainichi, Nikkei,* and *Sankei,* with nationwide circulations of up to 13 million copies per day, are tied in cross-media ownership to Tokyo's five key television stations NTV, TV Asahi, TBS, TV Tokyo and Fuji TV respectively.³

The extensive cross-media ownership exists despite regulations which state that the level of investment by a newspaper enterprise in a television station can not exceed 10% of the station's share. Using a variety of means, including investments through "sister companies," however, the actual level of investment by each newspaper enterprise in its affiliated TV station exceeds 50%. Despite regulations barring the key stations to form network relationships with the local stations, furthermore, the key stations do in fact function as networks, providing the local stations with more than 80% of their programming.

Again, despite regulations limiting the level of interlocking directorship between the affiliated newspapers and televisions stations, each of the five newspaper-television conglomerates is, in effect, controlled by the same person who often simultaneously holds the chairmanship of the key station and the presidency of the newspaper enterprise.⁷

In addition to the five national newspapers and broadcasting networks, media ownership in these five media conglomerates also extends to magazines, sports tabloids, and local newspaper and television stations.⁸

The overwhelming prominence of these media conglomerates on the national scene implies strong potential power in exerting control on the flow of information. The executives and managing editors of these conglomerates hold the power to cover up or reveal any political scandal or to campaign for or against any interest. In this respect, the senior members of these media conglomerates constitute a major power group in Japanese society.

Integration with other Elite Power Croups

Mass media elite integration in Japan is based on the three primary components of shared academic elite membership, personnel flow and overlap, and economic interlocking.

In addition to being privileged members of sprawling conglomerates dominating the channels of communication in Japan, Japanese media professionals are also members of an academic elite. Without exception, all Japanese journalists entering any of the five major national dailies are recruited through a three-stage process of written and oral competition with rates of success as low as one per 150 participants. Almost all recruits are new college graduates and come from such top prestige universities as Tokyo, Kyoto, Waseda and Keio. In this way, they are members of the same "university clubs" to which most powerful elite groups belong.

Within the context of Japan's highly competitive educational system, having been able to enter and graduate from these top three universities confers an elite status on the individual unlike any other in Japanese society. It is a distinction which not only opens the door to top positions in Japanese elite institutions, but remains a strong component of the individual's personal identity, group identification, and public image throughout his life.

The academic elite status held by the majority of mass media practitioners in Japan, thus constitutes the first component of mass media integration into the elite power structure.

Another component of mass media-elite integration in Japan is the interlocking between the media conglomerates and the Japanese bureaucracy, arising from the regular flow of high-level bureaucrats from such related ministries as the ministry of Posts and Telecommunications (MPT), into top executive positions in the media industry. This flow is part of a larger pattern of personnel flow and overlap between various elite power groups in Japan, the most conspicuous of which is the institutionalized practice of "amakudari" or "descent from heaven" on the basis of which, every year, Japan's retiring top-level bureaucrats take up executive positions in industries previously under their jurisdiction. ¹⁰

A third component of mass media-elite integration exists at the economic level between the five media conglomerates and Japanese big business, based upon the extensive investments made by big business in the broadcasting industry. Japan's five media conglomerates are, in effect, joint ventures between big business and the mass media industry. The financial interlocking between the two power groups, furthermore, has increased substantially since the advent of new media technologies as Japanese big business has joined the media conglomerates in dominating ownership patterns in such new media as teletext, ¹¹ cable television, and direct broadcast satellites (DBS).

In the case of teletext, the mass media-big business interlocking has come to include NHK, the country's public service broadcaster. Since 1985, NHK has been a

major shareholder in two commercial teletext companies (Japan Teletext and Kinki Teletext) established under NHK-big business ownership. ¹² Japan's third commercial teletext broadcasting company (Telemo Japan), is a joint venture between big business and the five media conglomerates. ¹³

Cable TV ownership patterns in Japan reflect a similar interlocking between the country's major businesses and mass media conglomerates. Although cable television as a means of program origination has yet to take off in Japan, in terms of ownership it is dominated by a giant mass media-big business joint venture. Formed in June 1986, the joint stock company was itself the result of a mega merger between six cable TV companies established a few years earlier under big business-mass media ownership. 14

Japan's first commercial DBS is also planned as a mass media-big business joint venture. Of the three DBS channels to be carried by Japan's first operational direct broadcast satellite (BS3) after it's launch in 1991, one is planned as a commercial channel to be operated by Japan Satellite Co., a joint venture between Japan's most prominent businesses and the five mass media conglomerates.¹⁵

The mass media in Japan, therefore, are characterized not only by a high level of concentration in ownership, but also by a growing integration and interlocking with the Japanese big business.

Indeed, it may be argued that, in the absence of enforced anti-trust and concentration of ownership regulations, conglomeration as a means of market domination represents a logical and natural business response to the threat of competition. Accordingly faced with the threat of competition from the new information technologies, the existing vested mass media interests in Japan have coalesced with major Japanese businesses in their efforts to dominate the new media markets; a move which allows them to not only raise the necessary capital, but also to share the risks of entering what is likely to be a potentially lucrative but as yet uncertain market. As we will see, the media's ability to evade existing ownership regulations, and to successfully lobby for their gradual elimination through the exercise of direct influence on Japanese media policy, has been a concomitant part of this process, lending positive reinforcement in turn to the circular process of concentration of ownership, economic interlocking with big business, and growing influence on government policy.

Two Way Flow of Control between the Government and the Press

One of the major characteristics of the Japanese press as an elite power group is its ability to exert reverse influence on the government in the direction of its own interests. Before going on to discuss this process of reverse control, however, let us explore the nature of the government control of the press in Japan.

Government Control of the Press. The first element of government influence on the press in Japan is its subtle control on the newsgathering process. The journalist's access to news and information in Japan is constrained through a variety of factors. In order to be able to gather information, Japanese journalists need to be members of bona

fide news organizations. Such a membership, in turn, entitles the journalist to join the appropriate reporter clubs "kisha kurabu" which function as the primary conduits of official information.

Every major public, governmental, or private organization has its own reporter club and provides lounges, desks, and work space for reporters specifically assigned to cover its activities. ¹⁶ These Kisha clubs, therefore, function as almost exclusive channels of information regarding the pertinent institutions and it is within the confines of the club walls that much of the reporter/official interaction takes place. In addition to restricting free individual access to news sources, the collective and exclusive nature of Kisha club news-gathering in Japan is responsible for a striking uniformity in news coverage among various media organizations.

The Japanese reporters' ability to gather information is further constrained by the fact that officials in Japan are not legally bound to disclose information. Several laws in Japan restrict the disclosure of various types of information by government employees, while there exists no law to safeguard the reporters' access to official information. Within the context of Japan's legal literature, the "freedom of newsgathering" is cited as a principle deserving of respect. Unlike the freedom of expression, however, it is not guaranteed. 18

The subtle restrictions and controls placed on the process of newsgathering in Japan thus translate into the need for media professionals to attract the cooperation and friendship of the bureaucratic/political elite so as to be able to perform their journalistic function. This, in turn, has encouraged the routine practice by news organizations of assigning each of their political reporters to a specific politician or high level bureaucrat. Often, this is a lifetime commitment, tying the fortunes of the journalist to those of the official assigned to him. The personal ties thus formed between the reporters and their sources can sometimes be so strong as to create "factional" struggles within news organizations, mirroring those within the party and the bureaucracy. ¹⁹

These structural and organizational characteristics enable the officials in Japan to exercise direct as well as indirect control over the news media. Unlike the censorship exercised in the so-called "authoritarian" countries, however, press control in Japan is based not on coercion, but on subtle restrictions on news-gathering which lead to functional dependence on the part of media professional on the friendship and favor of government officials.

Press Control of the Government. The government's control of the mass media in Japan, however, is not complete. And, inasmuch as the Japanese bureaucratic and political elite have come to rely on the press for favorable explanation of their actions and policies, to that extent has the press in Japan been able to develop its own power and gain considerable control over the government elite. The Japanese press exercises this power by selectively concealing or revealing damaging political facts. The highly concentrated nature of mass media in Japan, enabling each media conglomerate to reach millions of

people on a national scale, represents a major element of the Japanese media's power in this respect. With widely read national newspapers as well as well-placed friends in the national government readily at its disposal, each media conglomerate in Japan has the potential power to influence extensively, if not make or break, the career of any given member of the bureaucratic/political elite.

The subsequent need on the part of the government elite to ensure good relations with the press in Japan has, among other things, led to routine efforts on the part of the government officials to solicit and accommodate the interests of the mass media conglomerates in all matters of media policy. Throughout the 1980's, during which much of Japan's new media policy has been formulated, the media conglomerates have been represented on all relevant "policy advisory committees"—which constitute the primary structures of policy-making in Japan²⁰— and have wielded visible influence on the policy outcomes.

In the case of teletext, for example, the media conglomerates have been able, through their direct participation in the policy-making structures, to score major victories with respect to deregulation of ownership, allowing them to preempt competition and dominate ownership patterns in the new medium.

Since early in teletext's development, Japan's media conglomerates had shown great concern in relation to the possible threat that the new medium might pose to their newspaper publishing and broadcasting interests and asserted their right to dominate teletext broadcasting in Japan. In so doing the media conglomerates lobbied for

- 1) total elimination of the existing cross-media ownership regulations, allowing the media conglomerates to obtain majority shares in the new medium, and
- 2) categorization of teletext as electronically transmitted "text"; and subsequent removal of all content regulations including the "fairness and balance" requirements normally applied to broadcasting on the basis of the Broadcast law.²¹

While, in view of its interest in regulating the new medium, MPT, Japan's primary telecommunications and broadcasting authority, remained unfavorable to the media conglomerates' insistence on teletext's classification as a "print" medium, in November 1985, it agreed to relax the cross-media ownership limits, allowing each media conglomerate to hold up to a 30% share in teletext businesses. This raised the previous level of permissible investment by 20%. Responding further to the media conglomerate's demands, MIT exempted teletext broadcasters from the educational and public service programming requirements contained in the Broadcast Law.

Faced with continuing pressure from the Japan Publishers and Editors Association (NSK) and the National Association of Commercial Broadcasters, MPT revised its "teletext broadcasting licensing policy" once again in October 1987, removing all restrictions on ownership and control of teletext broadcasting by the media conglomerates. The decision, reached by MPT under organized mass media pressure, was hailed by NSK as "a milestone in pushing forward deregulation.²³

Cable television policy in Japan provides another example of direct mass media influence on government policy. Although as a means of signal enhancement and retransmission, cable has existed in Japan since 1955, it has yet to take off as a means of program origination. Although factors such as the relative abundance of television channels and the lack of sufficient program production capacity have been partially responsible for this slow growth, the long-standing opposition by the media conglomerates to any program origination CATV ventures has played a major part in determining the nature and pace of cable TV development in Japan.

The first program origination venture in Japan, launched in 1968 by a company called NCV, was strongly opposed by a coalition of Japan's mass media conglomerates and the country's public broadcaster, NHK.²⁵ Seeking to respond to the strong protest on the part of the mass media elite, yet lacking any legal grounds to block the venture, MPT asked NCV to allow the existing broadcasters to join it as partners in the proposed cable TV company, leading to a forced coalition among adversarial interests which brought an effective halt to the venture.²⁶

Adopted in 1972, not long after the NCV episode, Japan's Cable Broadcast Law also strongly favors the media conglomerates, enabling the existing broadcasters to exercise direct veto power over the fate of any newcomers into the business. The law, for example, requires new cable operators to get retransmission consent from the existing broadcasters.²⁷ Because better reception of the over the air channels remains an important incentive for cable subscription in Japan, the inability to provide such a service could seriously affect prospect for any new cablecasting enterprise.

The interests of the existing broadcasters are further served by the fact that from the beginning no limits were imposed on cable ownership by either the Cable Broadcast Law or the MPT regulations. As a result, the current cable television ownership patterns in Japan are dominated by a handful of mass media-big business consortia which collectively control the pace and extent of cable development in Japan.

Even in the case of DBS development which, aside from its implications for the broadcasting industry, is directly tied with the larger objectives of Japan's space program, the interests of the media conglomerates have been in the forefront as a major policy criterion. Although the general opposition by Japans mass media to commercial DBS development has thus far failed to change MPT's plans to devote one of the three channels on Japan's first operational DBS (BS3) to commercial broadcasting, the media conglomerates have succeeded in preserving their interest on several grounds. First, in addition to their 35% share (which includes the 19% share held by the commercial broadcasters and the 16% share held by the five major newspapers), the media conglomerates hold the marketing and programming rights in the commercial DBS company, giving them effective control over the channel and the pace of its development. Second, based upon the conglomerates' lobbying against the use of advertising in DBS, a subscription system is currently being considered as the primary means of financing for the proposed commercial channel.

Although a basic conflict of interest between NHK and the media conglomerates,³¹ arising from NHK's disproportionately larger share of the channels on the proposed BS3 satellite, remains a major obstacle in the path of DBS development in Japan, extensive efforts by MPT continue in the context of various advisory committees to resolve the conflict— a fact which attests further to the powerful role played by the mass media in shaping Japan's new media policy. Given the level of influence exercised by the media conglomerates on all matters of media policy in Japan, the ultimate resolution of the ongoing conflict between the two groups remains a major prerequisite to the successful implementation of Japan's DBS program.

Conclusion and Suggestions for Future Research

Based upon such characteristics as concentration of ownership, integration with other elite power groups, and subsequent ability to exercise direct influence on government policy, the mass media in Japan represent a major elite power group in, Japanese society. Far from representing a unique case, however, the alternative model exemplified by the Japanese mass media may be considered to provide a framework for the study and reexamination of other press systems currently subsumed under the Libertarian theory. Such reexamination would be particularly relevant in the case of the United States, in which a growing concentration and conglomeration in media ownership, and a major media deregulatory trend fueled by extensive lobbying on the part of vested media interests has long been in evidence. A comprehensive reexamination of the existing Libertarian systems may lead to the conclusion that the Libertarian model of the press is being gradually replaced by an Elite Power Group model.

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¹ The existing "four theories" of the press, formalized three decades ago by Siebert, Peterson, and Schramm, as well as the variations on these major themes offered by other writers (e.g., John Merrill, William Hachten), discuss government-media relationships in terms of four basic ideal-types, 1) the media as diverse and independent units free from government control (Libertarian theory), 2) the media as diverse and independent units obligated to uphold certain public responsibilities either voluntarily or under government regulation (Social Responsibility theory), 3) the media as diverse units subject to intermittent heavy-handed government control (Authoritarian theory), and 4) the media as an arm of the government subject to systematic control (Communist theory). All of the above ideal-types implied in the traditional theories of the press, describe government-press relations in terms of either the existence or lack of a unidirectional control flowing from the government to the press. None, however, stipulates a process of reverse control in which the press acts as a primary elite power group capable of influencing government decisions in the direction of its own interests.

² Previous studies of Japan have identified the political elite (i.e., the members of the ruling Liberal Democratic Party), the bureaucratic elite (i.e., the administrative ministers and other high-level bureaucrats), and the big business (i.e., the executives of the 100 or so large businesses which dominate the Japanese economy) as the triad holding up the country's political power structure. This paper presents the first instance of a work (except for the present author's doctoral dissertation) in which the media are identified as a fourth major elite power group in Japan. ³ *About Japan Series: Japan's Mass Media* (Tokyo: Foreign Press Center, 1986), p. 48. For a description of the historical development and overall organization of broadcasting in Japan, see Donald Brown, "From Kabuki to Crime Drama." *Comparing Broadcasting Systems: The Experiences of Six Industrialized Nations.* (Ames, IA: Iowa State University Press, 1989).

⁴ Yashiro Iyeda, Senior Researcher, The Institute of National Association of Commercial Broadcasters. Personal interview, July 12, 1985.

⁷ Ibid., March 12, 1986.

- ⁸ See Won Chang, "Vertical Integration of Mass Media in Japan," *Gazette*, 27: 181-192 (1981) for a critique of the extensive concentration, conservatism and uniformity of content in the Japanese media. Also see *The Japanese Press*, 1982 (Tokyo: Japan Editors and Publishers Association, 1982) for quantitative data on the Japanese media industry.
- ⁹ Young Kim, *Japanese Journalist and Their World* (Charlottesville, VA. University of Virginia Press, 1981), pp. 28-30.
- ¹⁰ Jon Woronof, *Japan: The Coming Economic Crisis* (Tokyo: Lotus Press, 1980).
- ¹¹ "Teletext" refers to a broadcast technology which takes advantage of the unused portion of the TV blanking lines to transmit textual information. Like any other over-the-air broadcast signal, teletext can also be carried via cable.
- ¹² Sakae Ishikawa, Senior Researcher, NHK Broadcast Culture Research Institute. Personal Interview, June 27, 1986. The two big business NHK joint ventures makes use of NHK's blanking lines to provide advertising supported information services nation-wide. Both companies, established in December 1985, are controlled by NHK which holds 33% of the shares in each company (10% directly and 23% through its affiliates).
- ¹³ Press Guide, Vol. XI, No. 2, February 1986.
- ¹⁴ Yomiuri Shimbun (Japanese text), "CATV Ziggio, Ipponka," (Merger of CATV Companies), June 6, 1986.
- ¹⁵ The other two channels will continue to be used by the country's public broadcaster, NHK which has so far been the sole user of the two channels on the experimental BS2 to carry its educational, general, and special DBS programming. See: Kuichi Kobayashi, "New Media in Japan Today," *Studies of Broadcasting*, March 1985, p. 14. ¹⁶ Nathaniel Thayer, "Competition and Conformity: An Inquiry into the Structure of Japanese Newspapers," in *Modern Japanese Organization and Decision-making* (Berkeley, Los Angeles: University of California Press, 1974), pp 284-303.
- ¹⁷ Izumi Tadokoro, Deputy Secretary General and Director, Development Department, Japan Newspaper Publishers and Editors Association. Correspondence, April 7, 1987.
- ¹⁸ Young Kim, *op. cit.*, p. 135.
- ¹⁹ *The Economist*, July 16, 1988, p. 30.
- ²⁰ Roya Akhavan-Majid, "Telecommunications Policy-Making in Japan, 1970-1987: A Case Study in Japanese Policy-Making Structures and Process," Doctoral Dissertation, University of Minnesota, 1988.
- ²¹ Article 44-3 of the Broadcast Law states that broadcast content:
 - 1) Shall not disturb public security or good morals and manners.
 - 2) Shall be politically impartial.
 - 3) Shall give the news without distorting facts.
 - 4) Shall clarify the point of controversial issues from all angles possible.

Article 44-4, furthermore, states that: Broadcasters shall, in compiling programs for domestic broadcasting provide cultural and educational programs as well as news and entertainment, maintaining harmony among broadcast programs. (Source: Yashiro Iyoda, "Changes in the Broadcasting System and their Impact on Commercial Broadcasters," *Studies of Broadcasting*, March 1985, p. 58.)

- ²² Kyoichi Okamura, Senior Adviser, Broadcast Administration Bureau, Ministry of Posts and Telecommunications. Personal interview, May 23, 1986.
- ²³ NSK Bulletin, Vol. 10, No. 4, December 1987.
- ²⁴ Current cable penetration in Japan stands at a mere 17%.
- ²⁵ Kazuhiko Goto, Personal interview March 12, 1986. Also see: Kuichi Kobayashi, "Some Critical Remarks on the New Media Research and Development in Japan," *Studies of Broadcasting*, March 1982.
 ²⁶ Ihid
- ²⁷ Hirosi Shiono, "The Development of Broadcasting Technology and Related Laws in Japan," *Studies of Broadcasting*, March 1978, p. 26.
- ²⁸ Kyoichi Okamura. Personal interview, May 23, 1986.
- ²⁹ Minoru Tamura, Senior Researcher, NHK Broadcast Culture Research Institute. June 27, 1986.

⁵ Takeshi Maezawa, Senior Editor, *The Yomiuri Shimbun*. Personal interview, February 7, 1986.

⁶ Kazuhiko Goto, Professor of Mass Communication, Tokiwa University. Personal interview. April 4, 1986.

³⁰ *Post and Telecommunications in Japan: Fiscal 1987.* Piblished by the Ministry of Posts and Telecommunications, Japan, p. 10.
³¹ For an extended discussion of the role of this conflict in shaping Japan's DBS policy see: Roya Akhavan-Majid, "DBS Policy-making in Japan: An Interpretive History," *Telecommunications Policy*, 13: 363-370 (December