

# Policy-Making Mechanisms in the Age of Social Media

## - The Role of the Social Sector in Shaping Public Opinion -

**Yasufumi Kanemaru**

Chairperson, NIRA /Chairman and President, Group CEO,  
Future Corporation

**Noriyuki Yanagawa**

Executive Vice President, NIRA / Professor, The University  
of Tokyo

The development of social media has made it possible to have direct access to the voices of ordinary people. However, social media also fragments people's attention, and they become influenced by information received in a very short span of time. NIRA Forum 2023, "Theme 4: Policy-Making Mechanisms in the Age of Social Media," discussed the impact of the Internet environment on the formation of public opinion, the role of traditional media, and means of ensuring that political processes are sufficiently aware of people's voices.

Opinions voiced on social media diverge significantly from generally-held opinions, and there are concerns regarding infringements of human rights and manipulation of opinion caused by exposure to false information. It is important to prevent the "atmosphere" of Japanese society from being changed by such factors. In order to counter false information, it is essential that a variety of official information should be open and constantly verifiable. It will also be necessary to promote the development of a statistical mechanism that cuts across ministries and agencies, and to improve statistical data. At the same time, the traditional media is trapped in a vicious cycle of attempting to attract readers with sensational and simplistic content, leading to further loss of its credibility. We must change this business model to ensure that the media is able to provide accurate and timely information that people need to know, regardless of their personal preferences, improve the media literacy of the public, and contribute to policy-making.

In order to reflect people's voices in policy-making, it will be vital to create finely-tuned images of the public based on granular data. A range of types of information, including market and search data, should be used to enable us to take in people's voices, including the "silent majority," and reflect these voices in policy. To this end, we must strengthen the "social sector," making it an entity that understands the policy-making process and conveys people's awareness of issues to bureaucrats and politicians in a form that they are able to absorb.

## **Participants in NIRA Forum 2023 Event “Theme 4: Policy-Making Mechanisms in the Age of Social Media”**

- Kazuto Ataka  
Professor, Keio University
- Masako Ii  
Professor, Hitotsubashi University
- Toshihiko Okano  
Senior Specialist, NTT Data Institute of Management Consulting
- Yasufumi Kanemaru  
Chairperson, NIRA/Chairman and President, Group CEO, Future Corporation
- Hisashi Obayashi  
Member of the Nikkei Inc. Editorial Board
- Chizuru Suga  
Director, Digital Economy Division, Commerce and Information Policy Bureau,  
Ministry of Economy, Trade and Industry (METI)
- Masaru Seo  
President, Slow News, Inc.
- Toshio Taki  
Group Executive Director, Chief of Public Affairs (CoPA), Head of Sustainability and Head of  
Money Forward Fintech Institute
- Mana Nakazora  
Vice Chairperson of Global Markets, BNP Paribas Japan
- Izumi Hayashi  
Attorney at Law, Partner, Sakurazaka Law Offices
- Kazuhiro Hayashi  
Director of Research Unit for Data Application, National Institute of Science and Technology  
Policy, Ministry of Education, Culture, Sports, Science and Technology (MEXT)
- Noriyuki Yanagawa  
Executive Vice President, NIRA / Professor, The University of Tokyo
- Shinichi Yamaguchi  
Associate Professor, International University of Japan
- Tatsuya Yamaji  
Representative Director, binWord
- Hideo Yamamoto

Executive Manager, Innovation Leadership Section, Business Design Department, Financial Innovation Division, NTT Data Group Corporation

(Positions as of date of Forum / Titles omitted / Alphabetical order)

The development of social media has reduced opportunities for exposure to traditional news media. As exposure to social media content has increased, people's attention has become fragmented and they are influenced by the information available in the brief time that they allot to taking it in.

How is the formation of public opinion affected by social media? And how should the media be utilized to ensure that people's voices are appropriately reflected in policy-making?

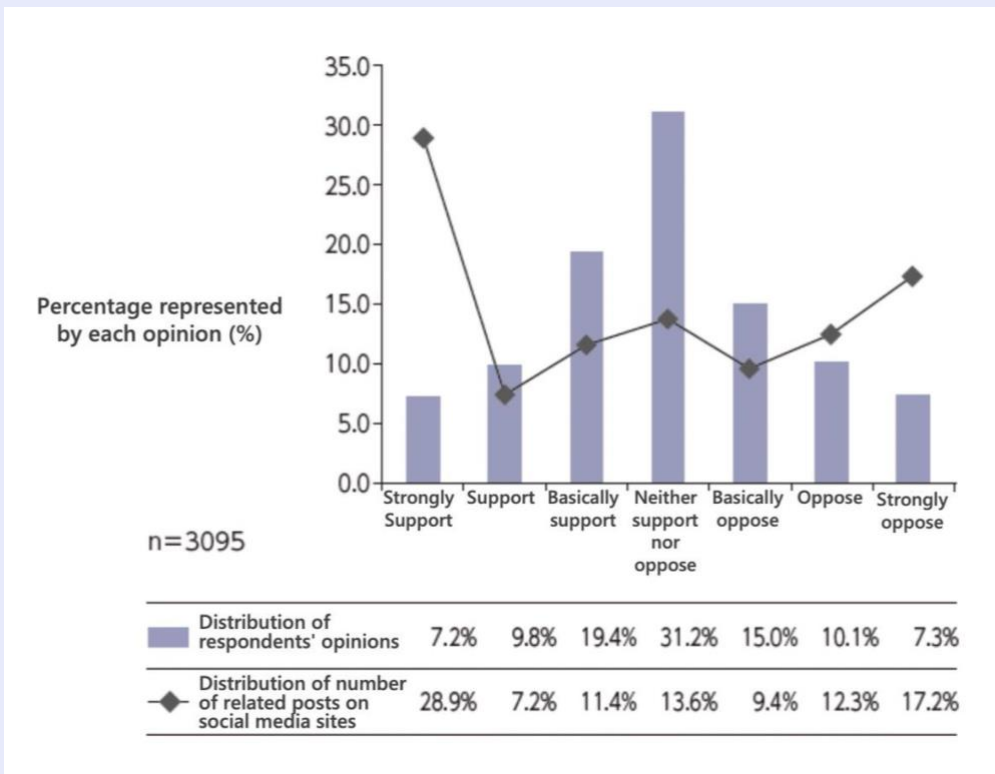
NIRA Forum 2023, "Theme 4: Policy-Making Mechanisms in the Age of Social Media," featured a discussion regarding how to deal with bias and fake news in social media, the role of traditional media, and measures to bring people's voices into the political process (Note 1).

## **Opinions on Social Media Deviate Significantly from More General Opinion**

Associate Professor Shinichi Yamaguchi of the International University of Japan raised the issue of bias in social media. Based on data analysis, he pointed out the danger of regarding opinions on social media as public opinion, and spoke about the following problems.

Because only those who want to have their opinion heard speak out on social media, the distribution of opinions is highly skewed (Figure 1). Furthermore, the more that a topic is of general interest, the more polarized opinions regarding that topic on social media tend to be. In addition to this, social media tends to amplify the voices of certain people. In many cases, even topics that appear to be the focus of lively discussion are only the subject of posts by a small number of people.

Figure 1: Distribution of public opinion regarding amendments to the constitution and distribution of number of related posts on social media sites



(Source) Yamaguchi, S. (2022), Sousharu media kaitai zensho ("A Guide to Social Media"; in Japanese) (Keiso Shobo), p. 25.

Echo chambers (a phenomenon in which users are exposed only to opinions similar to their own, thereby narrowing their perspective) and filter bubbles (a phenomenon in which information close to the user's opinion is preferentially displayed and other information is hidden) have been pointed out as problems inherent to social media. However, research has shown that when news media offering opinions that differ from those of social media users are displayed randomly, these media are also viewed, and as a result users develop more moderate opinions (Ro'ee, 2021) (Note 2). This suggests that it is social media algorithms that have the strongest influence on people's opinions.

Under these circumstances, it will be necessary to use a variety of means, such as active public opinion polling, to enable people's voices to be reflected in policy-making. In addition, rather than exclusively using open social media, we should also create forums in which constructive discussions can occur, and these discussions should include the perspectives of experts in their respective fields.

## **Cognitive Warfare for “Mind Control” Has Begun**

Professor Kazuto Ataka of Keio University pointed out that the vast amount of false information spread on social media is becoming a national security threat.

A recent troubling phenomenon is the generation of false information by AI. Using deepfake technology (false images generated by AI), videos of speeches made by people who do not exist are now being created, and these videos spread explosively on social media. Additionally, AI-based chat services are continually generating false information that appears plausible. AI-generated false information is already a major issue from a national security perspective. False information is easy to spread, and it can even be used to interfere in elections in other countries. In the past, warfare was conducted on the physical level; it has now reached the cyber level, and is about to reach the level of the human mind. This situation can be described as “cognitive warfare for mind control.” Fact-checking is essential to counter the spread of false information and the proliferation of “infodemics.” It will also be necessary for the journalistic world to monitor these trends in the manipulation of opinion. False information makes our societies more prone to confusion, and this is no longer limited to social media sites. In Japan in particular, the “atmosphere” of society is more significant than logic and facts. It will be important to prevent this atmosphere from being changed.

## **How Can We Increase the Reliability of Information?**

Session participants offered their opinions regarding how to increase the reliability of information on the Internet and other media.

Mr. Masaru Seo, President of Slow News, Inc., indicated that trust in the government is essential to countering fake news. For example, a Ministry of Health, Labour and Welfare survey showed that the more people trusted the government, the more likely they were to seek vaccination against COVID-19. Unless official data and official documents are constantly open to and verifiable by the public, it will not be possible to suppress conspiracy theories.

Professor Masako Ii of Hitotsubashi University pointed out that there is a paucity of official statistical data. Although the Ministry of Internal Affairs and Communications has a Statistics Bureau, there is no “Statistics Ministry” that cuts across other ministries and government agencies. Japan's statistical apparatus is not centralized. Hideo Yamamoto, Executive Manager of the Innovation Leadership Section, Business Design Department, Financial Innovation Division, NTT Data Group Corporation, also pointed out problems related to official data from the perspective of

a developer of businesses for financial institutions. Financial institutions must submit reports to various government agencies, but because the required content and format differ from agency to agency, the data is inconsistent, resulting in cumbersome procedures. As a result, the government is also unable to obtain the data it wants when it wants that data. Mr. Yamamoto indicated that the government also needs to promote the centralization of data from the perspective of the private sector.

Izumi Hayashi, attorney at law and a partner in the Sakurazaka Law Offices, focused on the balance between freedom of speech and human rights. If the emphasis is placed on freedom of speech, this freedom may infringe on others' human rights. While censorship by the government or local public entities should be strictly prohibited, the current state of social media, where false, exaggerated, or upsetting comments made by certain groups of people can infringe on others' human rights is totally unacceptable. Mana Nakazora, Vice Chairperson of Global Markets for BNP Paribas Japan, expressed her concern that the anonymity of the Internet may be spurring phenomena such as social media "blow ups."

## **Existing Journalism Under Pressure to Change**

Mr. Seo discussed the current state of journalism. Globally, social media is having a growing impact on politics. It is no exaggeration to say that social media is deciding the outcome of wars, given, for example, that it is one of the weapons being employed in the war between Russia and Ukraine. At the same time, the existing mass media, in particular newspapers, have lost much of their influence. 10 years from now, people in their 50s will retire; it is highly likely that a large proportion of people in their 40s and younger will not read newspapers in the future. The public's trust in newspapers is also waning. In Japan, only 13% of the general public believes that journalists maintain a close watch on the government (by way of comparison, 90% of newspaper reporters believe that journalists do precisely this). Newspapers are becoming less likely to engage in fully-fledged investigative reporting because of their declining business strength, and they lack the human resources to conduct appropriate reporting on specialized areas of technology and science such as IT and AI and to write articles based on data. This has led to a vicious cycle in which newspapers attempt to attract readers' attention with sensational and simplistic articles, causing them to further lose credibility.

It will not be easy to change this situation. The business model of increasing PV with provocative headlines to increase advertising revenue must be changed, and efforts to increase media literacy

on the part of users will also be necessary. It will also be important to bring in human resources from academia and industry in specialized fields.

## **Updating the Image of the Public**

Professor Yanagawa, one of the authors of this paper, expressed his belief that the government should create a detailed picture of the Japanese public based on data.

In the past, the only macroeconomic data available was GDP per capita, and the only way to create economic policy was based on that data. This involved assuming an “average person” who did not actually exist and calling him or her a “member of the public.” However, technological innovation has made it possible to obtain more detailed data, and the data obtained can now be processed in its original state of distribution, rather than being averaged. In the future, when formulating policies, it will be necessary to first create a fine-grained picture of the public. To this end, the challenges will be how to acquire appropriate data and how to prepare statistics.

Another major change is that technology has made it possible to have direct access to the voices of ordinary people. In the past, the only people whose opinions reached the ears of those in government were those of people who “raised their voices,” and the media provided representation to these influential figures. But now, it has become possible to raise small amounts of money from a large number of people through crowdfunding, thereby turning small and scattered voices into one larger voice.

But at the same time, current social media sites are marked by bias and fake news. There is a need for mechanisms enabling us to hear the voices of the silent majority, who are not actively making their voices heard, and reflect those voices in policy-making.

## **Advantages of Existing Media and the Direction for the Japan Broadcasting Corporation (NHK)**

Ms. Hayashi pointed out that social media trends are now influencing the direction of Japanese television programs and spreading information on television. Even the elderly, who are not directly exposed to social media, are becoming brainwashed by biased opinions and false information originating from social media because they leave their televisions on all day.

On the other hand, there were also voices expressing the hope that existing media would play a new role. Toshihiko Okano, a Senior Specialist with the NTT Data Institute of Management Research Consulting, said that he has the impression that younger people are also actively seeking reliable news sources, rather than simply being manipulated by articles catering to popular taste. Ms. Nakazora also noted that one of the strengths of newspapers is that users can see headlines relating information that does not match their own preferences. How do we convey information to users that they themselves have not chosen, but that they should know about? This may provide a clue to solving the problems facing social media today.

Hisashi Obayashi, a member of the Nikkei Editorial Board, stated that his company's acquisition of the Financial Times had been an opportunity to instill a "digital-first" mindset within the Editorial Bureau. He voiced the opinion that the newspaper could play a meaningful role in policy-making by promoting a shift to digital, for example by posting breaking news and opinion relating to the news in the Nikkei online edition, rather than waiting for the deadlines of the morning and evening editions.

NHK was mentioned by participants as an important existing media organization. Mr. Seo suggested that the discussion should not be based on "NHK versus commercial broadcasters," but should rather take the perspective of how NHK can contribute to diversity in the public sphere, for example through the use of NHK resources by the local bureaus of commercial broadcasters. Kazuhiro Hayashi, Director of the Research Unit for Data Application of the Ministry of Education, Culture, Sports, Science and Technology's National Institute of Science and Technology Policy, emphasized the significance of citizen participation in the creation of NHK programming. He expressed hope that the production of content and science programs that are interactive, immediate, and responsive to new media could create a spontaneous scientific community made up of citizens with expertise in specific fields. Such a system of citizen participation would also lead to the improvement of data literacy among the public.

## **Bridging the Gap Between the Government and the Public**

Chizuru Suga, Information Director in the Digital Economy Division of the Ministry of Economy, Trade and Industry's Commerce and Information Policy Bureau, pointed out that a mechanism is needed to bridge the gap between policy-makers and the public.

A fact that may come as a surprise is that both politicians and bureaucrats genuinely want to hear people's voices if they can. In reality, however, there is a significant gap between the public's



awareness of issues and the policy-making arena. One of the key phrases that can help to bridge this gap is “social sector.” This refers to people and organizations able to grasp awareness of issues among the public, summarize this awareness, and make proposals to bureaucrats and politicians in a form that they can absorb. Up to the present, the social sector has had a limited presence in Japan, but recently there have been signs of hope. Young, talented bureaucrats who have left the public sector are beginning to take on roles in the social sector. They have experience in policy-making and understand how to get legislation passed. If the social sector and the government can work well together, it will become an easier matter to utilize the broad awareness of issues among the public in policy-making.

## **How Can We Assist the Parties Involved in the Policy-Making Process?**

Mr. Kanemaru, one of the authors of this paper, explained that it is important to understand the policy-making process and determine how to support the parties involved.

Japan has become a “country that does not change” due to the difficulty in reforming laws. If we look at the process by which legal reform is carried out, reform is almost entirely decided within the ruling Liberal Democratic Party (LDP). First, the party holds “hiraba,” or meetings between backbenchers, but these do not always result in a majority vote. At these meetings, held on specific issues, members of parliament express their opinions to each other in detail; finally, the chairperson of the subcommittee declares that he or she will decide on the matter at his or her own discretion. This means that even if there are dissenting opinions, such chairperson (who in many cases is a member of parliament in their third term of office) can make the decision to promote a specific policy, assuming that the upper echelons of the party do not make any objections. Regardless of the merits or demerits of the method, this is the process of deciding on legal reform in Japan.

If we want our voices to be heard in politics, we need to understand this process and determine ways to support members of parliament involved in such “hiraba” meetings. To this end, we must prepare high-quality evidence and data, and create opportunities for experts in different fields to interact with each other, bringing the voice of the public to legislators.

## **The Need for a Mechanism to Allow the Silent Majority to Be Heard**

Although extreme opinions tend to be expressed on social media sites, the majority of the public actually holds moderate opinions. How, then, can we take in the opinions of the “silent majority,” the segment of the public that does not actively speak out?

Toshio Taki, Group Executive Director of Money Forward, suggests that we make use of the market. For example, with regard to the pension issue, futures on pension substitution rate (the ratio of the amount of pension at the time of receipt of the pension to the take-home pay of the working-age population) should be listed, enabling the public to predict the future level of their pensions and trade on them. In addition, if credit default swaps (CDS; financial instruments that allow the risk of bankruptcy to be traded) for Japanese government bonds were to be listed, it would provide an indication of what the public thinks about the future of the Japanese economy. While appreciating the potential of utilization of the market, Ms. Nakazora pointed out that the problem with the silent majority in Japan is that they do not take action on their own volition.

Based on his experience in the field of big data, Professor Ataka focused on search history data. Believing that search history data reveals people's true intentions far more than posts on social media, he indicated that we should consider making effective use of this data.

Mr. Hayashi suggested that the “citizen science” (citizen-participatory scientific research) approach could be applied. In dialogues between scientists and citizens, science literacy is scored and improved through methods including “gamification.” Mr. Hayashi’s proposal is to use a framework of this type to revitalize the social sector.

It has been pointed out in a variety of media that Japanese voters, in particular among the younger generation, do not vote in elections. Mr. Seo stated that it would be necessary to apply a PDCA cycle to Japan’s electoral system. He suggested that we should hold public discussions of the electoral system and change the system to one that offers voters a sense of understanding and satisfaction. This could be expected to increase the public's awareness of political participation and improve the soundness of the policy-making process.

## **Future Initiatives**

The focus of the session was “the age of social media,” but traditional forms of media still have a strong influence on the older generation. The importance of reporting based on data goes without saying, but it is not enough for this type of reporting to exist on the Internet alone. It will also be necessary to consider how to reform traditional media.

From the perspective of making the voices of the people heard in the political arena, the overwhelming lack of a social sector in Japan is a very significant problem. The role of curating people's opinions, compiling them based on data, and ensuring that they are heard in the political process is an essential one. In this regard, NIRA must consider what it can do as part of the social sector in the future.

Another thing that needs to be considered is a practical strategy for bringing the voices of the public to the policy-making table. The cost of changing the law is very high, and the process of making policy decisions also tends to be opaque to the public. We must proceed from a scientific perspective not only with regard to “what” policy proposals to make, but also “how” to make them.

### Note

1 NIRA Forum 2023, “Theme 4: Policy-Making Mechanisms in the Age of Social Media,” was held on February 4, 2023 at the Akasaka Intercity Conference.

2 Ro'ee, L. (2021), social media, News Consumption, and Polarization: Evidence from a Field Experiment, *American Economic Review*, 111(3), 831-70.



**Yasufumi Kanemaru**

Mr. Kanemaru is the Chairperson of the Nippon Institute for Research Advancement (NIRA) and the Chairman, President, and Group CEO of Future Corporation, Inc. He has served in a number of public positions, including as a member of the Council for Regulatory Reform, and the Growth Strategy Council - Investing for the Future.



**Noriyuki Yanagawa**

Professor Yanagawa is one of NIRA's Executive Vice Presidents, and a professor in the Graduate School of Economics of The University of Tokyo, where he received his PhD in Economics in 1993. His research specializations are contract theory and financial contracts. Professor Yanagawa serves as a member of Japan's Council on Economic and Fiscal Policy.