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Japan still too slow on Internet usage

Yone Sugita

Japan has always been a leading player in electronics and new technology. From audio equipment like the Walkman to videocassette recorders, Japan has been a leader in the world market in production and sales.

Therefore, it is somewhat strange that a country which produces high quality electronic goods doesn't have a very high rate of computer usage. As recently as 1993, Japan was experiencing the lowest level of Internet usage among OECD countries. According to a New York Times report in November 1993, the US had 1.18 million host computers directly connected to the Internet while Japan had only 38,000.



Since the collapse of the so-called "bubble economy" in the late 1980s, Japan has experienced a severe recession. Fundamental changes in the economic system have been slow coming.

Information technology (IT) is one major example where Japan has lagged. In September 2000, former Prime Minister Yoshiro Mori announced he would make Japan the world's most advanced country in the area of IT within five years.

According to Japan's Telecommunications White Paper 2000, Internet users between the ages of 15 and 69 reached 27 million by the end of 1999, which was 59.7% more than the figure in 1998. Still, less than 30% of the Japanese people have Internet access, while the majority of the population in Sweden, the United States, and Australia are connected to the Net.

The White Paper also indicates 19.1% of Japanese households and 88.6% of businesses have Internet access. According to a survey in 1998, younger males are the dominant users of the Internet in Japan; 57.8% of Internet users are men, and 80% are in their 20s and 30s.

One of the major reasons for Japan's slow adoption of the Internet is lack of a letter-based alphabet. The Japanese language is based on characters. Unlike native English speakers, the Roman alphabet is foreign to most Japanese. The distance between English and French is much less than that between English and Japanese.

Recently, younger people have become more enthusiastic about the Internet. The secret of this popularity is that they are getting around the web sites without using keyboards. More Japanese nowadays surf the web on their mobile phones than on personal computers. They are subscribers to i-mode, NTT DoCoMo's wireless web service. Many teenagers use i-mode to play games, download pictures of popular cartoon characters, and exchange very short text messages, such as "hello" and "what's up?" with their friends.

They can enjoy this kind of service for a fraction of the cost of a wireless call. I-mode is a mini version of Internet sites and quite popular in Japan. I-mode subscribers reached over 20 million people in just over

two years since it started in February 1999. In the use of wireless Internet, the United States and Australia lag far behind Japan.

The rapid growth of mobile telephones contributed to the expansion of the business-to-consumer e-commerce market in Japan. According to a survey jointly conducted by Andersen Consulting, the Ministry of Economy, Trade and Industry, and the Electronic Commerce Promotion Council of Japan, the value of this market will be around Y13 trillion by 2005. The same source projects Japan's e-commerce market between businesses will expand fivefold amounting to approximately Y110 trillion during the next five years as well.

Recently, I have observed the remarkable expansion of computer and Internet access in Japanese education. Almost all the universities seem to have their own web sites and they give computer training to their students. Because the labor market is tight, college students try to acquire computer skills while in school, hoping this will help them find better jobs after college.

With the combination of emphasis put by universities on computer skills and popularity of wireless web services connected through i-mode in Japan, e-commerce may be a key to the revitalization of the Japanese economy.

Former Prime Minister Mori was unable to make major strides while he was in office, but he did proclaim Japan's intention of becoming the most advanced country in the IT field. Prime Minister Junichiro Koizumi should push this aspiration further to spur growth in the Japanese economy.

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