



[Tentative translation for non-Japanese readers]

**How to Make Japan a Place  
Where Non-Japanese People Want to Visit, Study, and Work**

October 2002

Keizai Doyukai  
(Japan Association of Corporate Executives)

## Table of Contents

I. Introduction—The Declining Appeal of Japan .....	1
II. The Context of Japan’s Declining Appeal.....	3
1. What Makes a Country Attractive? .....	3
2. Manifestations of Japan’s Declining Appeal .....	4
1) What Makes Japan Attractive? .....	4
2) International Imbalance and Comparative Disadvantage.....	5
3. Reasons for Manifestations of Declining Appeal.....	6
III. Measures for Making Japan a Place Non-Japanese People Want to Visit.....	7
1. The Need for National and Strategic Efforts to Enhance the Tourism Industry... 7	
2. Further Enhancement of the Public Tourism Publicity Organization and Improved Cooperation with the Private Sector .....	7
1) Appointment of a Majority of the Third-Party Evaluation Committee Members from the Private Sector .....	7
2) Switch to an Asia-Oriented Placement of JNTO Business Offices.....	8
3) Improved Cooperation between JNTO and Private Sector Groups.....	8
3. Establishment of a Laterally Linked Organization Involving Local Governments	8
4. Continuing and Accelerating Implementation of Measurement of Economic Ripple Effects of Tourism and Extension Throughout Japan .....	8
5. Achievement of Targets for New Welcome Plan 21 to Eventually Pass Benefits Back to the People.....	9
6. Building an Infrastructure for Attracting Overseas Visitors to Japan.....	9
1) Promotion of Signs and Markings in Foreign Languages and Pictograms.....	9
2) Enhancement of Services for Overseas Visitors at Local Tourist Information Centers .....	10
3) Creating a Database on the Facilities and Services Provided by Individual Lodging Facilities and Dissemination of the Information it Contains .....	10
4) Introduction of a Common Discount System Usable at Sightseeing Spots and on Public Transportation .....	10
5) Relaxation of Requirements and Simplification of Procedure for Issuing Tourist Visas .....	10
7. Building of a Nippon Travel Portal Site .....	11
8. Expanding the Funding (Overseas Promotion Budget) for the Tourism Industry .....	11
IV. Measures for Making Japan a Place Where Students from Abroad Want to Study .....	13
1. Reforms Designed to Make Japan’s Universities and Graduate Schools More Appealing Choices.....	13
1) Establishing a Nippon Study Portal Site.....	14
2) Making the TOEFL Test an Admission Requirement for Universities and Graduate Schools .....	14
3) Expanding the Number of Assistant Language Teachers (ALTs) and Making Positive Use of Them as Instructors.....	14
2. Reforming the Nationally Funded Scholarship System, Etc.....	14

1) Considering the Introduction of a Standardized and Objective Selection Test .....	15
2) Utilizing a School Application Procedure Based on Competitive Principles ..	15
3) Transferring Administration of Nationally Funded Scholarships to Universities and Academic Departments .....	15
4) Disclosure of Statistics Related to the Nationally Funded Scholarship System .....	16
5) Review of the Tuition Reduction and Exemption System for Self-Supporting International Students .....	16
V. Measures for Making Japan a Place Where Non-Japanese Want to Work .....	17
1. Adding a “Practical Training” Visa Status to Provide an Incentive for Outstanding International Students to Seek Employment in Japanese Enterprises .....	17
2. Active Utilization of Non-Japanese Employees by Private Enterprises (Utilization of International Internship Programs).....	18
3. Enhancement of International Schools .....	18
4. Improvements to the Health Care System .....	18
5. Creating Cities and Living Environments that are Attractive to Non-Japanese People .....	19
6. Realization of More Convenient Airports for the Tokyo Region .....	19
VI. Conclusion—Rebuilding and Enhancing the “Nippon Brand” as Part of an Integrated Strategy for Increasing Japan’s Appeal.....	20
Reference Data .....	22
List of Members.....	32

## I. Introduction—The Declining Appeal of Japan

The end of the Cold War and rapid developments in information and communications technology have led to the spread of a market economy on a global scale. People, goods, money, services, values, and ideas now cross national borders more conveniently, more quickly, and more freely than ever before. In this age of globalization the gap between countries and regions that are competitive and attractive and those that are not is widening. Awareness is growing of the United States, which, though continuing to make judgments on the basis of national self-interest, maintains a strong influence in the world economy and in the area of security; the European Union, which has introduced the Euro as a common currency and is emerging as an economic unit; and China, which is now promoting a market economy and has gained entry to the WTO.

In contrast, interest in Japan has fallen off in relative terms, as the nation has failed to live up to expectations for structural reform in line with the information age and its economic slump continues. Japan's ranking among the 49 countries listed in the "World Competitiveness Yearbook," published by the International Institute for Management (IMD) in Lausanne, Switzerland, was No. 1 through 1993 but had dropped to 30th by the 2002 edition. In 1979 Ezra F. Vogel published a book entitled *Japan as Number One*, but nowadays no one sees the country that way anymore. In the nineteen-eighties the countries of Asia, striving to achieve economic growth, looked to Japan as a model and promulgated a "look east" policy. Today, however, Asia's leaders no longer use this phrase. The period of strong "Japan bashing" has passed and been replaced with one of "Japan passing" or even, some would say, "Japan nothing." It is no distortion to say that the attraction of Japan has fallen, in relative terms, particularly during the past decade.

A major underlying reason for the sluggishness and relative drop in Japan's attractiveness is, in addition to the continuing long-term stagnation of the Japanese economy, the "closed" nature of the country due to the high degree of homogeneity of the nation's society. In addition, Japan has been relatively weak in making a case for itself due to a lack of proficiency in English, which is fast becoming the world's lingua franca. And even when Japan does try to make a case for itself the content presented to make the nation seem attractive is noticeably weak. If things continue in this way the appeal of Japan will continue to decline in relative terms and doubts as to whether the country's prosperity can continue will become unavoidable.

Globalization is proceeding rapidly, and the political and economic situation of the world is becoming more uncertain. In an environment such as this it is truly unfortunate that, regardless of the country's latent potential, the estimation of Japan by the nations of the world is declining so rapidly. We of the Keizai Doyukai, sympathetic as we are to Japan, sensed the danger in the current state of affairs and established in December 2001 a "Making Japan More Attractive to Non-Japanese" study group. Ultimately the task of the study group will be to study overall strategies whereby the nation as a whole can increase its attractiveness. As a first step, however, the present report concentrates on the area of "people," which we see as particularly urgent. It is based on our study of ways to make Japan a place where non-Japanese people will want to visit, study, and work. This report is the result of

our own research as well as interviews with a variety of knowledgeable persons. The findings have been organized into a concrete action plan.

As things stand today, with consumption stagnant and talk of unemployment problems rampant, increasing the number of non-Japanese people visiting Japan would bring numerous economic benefits. This becomes obvious if we compare, for example, France, which has some 76 million foreign visitors annually and derives \$29.9 billion in international income from them, with Japan, which is visited by only about 4.8 million visitors from overseas each year and takes in a mere \$3.4 billion in international income from them. If Japan could boost its attraction and thereby increase the number of visitors from abroad, the nation's domestic consumption rate would rise and employment opportunities for Japanese people would increase. In addition, by making use of capable international students companies could expect to increase their competitiveness, which would have a positive impact on the Japanese economy as a whole.

Furthermore, an important issue for the medium and long term is the establishment of a comprehensive strategy for rebuilding and enhancing the "Nippon brand." This is an extremely important task from the viewpoint of clarifying the position of Japan in this age of globalization. Going about it will entail dealing with wide-ranging challenges, including deepening structural reform in Japan, invigorating the nation's diplomacy, enhancing Japan's internationalism, and dealing with the issues of foreign workers and immigration. In the years ahead the Keizai Doyukai will need to work aggressively in this connection, through the establishment of committees and other measures.

## II. The Context of Japan's Declining Appeal

### 1. What Makes a Country Attractive?

What does a country's appeal consist of? Young people hoping to become artists visit Paris, gather at the Montmartre hill, and refine their sensibilities in the cafés that were frequented by so many masters in the past. Those who want to perform in musicals dream of New York or London, and those hoping to become opera singers of Milan, Vienna, or Berlin. Aspiring fashion designers are drawn to Paris or Milan. Those interested in IT travel to Silicon Valley or to graduate schools and research institutes in Europe and the United States to hone their skills. Finally, those with a passion for history go to ancient cities rich in tradition to pursue their studies. The appeal of a country can be said to be an extension of the above. We believe that the attractiveness of a country is related to the values of its society.

The first element in this is a high level of creativity in the area of intellectual values. People are attracted to a social system in which participation by the populace leads to an active and transparent political atmosphere, one in which the market functions effectively and companies compete in their ability to increase knowledge, one in which innovative new framework to meet changes in the times are proposed and contribute to the steady progress of international society and the human race. There is no doubt that enterprises, people, money, and information are all drawn to such societies.

The second element is excellent spatial value. By this we mean that the nation's space, which is to say its cities, is active, its natural areas are beautiful, and there is a superb harmony between the urban and rural regions. In recent years a great deal of attention has been focused on urban redevelopment efforts in cities such as London, New York, and Berlin. For the people of the world, a harmonious juxtaposition of people and nature, of technology and culture, is seen as attractive. In recent years humankind has come to recognize the danger poised by pollution of the global environment, and interest in the creation of sustainable cities has risen. Another important element is the degree to which a country is able to maintain its own security as well as law and order within its borders.

The third element is a high level of time value. By time value we mean that people who spend time in a country, whether a long-term stay or a short trip, feel that this time was beneficial to them. Situations in which people consume time are varied and may involve satisfying the senses, self-cultivation, hobbies, recreation, sports, the arts, or simply interacting with others. Study abroad and sightseeing are archetypical examples of realization of time value.

The fourth element is a plentiful degree of lifestyle value. Human beings desire an abundant lifestyle, both in physical and psychological terms. Physical abundance can be achieved through a high level of economic growth, but for this to occur it is necessary that the market framework be ensured in an efficient manner, and that an environment be in place that heightens creativity through competition between a variety of actors. Psychological abundance is brought about by a high educational level and an open social climate. It is also essential that the people's safety and peace of mind be ensured.

The fifth element is a respect for human value. It is said that we have entered an age of knowledge, but it goes without saying that the source of knowledge lies in creativity, which is a human quality. This is precisely what spurs economic growth, promotes stable politics, and is the source of a nation's contribution to international society. At the same time, a society in which people are valued as individuals, live vigorously, and are active in their homes, workplaces, communities, and the cultural sphere is a truly beautiful society. In addition, it goes without saying that a respect for the viewpoints of others, regardless of race, gender, age, status, educational attainment, or family origin, and tolerance based on an understanding of other countries and their people, are also part of respecting human value.

## 2. Manifestations of Japan's Declining Appeal

In order for Japan to remain an attractive country in the competitive society brought about by globalization we must work unceasingly to make our country more alluring while, at the same time, skillfully marketing and promoting our nation's appeal overseas. After Britain overcame its chronic malaise through the Thatcher reforms, PM Blair launched in 1997 an integrated strategy dubbed "Britain™" with the aim of boosting the nation's "brand image." In the United States Joseph Nye, a professor and Dean of the Kennedy School at Harvard University, pointed out that the 21st century will be an age of "soft power" and that the American social system is the source of the nation's vitality, including its major strengths such as information technology. Efforts to make one's nation's philosophy and rules into world standards can no doubt also be viewed as exercises in soft power.

### 1) What Makes Japan Attractive?

In the past Japan was sometimes referred to as "the Asian mystery" or "the Asian miracle," and the country tended to be associated with things such as Mt. Fuji, geisha girls, sumo wrestling, and kabuki theater. The book *Japan as Number One* appeared in the late seventies, and during the eighties the "just-in-time" production system gained prominence and the term "made in Japan" came to be associated with low-cost, high-quality products. Japan came to be seen as an attractive country combining an Asian and traditionally Japanese aspect, on the one hand, and an image of economic scale and growth, on the other. It is no exaggeration to say that no Asian country rivaled Japan in appeal until South Korea, Singapore, Taiwan, and Hong Kong entered their period of rapid growth, earning them the nickname "the Asian tigers," and China introduced reforms and more open policies. For a long time Japan had no rivals and it felt no need to try to promote itself overseas.

However, with the coming of the nineteen-nineties the bursting of the Japanese economic bubble was followed by delays in implementing structural reform and dealing with the problem of bad loans. The nation began to lag behind as the market economy spread in the wake of the Cold War and globalization progressed, spurred on by the information and communications revolution. Even Japan's historical and cultural strengths came to lose appeal in relative terms as the advances made by China, South Korea, and the ASEAN countries caused the importance of their histories and cultures to be recognized anew.

As the world's second largest economy, Japan is known as an economic superpower. In recent years Japanese pop culture, in the form of animated films, game software, etc., has achieved considerable popularity throughout Asia and in the United States. There is no need to underestimate Japan, yet we should not forget that many measures indicate that the nation's relative appeal is either stagnant or declining. Is there reason to feel perplexed when asked the question, "What makes Japan attractive?"

## 2) International Imbalance and Comparative Disadvantage

Japan suffers from a structural imbalance with regard to its relations to the world and the world's relations to it in terms of trade, investment, and human exchanges. Japan's trade balance is firmly in the black, but both direct investment and human exchanges are in the red. For example, though direct investment in Japan is growing rapidly (to approximately \$28.3 billion in fiscal 2000 from approximately \$2.8 billion in fiscal 1990, a tenfold increase), the ratio of direct domestic investment to direct investment overseas (investment balance basis) was 1 to 4.9 in the case of Japan (as of December 31, 2000), 1 to 0.9 in the United States, and 1 to 1.7 in Germany. The imbalance in Japan's case is striking.

The number of foreign visitors to Japan grew from 3.23 million persons in 1990 to 4.76 million persons in 2000, but this total is 34th in the world. When compared with France's 75.6 million visitors, the United States' 50.89 million visitors, or even South Korea's 5.32 million visitors it is clear that among major nations Japan is simply not an attractive destination capable of drawing visitors. Furthermore, an examination of the number of international conferences hosted by major cities in 2000 gives us a figure of 53 for Tokyo, compared with 276 for Paris and 124 for Singapore. This puts Tokyo in 33rd place in world terms and raises the question of whether it even qualifies to be called an international city in the true sense (Figure 1 and Figure 2).

This imbalance in human exchanges is linked to the nation's current account balance. A comparison of statistics for the year 2000 on income from international tourism, specifically spending by foreign visitors in the country for sightseeing, business, international conferences, etc., reveals that the number one position is occupied by the United States, at \$85.1 billion, while Japan is in 31st place, at \$3.4 billion. In contrast, the outflow associated with international tourism, which is to say the amount spent by Japanese traveling overseas, was the fourth highest worldwide, at \$31.5 billion. Japan's international tourism deficit of \$28.2 billion is quite remarkable by world standards (Figure 3).

Moving on to international students, the statistics for 2000 indicate that 548,000 foreign students were enrolled in universities in the United States, accounting for 6.4% of the country's total population of persons enrolled in institutions of higher learning. The figure for Japan in 2001 was 78,812, which is more than five times the total of approximately 15,000 in 1985, but still only accounted for 2.2% of the students enrolled in Japanese universities. It would appear that in comparison with other advanced countries Japan is a relatively unattractive choice for students considering overseas study (Figure 4 and Figure 5).



### 3. Reasons for Manifestations of Declining Appeal

The relative decline in Japan's appeal is due to a variety of causes that are intertwined in complex ways.

First, Japan's economic growth rate is stagnant, and there is no need to bring out statistics to show this. In addition, the nation's international competitiveness has declined in relative terms. This is indicated in the Global Competitiveness Report published by the World Economic Forum (WEF), as it was in the report of the IMD mentioned earlier. To be sure, "Competitiveness," as used here, is a ranking based on the subjective judgments of respondents regarding the business climate, etc., of various countries. In other words, "competitiveness" rankings do not necessarily reflect objective figures.

Second, the relative innovativeness of Japanese society is declining. In particular, the nineties saw a number of possible solutions advanced as ways to revitalize Japan. These included structural reform, technological innovation, educational reforms aimed at increasing creativity and creativeness, and corrections to the economy's high cost structure. However, a decisive leader capable of carrying through such policies has yet to appear, and the only reforms that are being implemented are gradual ones.

Third, the prejudice and closed-mindedness of the Japanese arising from Japan's high degree of homogeneity acts as an obstacle to efforts to boost the attractiveness of the country. Of considerable interest is research involving over 4,000 international students enrolled in Japanese universities and conducted by Sumiko Iwao, Professor at Musashi Institute of Technology and Professor Emeritus at Keio University. These students engaged in overseas study in Japan are destined to enjoy important positions in their home countries as elite members of society. Most of them have negative impressions of Japan. We should accept sincerely the fact that they have undergone unpleasant experiences in Japan and individual Japanese people should work to reform attitudes toward non-Japanese people (Note 1, Figure 6-1 through Figure 6-7).

In order to analyze seriously Japan's relative decline in attractiveness, regain the appeal Japan once had as a nation that could produce world-class accomplishments, and create new sources of appeal, it is necessary to embark quickly on the task of drawing up a national vision and strategy. The goal of making Japan a place where non-Japanese people want to visit, study, and work entails nothing less than building a Japan that the world will find attractive. In the sections which follow we provide some specific proposals toward accomplishing this task. We share a common awareness that implementing such actions will require a break from the vertically divided structure that has characterized government thus far. This could be done, for example, by temporarily establishing an institution, similar to the Council on Economic and Fiscal Policy, that would have clearly defined goals.

### III. Measures for Making Japan a Place Non-Japanese People Want to Visit

During Japan's postwar period of high economic growth there never developed an awareness of the impact of tourism as an industry on the national economy and on regional economies. In addition, international tourism involving enticing foreign visitors to travel to Japan was not viewed economically as part of the Japanese cultural exports industry. The goals of carefully preserving the internationally competitive allure of Japan and of making Japan attractive in new ways were neglected. As a result, some natural and scenic attractions were lost while large numbers of internationally uncompetitive *hakomono* (public works projects, such as culture centers, lacking meaningful content) were built. In order to make Japan an inviting place offering good "time value" and excellent "spatial value," and to spread the word to people in Japan and overseas, tourism must be allowed to assume its rightful position as an industry. In addition, it is extremely important to maximize the ripple effects from international tourism in the national economy and at the same time work to rebuild Japan into a culturally alluring place in the 21st century.

#### 1. The Need for National and Strategic Efforts to Enhance the Tourism Industry

Based on an awareness that a tourism industry embracing sightseeing, international conferences, conventions, company and factory tours, etc., is in fact a strategic industry involving publicizing the appeal of Japan both domestically and internationally, we believe that there is a need to break away from conventional preconceived notions and to establish lateral linkages among government ministries and agencies, between the government and the private sector, and among local governments. The government agency with primary responsibility for the administration of tourism related functions is the Ministry of Land, Infrastructure and Transport, but in fact government involvement with all aspects of tourism overall involves a diverse collection of ministries and other bodies, including the Cabinet Office, the Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs, the Ministry of Public Management, Home Affairs, Posts and Telecommunications, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Justice, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of the Environment, and the Ministry of Finance. As such, a temporary consultative body under the direct control of the Cabinet Secretariat should be established to deal with tourism industry policies related to the promotion of business activities involving visits to Japan by persons from overseas. The establishment of a grand design for the medium term would be the ultimate goal of this body, and it would lead to the implementation of functional and strategic policies.

#### 2. Further Enhancement of the Public Tourism Publicity Organization and Improved Cooperation with the Private Sector

The Japan National Tourist Organization (JNTO), which functions as Japan's public tourism publicity organization, will be reorganized as an independent administrative corporate body next fiscal year and its activities should be substantially upgraded.

##### 1) Appointment of a Majority of the Third-Party Evaluation Committee Members from the Private Sector

We propose that under the new system a third-party evaluation committee be established to appraise objectively the work performance of the organization, and that its head and a majority of its members be appointed from enterprises in the private sector.

## 2) Switch to an Asia-Oriented Placement of JNTO Business Offices

At present the regional disposition of JNTO's overseas business offices and personnel is as follows: six offices and 11 staff members in Asia-Oceania (including one office and one staff member in Taiwan via the Japan Tourist Association), five offices and 15 staff members in North America, and three offices and 10 staff members in Europe. In light of the current situation and future potential of the market for tourism in Japan, we propose that the placement of business offices be shifted to one emphasizing Asia and a system established with the aim of achieving more effective promotion.

## 3) Improved Cooperation between JNTO and Private Sector Groups

In addition, close cooperation between the JNTO and the Tourism Industry Association of Japan (TIJ), the laterally organized group made up of private sector representatives of a variety of different industries that was finally launched at the end of last year, is desirable. Specifically, there is a need to aim for an organization capable of displaying integrated capabilities by promoting organizational fluidity through personnel exchanges and concurrent appointments, as well as maintaining a strong sense of unity between the government and the private sector.

The Japan Tourist Association, a group of local tourism promotion organizations based throughout Japan, should strengthen its cooperative ties with the JNTO and study functional enhancements, possibly including a merger of the two organizations, in order better to increase the integration, efficiency, and effectiveness of efforts to promote tourism in Japan to people abroad.

## 3. Establishment of a Laterally Linked Organization Involving Local Governments

A Tourism in Japan Promotion Commission should be established to link laterally local governments, regional 100-member tourism committees, the JNTO, the TIJ, and other institutions and organizations engaged in the promotion of tourism. This body being participated by foreigners would work to share information, to establish common action policies, and to implement specific action programs for putting such policies into effect.

## 4. Continuing and Accelerating Implementation of Measurement of Economic Ripple Effects of Tourism and Extension Throughout Japan

It is desirable that a measurement of the economic effects of the tourism industry based on the Tourism Satellite Account (TSA) international standard be undertaken as soon as possible and on an ongoing basis in regions throughout Japan, as has already been done in Okinawa Prefecture. An awareness of the true effects of tourism on the local economy is a prerequisite to efforts to pursue tourism strategically as an industry. In addition, based on the results, administrative bodies

should work to strengthen the local tourism infrastructure in a flexible manner, for example by making use of their region's special characteristics and competitive strengths.

#### 5. Achievement of Targets for New Welcome Plan 21 to Eventually Pass Benefits Back to the People

Under the New Welcome Plan 21, Japan has established a target of achieving a level of demand for tourism in Japan sufficient to attract 8 million foreign visitors annually by 2007 and is taking concrete measures to meet it. The preliminary budget request of the Tourism Department of the Ministry of Land, Infrastructure and Transport for next fiscal year mentions plans to implement a Visit Japan Campaign as a specific policy under its Plan to Double the Number of Overseas Travelers Visiting Japan. In addition, Tokyo Prefecture announced a Tourism Industry Promotion Plan in December of last year in which a target of "doubling the number of overseas travelers visiting Tokyo in five years from the present 2.77 million to 6 million" is set. Such campaigns and numerical targets only begin to have meaning when accompanied by the realization of qualitative gains in the areas of human exchanges and introduction of visitors to the attractions of Japan, the generation of new demand, and increased employment opportunities. Only then will benefits begin to be returned to enterprises, local regions, and the people of Japan. We hope that further efforts will be made to promote specific plans for encouraging tourism in Japan aimed at realizing numerical targets backed by qualitative gains of this sort.

#### 6. Building an Infrastructure for Attracting Overseas Visitors to Japan

It has been pointed out that among overseas visitors who do not understand Japanese, concern about not being able to read things written in Japanese is greater than concern about inability to converse in Japanese. Unfortunately, Japan is full of signs and markings that lack consistency, particularly in the area of indications in multiple languages. Furthermore, it can be difficult to obtain useful information on lodging facilities and sightseeing spots. It is necessary to build the appropriate infrastructure to ensure that overseas visitors who do not know Japanese will not experience an "information gap." In addition, there is a need to simplify immigration procedures for persons entering Japan from the standpoint of encouraging more travelers to visit the country.

##### 1) Promotion of Signs and Markings in Foreign Languages and Pictograms

"Guidelines for the Placement of Guidance Signs," issued by the former Ministry of Construction in 1986, covers foreign language indications on road signs, but its recommendations have not been implemented thoroughly. In addition, the use of foreign language indications on guidance signs in airports, train stations, and bus terminals does not follow a uniform standard. Finally, the indications in foreign languages on public transportation, such as trains, buses, and taxis, as well as at museums and sightseeing spots, are inadequate. It is necessary to promote the use of English as essential and also the addition of indications in languages such as Korean and Chinese to a much greater degree. At the same time, the standard guidance symbols (so called pictograms) adopted in 2001 by the Foundation for Promoting Personal Mobility and Ecological Transportation, a public corporation

associated with the Ministry of Land, Infrastructure and Transport, should be used widely in order to ensure that signs and guidance indications are understandable to everyone.

## 2) Enhancement of Services for Overseas Visitors at Local Tourist Information Centers

More personnel capable of communicating in foreign languages should be assigned to tourist information centers located in major tourist areas throughout Japan. In addition, PCs with Internet connections and available for the use of travelers should be made standard equipment at these facilities.

Furthermore, study should be done on the possibility of providing, on a continuing basis, a multilingual support system like the Central Call Center that was set up on a temporary basis earlier this year when the FIFA World Cup was held in Japan.

## 3) Creating a Database on the Facilities and Services Provided by Individual Lodging Facilities and Dissemination of the Information it Contains

Urgent study needs to be done on the subject of setting up a database containing information on the facilities and services provided by individual lodging establishments. The data should be organized using detailed classifications and standards, with clear indications of whether each type of facility or service is available, and it should cover all types of lodging facilities, including hotels, Japanese inns (*ryokan* and *minshuku*), and bed and breakfasts throughout Japan. This would enable travelers to compare the facilities, services, and prices of establishments.

## 4) Introduction of a Common Discount System Usable at Sightseeing Spots and on Public Transportation

The possibility of upgrading efforts to promote the introduction of a common one-day (or multiple-day) discount coupon or voucher that could be used at all tourist spots and on all buses, subways, trains, etc., needs to be studied. It would be desirable to establish an arrangement that would make it easier for travelers to get around on their own and a pricing system that would make it easier for them to make use of the facilities available.

In addition, the implementation at long last of a discount system, such as a fixed price taxi fare between Narita Airport and downtown Tokyo, needs to be taken to the next level. Better dissemination of information to foreign visitors on ways to make use of transportation facilities conveniently and cheaply is needed.

## 5) Relaxation of Requirements and Simplification of Procedure for Issuing Tourist Visas

Though maintaining and ensuring law and order remains the principal consideration, there is still a need to relax the requirements and to simplify the procedure involved in the issuing of tourist visas. It is necessary to examine the possibility of relaxing the procedures required for issuing tourist visas to persons from countries such as South

Korea, Taiwan, and China, from which the number of visitors to Japan is expected to increase, as well as countries that in future may become promising markets for tourism in Japan. In addition, further promotion of efforts to simplify immigration procedures for non-Japanese entering and leaving Japan is desirable. It is to be hoped that the experience of overseas visitors entering Japan can be changed from one emphasizing restrictions to one that expresses welcome.

## 7. Building of a Nippon Travel Portal Site

Many countries engage in marketing activities of all sorts in order to sell themselves as desirable destinations for international travelers. A Website on the Internet can be a powerful tool in such an effort. At present the sites on the net touting Japan as a destination for visitors from overseas are disappointing, and it seems unlikely that they are very effective in enticing travelers from abroad.

We therefore propose the creation of a Nippon Travel Portal Site, a Website emphasizing the aspects of Japan that make it an attractive destination for visitors from overseas. The content should be fresh, relevant, and updated frequently. Possible categories include (1) general information (geography, history, flora and fauna, population, industry, religion, language, etc.), (2) basic information (visas, time difference, holidays, money, weather, everyday life, etc.), (3) traveling to Japan, (4) getting around in Japan, (5) sightseeing spots, (6) festivals and seasonal events, (7) lodgings, (8) food, and (9) amusement and interesting experiences. The site should also contain links to other sites with more detailed information on specific topics, and there should be a function allowing users to make reservations directly via the Web. The site would function as a portal to information on tourism in Japan. At the same time, since it will have an on-line function for making reservations for lodging and transportation, it would be desirable that the site be operated by a private organization in the tourism industry, such as the TIJ. The content should be planned based on area marketing for different regions such as Asia, Europe, and America. The variety of information available should range from budget accommodations suitable for students to the high-class and deluxe. It should all be presented in an objective, fair manner and updated on a daily basis. Users should be able to make reservations directly via the site not only in English, but in Chinese and Korean as well.

## 8. Expanding the Funding (Overseas Promotion Budget) for the Tourism Industry

Japan's overseas promotion budget for items such as tourism is extremely small in comparison with other major countries. The estimated income of the JNTO for fiscal 2002 totals ¥4.43 billion, of which a mere ¥590 million is allocated for overseas promotion. In comparison with the overseas promotion budgets of other countries in fiscal 2000 this is a meager amount, equivalent to 15% of the corresponding figure for Britain, 10% of the French figure, 48% of the South Korean figure, and 13% of the figure for Hong Kong. Suddenly increasing funding dramatically will not necessarily bring big improvements, but in order to make strategic and effective promotional activities possible the overseas promotion budget will need to be raised, at a minimum, to around ¥4 billion, which would place it on a par with the outlays of Britain and Hong Kong. If it is not possible to allocate the additional money from

general funds, the possibility of implementing a special purpose tax or a surcharge on persons traveling overseas should be studied.

#### **IV. Measures for Making Japan a Place Where Students from Abroad Want to Study**

When considering study abroad a student must weigh a variety of different factors, including geographical, economic, historical, and political circumstances. For the person who must make the final choice—the student—the decision will determine where he or she will “invest” several precious years. It has been pointed out that some of the main practical considerations when choosing a country in which to study include (1) whether the institutions under consideration meet the student’s standards in terms of academic level, (2) ability to guarantee the student’s economic wellbeing and lifestyle after beginning studies, (3) ability to guarantee the student’s future after returning to his or her home country, and (4) whether there is an opportunity for the student to forge a career path in the destination country, either by finding employment or by advancing to a research institution.

From 1985 onward, based on a plan for accepting 100,000 international students, the government has been promoting measures aimed at attracting students from abroad to Japan with the aim of developing the international intellectual contribution of Japanese institutions of higher learning and of making them more competitive internationally. It is estimated that the above target will be reached in a few more years if the recent rate of increase in the number of international students is maintained. However, as mentioned earlier, the relative attraction of Japan for international students is low. As such, as part of future efforts to promote study in Japan the nation’s institutions of higher learning will have to satisfy the conditions listed in the preceding paragraph, provide their students with a high-quality education, disseminate information about their offerings internationally, attract outstanding students from both Japan and overseas through promotional work, and increase the international competitiveness of their schools. Also, since the present system places a variety of restrictions on overseas universities setting up branch campuses in Japan, the University Establishment Law should be reevaluated with a view toward allowing them to maintain the distinctive characteristics of their educational policies.

In addition, consideration should be given to more active cooperative efforts with sister cities to promote international exchange programs at the secondary school level (for example, high schools), as these will lead to in future to more international students choosing to attend university in Japan. Finally, more positive utilization and encouragement of projects undertaken by groups promoting study abroad, such as the YFU (Youth For Understanding) Japan Foundation and the AFS Japan Association, need to be studied.

##### **1. Reforms Designed to Make Japan’s Universities and Graduate Schools More Appealing Choices**

In order to attract outstanding students from abroad, reforms are needed at Japan’s universities and graduate schools that will make them able to deal with the challenges of globalization and make the nation’s institutions of higher learning truly world class. In particular, the departments and graduate schools in the social sciences and humanities at Japanese universities are sometimes singled out as lacking international competitiveness. It is thus an urgent issue that they work to raise their own educational level, as viewed internationally, so as to be able to attract



outstanding students from Japan and overseas. Possible steps toward achieving this goal might include inviting internationally known scholars to serve on their faculties, increasing the number of classes conducted in English, the world's lingua franca, and recruiting students in Japan who possess sufficient English skills to participate in such classes. In addition, Japanese universities and graduate schools should disseminate to the world useful information that will be of practical value to students, such as what they teach, who their faculty are, how their curriculum is put together, what sorts of assistance they offer to students following graduation, and what sort of network of alumni they have in place.

### 1) Establishing a Nippon Study Portal Site

Building a Website to serve as a portal to all sorts of information for students hoping to, or with an interest in, studying in Japan is an urgent task. The site will have to provide concrete content, allowing users to search by major, course of study, and region, as well as providing links to the Websites of individual universities.

### 2) Making the TOEFL Test an Admission Requirement for Universities and Graduate Schools

In order to increase the ability of Japanese students, and of the Japanese in general, to communicate in English, achieving a certain score on the TOEFL test should be made a requirement for admission to universities and graduate schools. For example, the idea of setting as targets a score of 500 upon entrance to an undergraduate program and 550 upon graduation (550 upon entrance and 600 upon graduation for a graduate program) should be studied as a possible policy for the medium term. The specific target scores could be adjusted depending on the circumstances of the individual institution.

### 3) Expanding the Number of Assistant Language Teachers (ALTs) and Making Positive Use of Them as Instructors

In order to promote practical English education to accompany the introduction of the TOEFL standard, the number of Assistant Language Teachers (ALTs) invited to Japan under the JET (Japan Exchange and Teaching) program should be increased. While paying careful attention to the quality of their teaching skills, a study should be done on the possibility of upgrading the status of these ALTs from that of mere "foreign language teaching assistants" in a subsidiary role to Japanese English teachers to that of instructors, with clearly defined authority and responsibilities. In this way the ALTs would assume a key role in practical English education in Japan.

## 2. Reforming the Nationally Funded Scholarship System, Etc.

International students from overseas constitute 12% of the recipients of nationally funded scholarships. (As of 2001 there were 9,173 such students.) Study should be done on a system that would provide an incentive to international students through the use of competitive principles.

The nationally funded scholarship system provides graduate students with stipends exceeding ¥180,000 and undergraduates stipends of over ¥140,000. These amounts

are quite high both when viewed in international terms and when consideration is given to commodity price levels in Japan's major metropolitan regions. The problem is that once a scholarship recipient is chosen he or she continues to receive the stipend regardless of subsequent academic performance. The system provides no incentive to excel during the period during which the student is enrolled. In addition, being the recipient of a nationally funded scholarship is not necessarily seen as a mark of status in the same way that being chosen to receive, say, a Rhodes scholarship in the United States is.

Though the nationally funded scholarship system continues to make an international intellectual contribution for Japan, there is a need to introduce more objective and competitive principles at the application and selection stages. Changes should be made, such as evaluation of academic progress or research results after selection, to provide students with an incentive to excel. In short, the aim should be to make the scholarship system more open and of higher quality than is now the case.

#### 1) Considering the Introduction of a Standardized and Objective Selection Test

The current selection process, in which applications are put forward through recommendations by embassies and the standards vary between countries and between regions, should be replaced by one based on fair and competitive conditions. For example, the selection standard could require applicants to obtain a specified score on an objective test, such as the Examination for Japanese University Admission for International Students (EJU) administered by the Association of International Education, Japan.

#### 2) Utilizing a School Application Procedure Based on Competitive Principles

Under the present system of applications via embassy recommendations, applicants have no right to make a final decision on which institution they will attend, even if they have a preference. Instead, the institution is selected based on the recommendation of the Ministry of Education, Culture, Sports, Science and Technology. As mentioned above, there is no standardized selection test and the standards governing the process leading up to the selection of international students to receive scholarships are not clearly defined. This means that there are practical limits to the degree that applicants can request to study at a particular institution or with a particular professor. There is a need to move away from the present "study destination allocation system" to a highly transparent arrangement in which students apply for admission to a specific institution and academic department and are then accepted or rejected on the basis of their performance on an objective selection examination.

#### 3) Transferring Administration of Nationally Funded Scholarships to Universities and Academic Departments

In addition to the above, at present the amount of the scholarship is based solely on whether the student is enrolling in an undergraduate or a graduate program, and no consideration is made with regard to region, major field, or whether the target institution is public or private. In order to give primacy to competitive principles and allow administration of scholarships in a flexible manner that will spur greater love of

learning in students, the possibility of giving universities and academic departments the authority to set the stipend amount of scholarships should be studied.

#### 4) Disclosure of Statistics Related to the Nationally Funded Scholarship System

It is desirable that more detailed statistics on the scholarship system, such as breakdowns by application method (embassy recommendation or university recommendation) and by country of number of applications, rate of acceptance, etc., be disclosed in order to make the process more transparent and open.

#### 5) Review of the Tuition Reduction and Exemption System for Self-Supporting International Students

A study should be made of the possibility of changing the tuition reduction and exemption system based on the government's Tuition Reduction and Exemption Foundation Support Project from the present flat 30% grant to a system based on incentive. In an incentive-based system the amount of the grant could be set or changed based on academic performance or research results, as was mentioned above with regard to the nationally funded scholarship system.

## **V. Measures for Making Japan a Place Where Non-Japanese Want to Work**

As globalization advances and the trend toward fewer children and more elderly people in the population continues, educating and recruiting capable personnel from overseas is becoming a very important issue from the standpoint of maintaining and strengthening the competitiveness of Japan and Japanese companies. Not only advanced countries but countries throughout Asia as well, though they may be at different stages of development, are aware of the effects on economic growth of retaining personnel with high-level specialized competencies. As such, moves to attract skilled personnel to match the needs of particular countries are gaining strength.

As the number of international students in Japan has grown in recent years, it has become apparent that large numbers of such students wish to gain work experience in Japan and eventually carve out career paths here. In addition, there seems to be a growing trend in Japanese companies toward making increased use of international students from overseas in fields where specialized techniques, skills, and knowledge are necessary or where foreign language ability is required. Nevertheless, the number of international students applying to change their visa status from “student” to “work” following graduation from Japanese institutions of higher learning was only 3,039 in 2000, and of these only 2,689 had their applications approved. (The total number of international students that year was approximately 64,000.)

In order to attract personnel with the high-level knowledge and skills needed by Japan it will be necessary to reevaluate the present visa status with the aim of creating an environment in which international students or outstanding company employees from overseas can find employment easily. In addition, we must provide an environment in which such people wish to work, a “package” bringing together a safe and orderly atmosphere in which to live, a convenient and pleasant lifestyle, and so on. In particular, making improvements to the living environment and to public services such as education and medical care is a pressing issue, both in urban areas where the development of knowledge based industries is concentrated and in peripheral regions where universities and corporate research facilities are located. It is also essential that information on these matters be disseminated not only among non-Japanese living in Japan but overseas as well. As with the proposals mentioned above for making Japan a more attractive place to visit and study, it would be valuable to study the possibility of building a Website offering a comprehensive selection of information likely to be of interest to non-Japanese persons considering working in Japan.

### **1. Adding a “Practical Training” Visa Status to Provide an Incentive for Outstanding International Students to Seek Employment in Japanese Enterprises**

Under the present immigration control system international students in Japan, even if they wish to obtain employment after graduating from an undergraduate or graduate institution, have a choice between returning to their home countries and continuing their studies at a higher level. The only exception to this is students who have already received an unofficial offer of employment from a company by the time they graduate. The fact that there is presently no system for changing one’s visa status

directly from “student” to “work” means that some international students lose opportunities to obtain employment in Japan.

A new “practical training” visa status should be added to allow outstanding students who have obtained degrees from Japanese institutions of higher learning to remain in Japan for a period of two to three years. In addition, enterprises should make positive use of this system and expand their employment of outstanding personnel from both Japan and overseas by expanding their current practice of recruiting new university graduates in April to one in which new employees are recruited year-round.

## 2. Active Utilization of Non-Japanese Employees by Private Enterprises (Utilization of International Internship Programs)

In recent years the importance of practical education has come to be recognized. As part of this trend, there is now a call for more active utilization of internship programs, which are a type of cooperative venture between industry and academe. The Keizai Doyukai has launched an Internship 1000 Project to promote the implementation of internship programs by enterprises. At the same time, enterprises with a global reach, or that are developing in that direction, should reassess the possibility of setting up internship programs not only for students enrolled in Japanese universities but for persons recruited from overseas as well (international internship). International internship programs offer benefits that extend beyond contributing to society, internationalization of the company’s internal culture, and foreign language education for company employees. They are also useful as a means of recruiting outstanding personnel from overseas and utilizing their ability to step in and go a good job right away. As such, effective use needs to be made of such programs at a higher level in the years ahead. One way to accomplish this would be organic cooperation and strengthening of the above-mentioned Internship 1000 Project through the good offices of NPOs and NGOs involved in the implementation of international internship programs in Japan and overseas. One such organization is AIESEC in Japan, the Japanese branch of an organization that has student members in 83 countries worldwide.

## 3. Enhancement of International Schools

International schools are important as educational institutions for non-Japanese children residing in Japan and also from the viewpoint of training internationally minded people capable of facing the challenges of globalization. In recent years the number of expatriate company employees posted to Japan has risen, and the capacities of the existing international schools, particularly in major metropolitan regions, are no longer adequate. An enhanced system for making effective use of facilities that are presently idle by converting them into international schools is necessary. In addition, subsidies administered to schools by local governments, without regard for rankings, should be augmented. At the same time favorable tax treatment should be given to donations from enterprises and private individuals.

## 4. Improvements to the Health Care System

There is a need for urgent study aimed at setting up a program for increasing the number of physicians able to speak foreign languages and of encouraging

physicians from overseas to work in Japan. In addition, registration of physicians proficient in foreign languages, which is presently done by local governments, should be taken over by the national government, which should organize this information and make it available to people overseas on a Website.

#### 5. Creating Cities and Living Environments that are Attractive to Non-Japanese People

There is a need to create cities and living environments that non-Japanese people will find attractive. It is also necessary to develop “composite” cities with increased residential population in the central districts so that people can live closer to their places of employment. To achieve both high density and a pleasant environment in our cities, the current fragmented land use situation needs to be integrated to encourage the creation of large-scale sites for development. Urban planning in which high-rise buildings surrounded by greenery form the centerpiece should be promoted. Implementation will necessitate the use of earthquake resistant and tremor damping technology, in which Japan is the world leader, in order to ensure that the new cityscapes are safe from earthquakes.

#### 6. Realization of More Convenient Airports for the Tokyo Region

There is a need for an awareness that enhancement of the airport facilities serving the Tokyo region—the further expansion of Haneda Airport and the early completion of the originally planned parallel 2,500-meter runways at Narita Airport—is one of the most important infrastructure projects for Japan. Improving convenience, for example by realizing as soon as possible a means for shortening the time required to travel between the above two airports, by enhancing the network linking regional airports, and by improving the means for traveling to the Tokyo region quickly and cheaply, is one of the most important issues that Japan as a nation will continue to face in the years ahead.

## **VI. Conclusion—Rebuilding and Enhancing the “Nippon Brand” as Part of an Integrated Strategy for Increasing Japan’s Appeal**

In this report we have analyzed the question of whether Japanese society can succeed in attracting non-Japanese people by examining three aspects: attractiveness as a place to visit, attractiveness as a place to study, and attractiveness as a place to work. After completing this first stage of considering the attractiveness of Japan we came to sense a strong danger that the appeal of Japanese society is waning. Whether people want to visit, study, or work in Japan is related to the question whether or not Japanese society as a whole is perceived as attractive. We feel strongly that in order to refine and boost Japan’s appeal, and to clarify what each of the principal actors need to do, the nation as a whole must build an integrated strategy incorporating the elements listed below.

The phrase “made in Japan” became known throughout the world as the symbol of our country’s superb craftsmanship. A brand is a message that triggers a positive assessment and a favorable impression by evoking associations with information that has been accumulated over time. If this is the case, it goes without saying that an integrated strategy will be needed in order to establish a “Nippon brand” symbolizing the attractiveness of Japan.

The first step will be putting forth a clear vision incorporating the five elements mentioned above ((1) a high level of creativity in the area of intellectual values, (2) excellent spatial value, (3) a high level of time value, (4) a plentiful degree of lifestyle value, and (5) respect for human value). Japan is presently working frantically at structural reform and the disposal of bad loans, but the key question is what sort of society we should aim to achieve after those tasks have been completed and how we should realize agreement on that goal among the people. This is the way toward recovering the confidence of the Japanese people in the future and reviving economic growth.

The second step is to show, based on actual performance, that improvement is occurring with regard to each of the above five elements. People overseas will not view Japan in an attractive light if the government’s decisions are unclear, if economic growth remains stagnant, and if efforts are not made to achieve true understanding in international society. Foreign enterprises will not set up operations in Japan if the nation’s high cost structure persists and the unfavorable tax situation for corporations remains in place. Neither tourists nor international conventions will increase unless the redevelopment of Tokyo advances and the present “urban desert” situation is allowed to continue. If the nation’s universities remain in their present moribund state outstanding international students will not come to Japan to study.

As a third step, Japan must do a better job of getting its message across. Japanese people are simply not very good communicators. Traditionally, Japanese society has maintained a sense of homogeneity, and as a result Japanese people lack the ability to explain and describe their own intentions and ideas in a logical manner. In addition, the English competence of the Japanese is at nearly the lowest level, internationally speaking. Even though Japanese society has a marvelous culture and many characteristics that can be spoken of with pride to persons in other countries,

these assets only have value if we make them known overseas and make people outside of the country sympathetic to them.

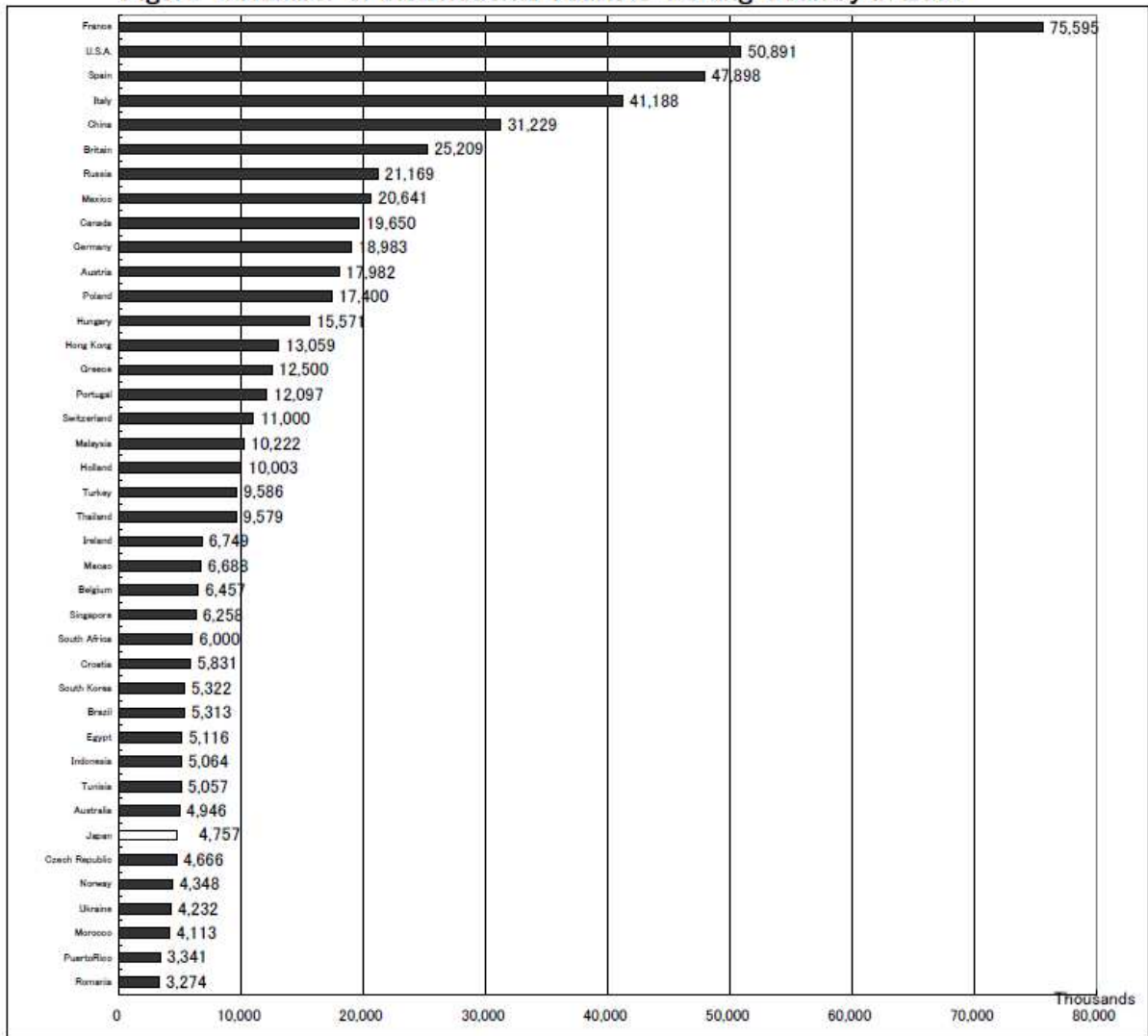
For example, the building of the above-mentioned Websites to publicize Japan so that people from abroad will want to visit, study, and work here should ideally lead to the emergence of a comprehensive Nippon Portal Site that clearly announces Japan's vision, including reference to the five elements of attractiveness.

Japan has always been a country with beautiful aspects and abundant potential for attracting intelligent people. In this report we have focused on the urgent area of *people*, examining ways to increase the number of visitors from overseas, international students from overseas, and businesspeople from overseas. However, the important point is that it will not be possible to put these proposals to full use unless efforts to promote the allure of Japan—the Nippon brand—are backed up with real action. The authors would like to take this opportunity once again to emphasize the necessity of developing an integrated strategy for rebuilding and enhancing the Nippon brand.



Reference Data

Figure 1: Number of International Tourists Visiting Country in 2000



Source: World Tourism Organization (WTO)

Note: Provisional figures as of January 2002 for number of international tourists visiting each country. Figure for Ukraine is for 1999, as data for 2000 is not available.

Figure 2: Number of International Conferences in Major Cities

Numbers in parentheses ( ) indicate rankings.

City	1996	1997	1998	1999	2000
Paris	(1) 280	(1) 249	(1) 247	(1) 247	(1) 276
Brussels	(4) 178	(3) 182	(3) 185	(2) 187	(2) 209
London	(3) 179	(2) 205	(2) 200	(4) 160	(3) 195
Vienna	(2) 186	(4) 178	(4) 183	(3) 165	(4) 157
Singapore	(7) 136	(6) 138	(6) 131	(5) 140	(5) 124
Sydney	(23) 65	(16) 82	(16) 81	(9) 106	(6) 121
Berlin	(13) 85	(11) 97	(8) 105	(6) 136	(7) 112
Amsterdam	(10) 115	(7) 112	(5) 137	(7) 125	(8) 109
Geneva	(5) 148	(5) 146	(7) 108	(18) 74	(9) 105
Copenhagen	(6) 146	(8) 106	(9) 104	(8) 113	(10) 103
Tokyo	(24) 64	(25) 64	(26) 59	(27) 63	(33) 53
Kyoto	(N/A) 21	(36) 44	(N/A) 23	(N/A) 23	(N/A) 21
Yokohama	(N/A) 15	(N/A) 16	(N/A) 21	(N/A) -	(N/A) -
Chiba	(N/A) 7	(N/A) 8	(N/A) 11	(N/A) -	(N/A) -
Osaka	(N/A) 20	(N/A) 9	(N/A) 9	(N/A) 15	(N/A) 13

Source: Compiled by the Japan National Tourist Organization (JNTO) from UAI data.

**Figure 3: Statistics on Income and Outflow from International Tourism**

**Top 15 Countries in Income from International Tourism in 2000**

	Country	Income from International Tourism (Millions of U.S. Dollars)
1	U.S.A.	85,153
2	Spain	31,000
3	France	29,900
4	Italy	27,439
5	Britain	19,544
6	Germany	17,812
7	China	16,231
8	Austria	11,440
9	Canada	10,768
10	Greece	9,221
11	Australia	8,442
12	Mexico	8,295
13	Hong Kong	7,886
14	Turkey	7,636
15	Russia *	7,510
31	Japan	3,373
	World Total	475,800

Source: World Tourism Organization (WTO)

Note: Figures in table are estimates as of August 2001.

\* Figure for Russia is for 1999, as data for 2000 is not available.

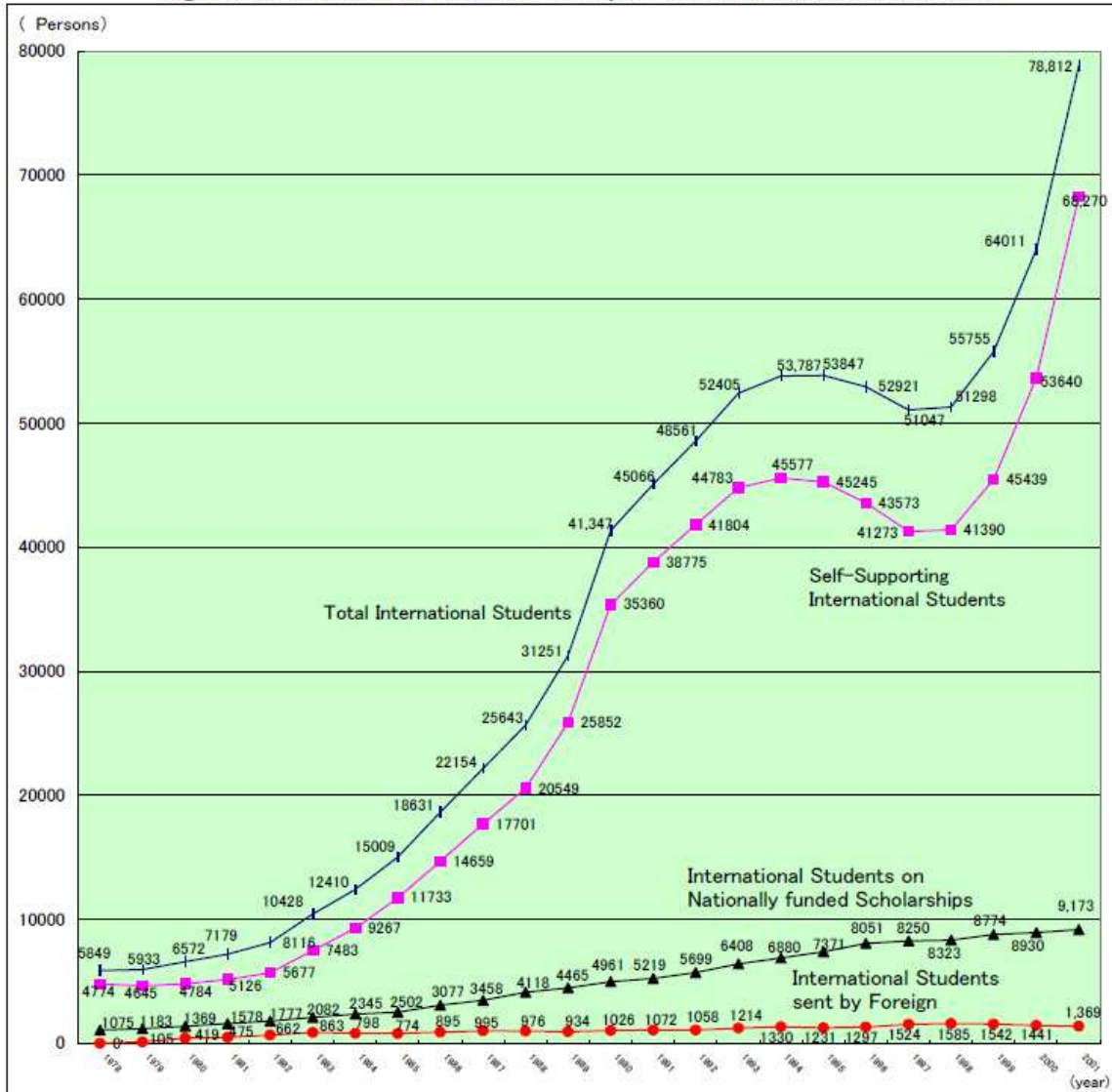
**Top 15 Countries and Regions in Outflow Associated with International Tourism in 1999 and 2000**

	Country	Outflow Associated with International Tourism (Millions of U.S. Dollars)	
		1999	2000
1	U.S.A.	59,400	65,000
2	Germany	48,500	47,600
3	Britain	35,600	36,600
4	Japan	32,800	31,500
5	France	18,600	17,200
6	Italy	16,900	15,500
7	Canada	11,300	12,400
8	Holland	11,400	11,800
9	China	10,900	–
10	Belgium/Luxembourg	10,100	–
11	Austria	9,800	9,300
12	Sweden	7,600	–
13	Russia	7,400	–
14	South Korea	4,000	6,400
15	Switzerland	6,800	6,300

Source: World Tourism Organization (WTO)

Note: Figures in table are estimates as of August 2001.

Figure 4: International Students in Japan (Each year's figures current as of May 1.)



Note 1: As used here, the term "international students" refers to university and college students of non-Japanese nationality who are enrolled in Japanese universities (undergraduate or graduate programs), technical colleges, vocational schools (specialized courses), or preparatory courses for entrance into Japanese universities, and whose status of residence is "College Student" as defined in Annexed Table 1 of the Immigration Control and Refugee Recognition Act.

Note 2: The figures for "international students sent by foreign governments" include students sent to Japan by the governments of Malaysia, Indonesia, Thailand, Singapore, the United Arab Emirates, Kuwait, Uzbekistan, Laos, and South Korea.

Figure 5: Number of International Students in Selected Countries

Country	U.S.A.	Britain	Germany	France	Australia	Japan
Persons Enrolled in Institutions of Higher Education (Thousands) <sup>1</sup>	8,582 (14,549)	1,260	1,801	2,090	726	3,564
International Students (Accepted) (Persons) <sup>2</sup>	547,667 (2000)	224,660 (1999)	187,027 (2000)	140,849 (2000)	107,622 (2000)	78,812 (2001)
International Students on Nationally Funded (Persons) <sup>3</sup>	3,553 (2000)	4,663 (2001)	6,233 (2000)	11,537 (2000)	3,387 (2000)	9,173 (2001)
International Students (Accepted) Persons Enrolled in Institutions of Higher Education (%)	6.4	17.8	10.4	6.7	14.8	2.2

<sup>1</sup> Investigation by the Ministry of Education, Culture, Sports, Science and Technology. (U.S.A. figures in parentheses ( ) include part-time students. Figures for U.S.A., Germany, and France are for 1998, those for Britain are for 1999, those for Australia are AEI (Overseas Student Statistics 2000) statistics for 2000, and those for Japan are for 2001.)

<sup>2</sup> Figures for U.S.A. are based on IIE, *Open Doors*, those for Britain on HESA, *Students in Higher Education Institutions 1999/00*, those for Germany on statistics from the Federal Statistical Office of Germany, those for France on Government of France, *Ministere de l'Education Nationale, Repères et Références Statistiques*, those for Australia on AEI, *Overseas Student Statistics 2000*, and those for Japan on a survey of the offices of international students at Japanese institutions of higher education.

<sup>3</sup> Figures for U.S.A. are based on IIE, *Open Doors*, those for Britain on statistics from the British Council, those for Germany on statistics from DAAD, those for France on statistics from the Embassy of France in Japan, those for Australia on statistics from the Embassy of Australia in Japan, and those for Japan on a survey of the offices of international students at Japanese institutions of higher education.

(Annotation 1)

According to Professor Iwao, those reporting a “Moderate” or “Considerable” degree of difficulty in dealing with “Japanese Peoples’ Prejudice and Closed-Mindedness Toward Non-Japanese People” in response to the survey that formed the basis for “Degree of Difficulty in Conforming to Aspects of Life in Japan” [Figure 6-1] totaled 51% of the respondents. The corresponding figure for “Finding Lodgings” (many of the respondents had been told by landlords or realtors that they did not rent to non-Japanese or persons from a particular country) was 45%, that for “Japanese Ways of Thinking” 43%, and that for “Communicating with Japanese People” 35%. In addition, when she inquired about “Living Conditions,” “Educational Content,” and “Attitude of Japanese People” with regard to “What Is Your Biggest Complaint?” [Figure 6-2], those responding “Attitude of Japanese People” accounted for a full 42% of the total in the surveys of both 1985 and 1995.

In addition, Professor Iwao’s survey of “Impressions of Japanese People” [Figure 6-3] {1975 (250 subjects), 1985 (1,301 subjects), 1995 (4,831 subjects)} indicated that international students’ impressions of the Japanese as people who “Don’t Treat Men and Women Equally” and are “Prejudiced” have hardly changed in 20 years.

In Professor Iwao’s surveys of international students’ “Most Unpleasant Experience in Japan” [Figure 6-4] and “Most Pleasant Experience in Japan” [Figure 6-5] as well, “Attitudes, prejudices, discrimination of Japanese toward non-Japanese,” for example, complaints such as “no one will sit next to me,” and “Looking for lodgings,” which was touched on above, were reported by 13.5% and 8.1% of respondents, respectively, which is quite high. The most commonly response for “Most Pleasant Experience in Japan” was “Personal achievements (being admitted to university, graduating from university, receiving a scholarship, marriage/childbirth, getting good grades, research results, etc.),” which accounted for 15.2% of the total. It was followed by “Friend, sweetheart” at 12.0%. Finally, in the “Type of Non-Japanese Person Japanese People Like” [Figure 6-6] survey, “Americans, Europeans, blonds, people with blue eyes, people who speak English, people from advanced countries, rich people, etc.” was the most popular response, accounting for 53% of the total (2,560 of 5,385 respondents).

In response to the question, “Would You Recommend Study in Japan to Your Friends Back Home?” [Figure 6-7], 62 of the 1,286 respondents in 1985 answered “Definitely Not” and 320 answered “Probably Not” (together accounting for 30% of the total). In 1995 348 of the 4,754 respondents answered “Definitely Not” and 1,462 answered “Probably Not” (for a combined total of about 38%). Thus, the percentage of negative responses increased over time.

(Figures 6-1 through 6-7 are based on survey data on international students in Japan compiled by Professor Sumiko Iwao.)

Figure 6-1: Degree of Difficulty in Conforming to Aspects of Life in Japan

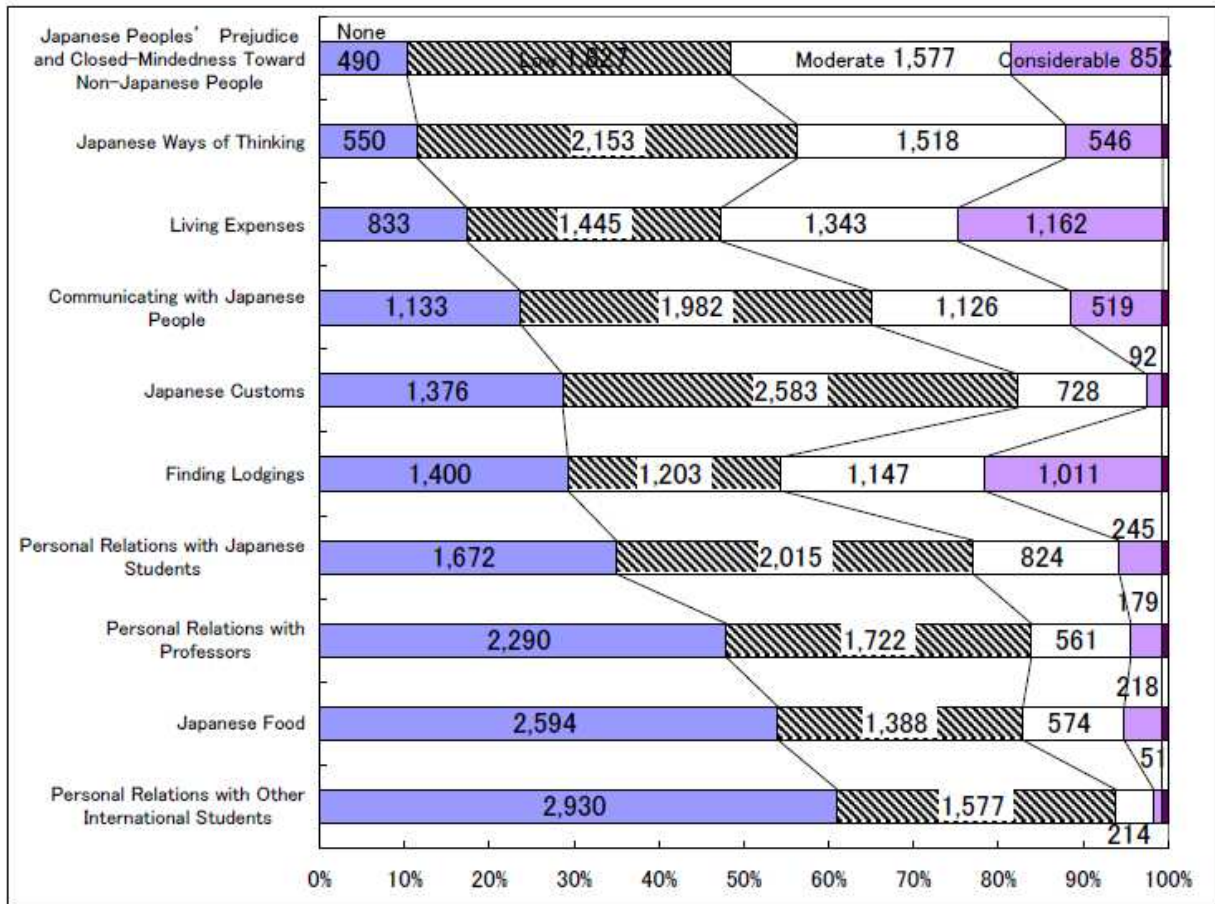
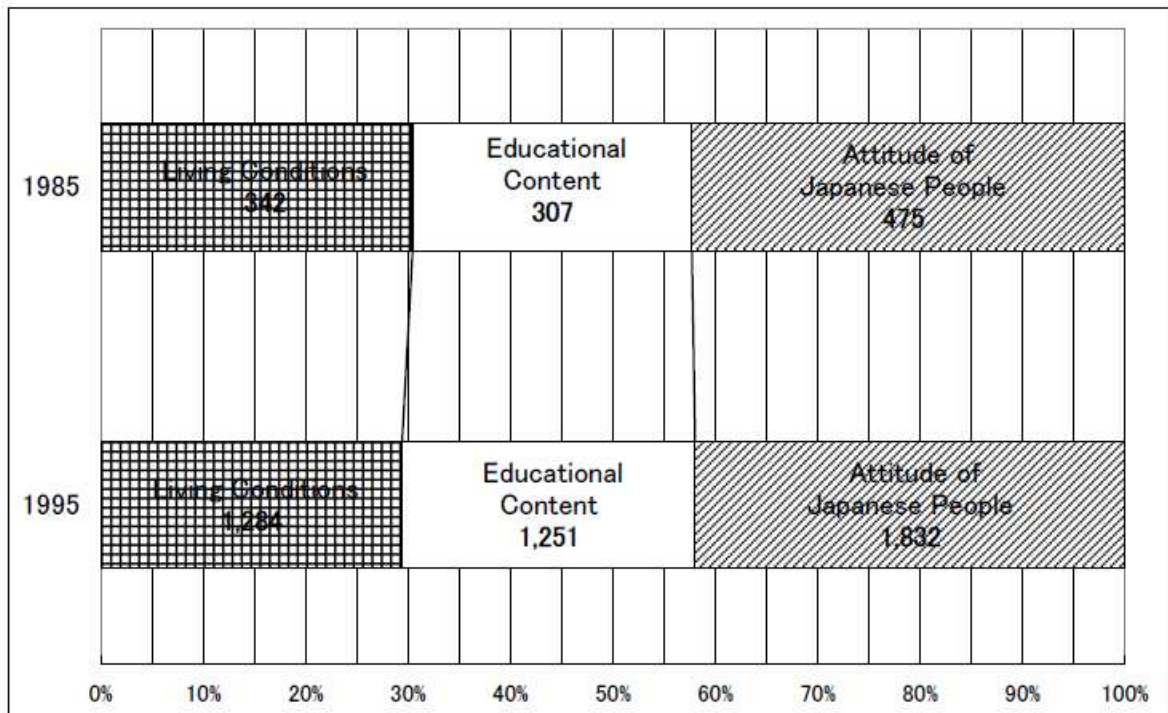
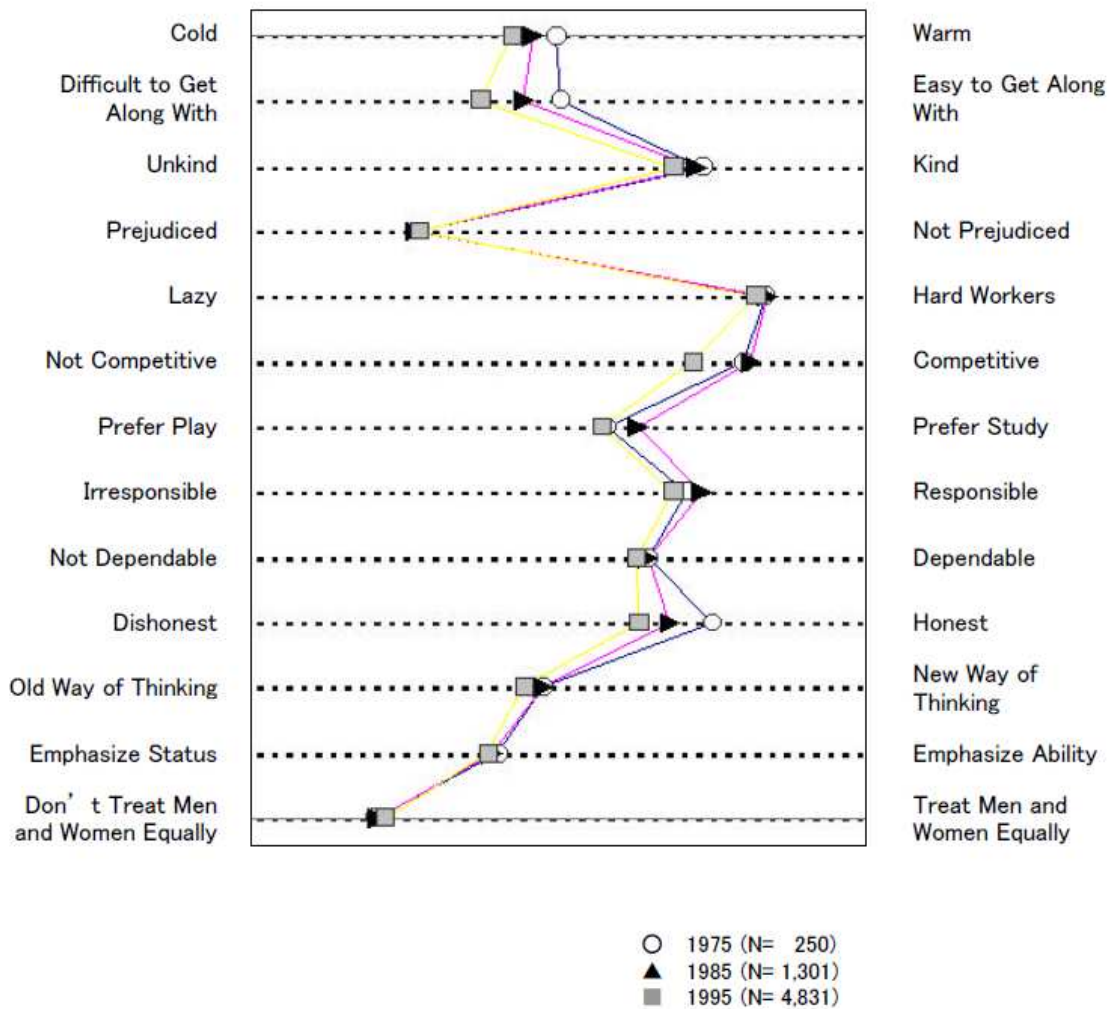


Figure 6-2: What Is Your Biggest Complaint?



**Figure 6-3: Impressions of Japanese People**  
 (International Students in Japan: 1975, 1985, 1995)



## Figure 6-4: Most Unpleasant Experience in Japan

01 Looking for lodgings (refusal because not Japanese or because person from XX country), response of realtors/landlords	8.1% (393)
02 Treatment of non-Japanese at public facilities such as immigration office (or police station)	5.1% (244)
03 Social and legal system regarding non-Japanese: alien registration, fingerprinting, need for guarantor, bothersome procedures associated with entering/staying in Japan	2.1% (100)
04 Assumption that non-Japanese commit crimes: experiencing unwarranted suspicion (of theft or intent to steal) in stores, etc.	1.1% ( 53)
05 Attitudes, prejudices, discrimination of Japanese toward non-Japanese (including complains such as “no one will sit next to me”)	13.5% (654)
06 Misunderstanding, lack of understanding, ignorance, lack of interest, slander by Japanese people (or Japanese government) toward respondent’s home country	3.3% (161)
07 Differences in historical consciousness: with regard to past relations between Japan and respondent’s home country, e.g., war responsibility	1.3% ( 62)
08 Communication gaps: inability to communicate, inability to understand others, being misunderstood by others	2.5% (120)
09 Problems at workplace (being scolded, not being paid as agreed, disputes with customers, etc.)	5.3% (254)
10 Problems at lodgings involving landlord, other residents, etc. (security deposit not returned, noisy neighbors, etc.)	1.3% ( 65)
11 Problems with personal relations at school (including relations with supervising professors, laboratory staff, other students, etc.)	3.5% (170)
12 Problems with personal relations in general, not limited to personal relations with Japanese (being picked on, being ridiculed, being deceived, being ignored, arguments, etc.)	3.8% (183)
13 Sexual harassment (gropers, prank calls, mistaken for worker in sex trade, etc.)	1.6% ( 79)
14 Problems involving alcohol (behavior of drunks, being forced to drink, etc.)	0.7% ( 35)
15 Values/way of thinking of Japanese (sexism, hierarchy, difference between outward appearance and true feelings, etc.)	2.5% (170)
16 Other customs, practices, systems (crowded trains, refusal by taxi drivers, Japanese style toilets, public baths, Japanese food, high prices, etc.)	3.0% (144)
17 Personal frustration/failure (failure to obtain scholarship, illness, accident, unrequited love, etc.; also includes illness or accident in family)	3.2% (153)
18 Victimization (being robbed, having belongings broken, being overcharged by taxi driver, etc.)	2.5% (123)
19 Feelings of alienation/isolation (no friends, no one to help when in need, etc.)	1.2% ( 60)
20 Japanese educational system, content of classes (odd system for determining amount of scholarship, boring classes, etc.)	1.9% ( 90)
21 Other (Kobe earthquake, weather, etc.)	3.1% (150)
... None, nothing in particular	11.4% (551)
... No comment, can’t remember	3.7% (178)
... Indications of a large number of unpleasant experiences such as, “Too many things to write down; I’ve decided to forget about them.”	0.8% ( 37)



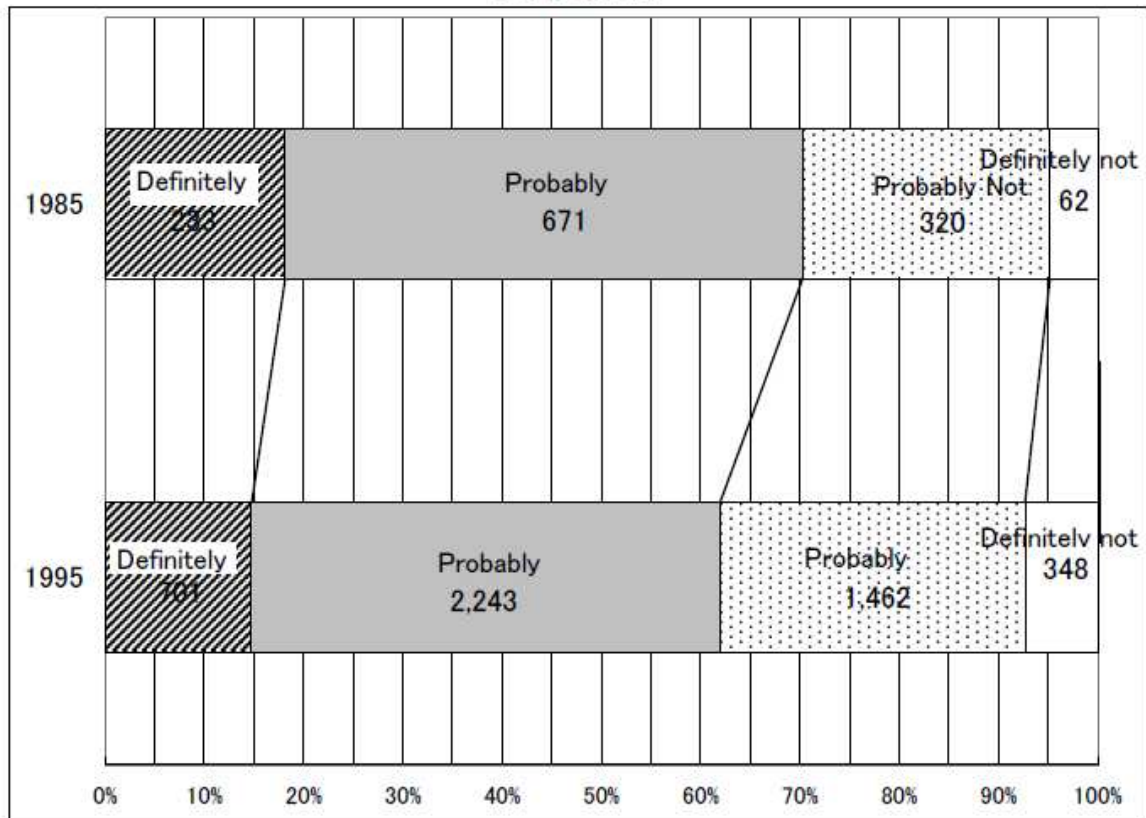
## Figure 6-5: Most Pleasant Experience in Japan

— Interaction/personal relations with Japanese people	
01 Home stay or host family	6.4% (307)
02 Friend, sweetheart	12.0% (580)
03 Person involved with education, such as supervising professor, people in laboratory, person responsible for international students, etc.	5.7% (277)
04 Kindness of strangers, interaction with people when on a trip, etc.	5.7% (276)
05 Other than the above, general (friend's family, local volunteer group, mutual friendship society)	7.0% (338)
— Interaction/personal relations with non-Japanese people	
06 Interaction with people from home country (including visits or letters from family members or friends from home country)	1.2% ( 56)
07 International exchange (interaction with people from many different countries)	2.4% (117)
<hr/>	
08 Experience on a trip (including camping, driving, etc.)	6.7% (323)
09 Japanese customs and practices (Japanese bathtubs, hot springs, public baths, festivals, Japanese food, wearing a kimono, etc.)	1.8% ( 86)
10 Kind/appropriate treatment at public facilities such as city halls or police boxes	0.5% ( 22)
11 Modern facilities and system, services, safety (including having lost property returned, etc.)	3.2% (156)
12 Personal achievements (being admitted to university, graduating from university, receiving a scholarship, marriage/childbirth, getting good grades, research results, etc.)	15.2% (735)
13 Other	4.3% (210)
... None, nothing in particular	9.2% (445)
... No comment, can't remember	3.8% (182)
... Too many to remember, can't choose one to write about	0.7% ( 34)

## Figure 6-6: Type of Non-Japanese Person Japanese People Like

1 Americans, Europeans, blonds, people with blue eyes, people who speak English, people from advanced countries, rich people, etc.	53.0% (2560)
2 People interested in learning about Japanese culture and customs, people who can speak Japanese, people interested in Japanese culture, Japanophiles, etc.	10.2% (491)
3 People different from the Japanese, people who behave differently from the Japanese, people who act "foreign," people who stand out, people who can't speak Japanese, etc.	4.0% (195)
4 People with positive, extroverted, active, bright, interesting personalities	8.6% (414)
5 People with serious, stoic, restrained, polite, inconspicuous, quiet, hardworking personalities	14.3% (689)
6 People who are not a disadvantage as far as Japanese people are concerned, do not get in the way, are useful, do not judge Japan, do not upset the order of Japanese society, etc.	8.7% (419)
7 Other (characteristics other than those listed above, Japanese hate all foreigners, etc.)	12.8% (617)

Figure 6-7: Would You Recommend Study in Japan to Your Friends Back Home?



## **“Making Japan More Attractive to Non-Japanese” Study Group List of Members**

As of October 2002  
(Honorifics omitted)

### Co-Chairman

Shinji Fukukawa (Senior Advisor, Dentsu Inc.)  
Takashi Masuko (Executive Vice President, Japan Airlines Co., Ltd.)

### Members

Setsuzo Kohsaka (Counselor, Kurita Water Industries Ltd.)  
Hiroo Mori (Managing Director, MORI Building Co., Ltd.)  
Isao Yagi (Senior Executive Vice President, All Nippon Airways Co., Ltd.)  
Akio Kambara (Managing Director & General Manager, JTB Corp.)  
John McBride  
(President and Representative Director, The News Corporation Ltd. Japan)  
(through June 2002)  
Mikiko Fujiwara  
(Visiting Scholar, Research Institute of Economy, Trade and Industry, IAI)  
(through July 2002)

### Contact

Kiyohiko Ito  
(General Manager for National & Global Governance Research)  
  
Toshinobu Nagura (Manager for International Affairs)  
  
c/o Keizai Doyukai (Japan Association of Corporate Executives)  
Tel: 03-3284-0220 / Fax: 03-3212-3774  
e-mail: [contact@doyukai.or.jp](mailto:contact@doyukai.or.jp)