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Structural Reform For IT Competitiveness in Japan

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Five years ago, in order to publicize the necessity for the Japanese government to have an Information Technology policy that until then was largely ignored, as a member of the House of Counselors of the Japanese Diet, I created an urgent proposal and presented it to Prime Minister Hashimoto.



The proposal was the fruit of discussions with top leaders in the IT field such as Prof. Jun Murai, a global authority on the Internet, and Mr. Joichi Ito, who can be called a popular figure in the field of Japanese information and communications. The document laid out the arguments for the future of Japan in the Information Technology field and made the follow points:

1. Following the fast development of information and communications technology, Japan and the world is pressed to reexamine the structure of conventional organizations;
2. In order to keep up with the accelerating rate of change, Japan must adopt seamless and open organizations instead of the vertically, closed, locked-up-room organizations, i.e., changing from hierarchical structures to the network type;
3. Advancing globalization is shifting social structure in the direction of becoming smaller and more transparent;
4. Under these circumstances, Japan suffers from system fatigue from which it cannot yet free itself and is missing out on the wave of computerization that expands on a global scale.

While it is not known whether our proposal was influential or not, during the ensuing period of five years the telecommunication infrastructure of Japan improved to match the world's highest levels, according to ITU research. Ironically, we in Japan seem to enjoy the cheapest high-speed mass information environment in the world.

Does this reflect a change in Japanese consciousness toward the smaller and more transparent social structures discussed previously? Regrettably, I must conclude

the answer is "no." It is my belief that the main cause is due to a hard core of managerial positions who do not use, cannot use, or do not understand the necessity of using the Internet in this country. The best example of this is to see the lack of email addresses on the business cards of the leaders of the major private enterprises, financial institutions, and top bureaucrats.

I exchanged business cards with most of the CIOs of top IT industry companies. Email addresses were on few of their cards. Even if there were email accounts, very few tops managed them by themselves. The one exception was the chairman of Sony, Mr. Idei, who actually responded personally when I sent him an email. Even though many people in the general population use email, such usage is very low among senior managers with decisive social influence.

The spread of IT makes on-line information available to everyone, as experience in the US and elsewhere has shown, and the information is shared freely. With objective evaluation, the most effective and efficient choices can be made. Do top leaders in the political world, the business world, and officialdom who grew up in a Japanese MURA (village) society prefer this kind of highly transparent environment brought about by the progress of IT?

One might observe that those who have vested interests maintain their privileges by monopolizing information, which only they can know, and hide from their responsibilities by not considering alternative information at their disposal. It is understandable why they would not part with this privilege. Consider the bad debt problem in Japan. The solution to the debt problem is postponed without opening up the data for examination. Failing to resolve this problem has allowed Japan to fall in terms of international market competition from 1st to 30th place in 10 years, according to the International Management Development Research Institute.

I am now in charge of management as the Vice Principal of the Comprehensive School, Sakushin Gakuin, which has 9,000 students and 600 school staff, from kindergarten to university.



Sakushin Gakuin school

Every day, I am confronted with the closed nature and inflexible style of Japanese organizations. For example, before I became an executive at the school, young and capable staff members who wanted to apply IT and the Internet for the benefit of the school were thought of as heretics and denied the chance to show what

could be done. Instead, all decisions were made by senior managers who rose only within the seniority-based system and through personal connections unrelated to IT. Since such senior managers had long since quit teaching in the schoolrooms, they did not understand either the changing needs of education or the needs of the students and their parents. They submitted to the past precedent of blindly accepting the "nothing-is-wrong" policy and devoted too much time to the politics of the organization.

There is a close resemblance between this type organization and the mode of life of legislators at whom I gazed in those hallowed halls of the Diet. They, too, lacked the vision of precisely grasping a problem before them, objectively analyzing the data and solving it. Instead, they turned a blind eye and postponed action as long as possible during their terms of office. Even as the problems grew more serious, embellishment of data was repeated, and the process delayed again.

My fear is that even with a decisive collapse, most Japanese will simply say the result was our fate and that we the Japanese must submit to the tragic end without investigating those responsible.

Called "structure of psychological dependence," the innate characteristics of such Japanese permeate all corners of our society. Even now, when Japan's telecommunication infrastructure attains number one status, and the country becomes advanced in IT, a clear sign of change is not seen.

Little by little, I believe IT is changing Japanese society; however, the lag in social and political development is still a great problem. Without depriving decision-making authority of senior leaders who are against an information society, and realizing a society where fair and accurate evaluation is the basis of all choice, it will be too late for Japan in this information-intensive global economy.

It is a sad irony that Japan, which is behind in respect to software and content, leads in its telecommunication infrastructure offering some of the world's best in quality and lowest in cost to users. If the right information and applications are not delivered through it, sooner or later the Japanese telecommunication infrastructure will inevitably join other useless public investments, and at what cost in monies and human resources as well as Japan's future place in the world's ever-changing information technology environment?

Editor's postscript: As owners and executive managers, Kei Hata and her husband, Hajime Funada, put their money where their mouths are by completely changing the administrative staff of Sakushin Gakuin School.