

## **BOOK REVIEW OF *THE PLATFORM ECONOMY: HOW JAPAN TRANSFORMED THE CONSUMER INTERNET***

### **RECENSÃO DO LIVRO *THE PLATFORM ECONOMY: HOW JAPAN TRANSFORMED THE CONSUMER INTERNET***

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Steinberg, M. (2019). *The platform economy: How Japan transformed the consumer internet*. University of Minnesota Press.

Since around mid-2010s, “platform” companies such as Google, Amazon, and Uber have come under intense criticism. These tech giants from the Silicon Valley are problematic because their business model centers on secretive data surveillance and targeted marketing. They are socially irresponsible with tax evasions and liabilities for precarious labor. Their digital media imperialism is detrimental to the world for it undermines independent innovation at the national and local levels. The question is, can it be otherwise?

Marc Steinberg, associate professor of film studies at Concordia University in Montreal, is an expert of Japanese popular culture, anime, and games. His new volume on Japanese platform economy is full of thought-provoking historical and discourse analysis (Chapters 1–3), innovative case studies and political economy inquiries (Chapters 4–6). Rigorously researched and cogently written, this book succeeds in demonstrating the productivity of a dewesternized approach in not only understanding but also reimagining the “platforms”, also known as *purattofomu* in Japanese.

Besides shifting focus to Japan, Steinberg breaks new paths with his historical frame, conceptual definition, and analytical approach. The period he works with is Japan around the turn of the millennia, meaning alternatives to today’s platform hegemony already existed 2 decades ago. The Japanese model of platform economy indeed has continuities with the big tech nowadays, especially the capitalist commodification of “contents” (*kontentsu*) for which NTT Docomo’s i-mode — the world’s first-ever commercially viable mobile internet platform — serves as the “progenitor” that influenced its followers including those in the Silicon Valley. But i-mode and its competitors also differed from today’s tech giants in that their revenues did not rely on advertising and surveillance.

They took a smaller cut (9%) from each transaction on their platform (compared to 30% on iOS App Store or Android Play Store), while providing greater care for small players in their walled gardens online, training and incubating them. The result was more labor stability and chances of growth for small and medium-sized enterprises in an ecosystem of embedded capitalism. This differs remarkably from the dominant neoliberal platforms nowadays where Google and Apple hold a “survival of the fittest” attitude toward app makers the world over, most of whom suffer from high precarity.

Conceptually, Steinberg defines platforms as “(1) a layered structure often based on hardware, (2) a support for contents, and (3) a structure of mediation or enabler of financial transactions” (p. 6). While (3) is often emphasized in existing literature, there is usually much less attention to support mechanisms for (2) concerning the growth and well-being of contents creators across multiple media channels. Instead, today’s digital content is treated almost by default as a tool used by the platforms, a bait, more precisely, to extract surveillance data. This is an instance how problematic industry practice confines scholarly thinking. Yet, Steinberg’s conception based on the Japanese platform model highlights the multiplicity and interconnectedness of transmedia contents, the value of high-quality contents themselves rather than “behind-the-stage” data extraction, and institutionalized mechanisms to support contents creators financially as well as professionally.

Although recent literature has exhibited an “infrastructure turn” in digital media studies, the “layered structure often based on hardware” (p. 6) is also uniquely Japanese and East Asian. On the one hand, the platforms for contents and transactions are owned by telecom operators such as NTT, KDDI, and Softbank, which are governed as essential infrastructure companies in Japan with their public service obligations under regulatory oversight. This is very different from the likes of Uber and Apple that are private entities who play an infrastructural role but have so far largely refused to be regulated as infrastructure companies. The symbiosis between contents platforms and telecom operators means the companies generated considerable revenue from data traffic itself. They therefore did not have to depend on advertising.

On the other hand, the layered hardware structure is also reflected in the design of Japanese handsets — *keitai* — that would have physical buttons on top of its keyboard (see Figure 1) for direct access to online services (e.g., email) and dedicated corporate contents (e.g., from Yahoo! Japan). This design had major influence beyond Japan. For instance, the Taiwanese semiconductor company MTK supplied millions of mobile phone chips to thousands of low-end *shanzhai* phone makers in China. These MTK-based phones typically had five shortcut buttons on top of their keypads for online contents and services. There was direct Japanese lineage for this design that helped reduce the price of mobile phone hardware in not only China but also large market segments of the global south.



Figure 1 A Softbank Keitai With Dedicated Keys for Online Contents

Credits. Jack Linchuan Qiu

As a political economist proficient in the analysis of popular culture, Steinberg deploys an innovative approach combining institutional analysis of media industries with critical discourse analysis of Japanese materials. He draws from Maurizio Lazzarato's insight on the *mode* and *monde* of production to argue that "capitalism and language cooperate in the production of words and worlds... capitalist valorization depends on the development of words — keywords such as *contents* and *platforms*" (p. 4). Then he focuses his scrutiny, especially in the first half the book, on management and business literature around the turn of the century that encompassed computer, telecom, and creative industries as well as Toyotism and the automobile sector with "car platforms — standardized chassis that are the basis for multiple different car models" (p. 73). A platform, in this unconventional sense, "could be both an automobile chassis and a website where one clicks on" (p. 73).

In addition to analyzing business and management discourse, Steinberg examined government documents and conducted interviews with key individuals to piece together a dynamic picture in which "platforms beget contents that in turn beget platforms" (p. 11). This applies to not only i-mode and similar telecom-backed mobile internet platforms (Chapter 4), but also leading online video sites such as Niconico Video, also known as the YouTube of Japan. Although Niconico's interface has its own aesthetics, participatory culture, and business logics following i-mode, Steinberg's case study confirms that Niconico is a variant of, rather than a resistant to, the general model of platform capitalism. But his analytical approach is also cultural sensitive, for instance, in using the words of Enoki Kei'ichi, the mastermind of i-mode, in describing contents platforms as "the palm

of Buddha” upon which the world sits (p. 161). This is more than a religious metaphor with Asian flavor. It helps to explain the regional development in East and Southeast Asia up to this day towards the so-called “super apps” such as KakaoTalk (South Korea), We-Chat (China), Grab (Singapore and Malaysia), and Go-Jek (Indonesia) that have arguably gone beyond Silicon Valley in furthering the logics of platform capitalism.

*The Platform Economy: How Japan Transformed the Consumer Internet* by Steinberg sets a new standard in comparative platform studies beyond the west, from a historical and regional perspective that reflects critically upon Silicon Valley. Systematically and convincingly, it demonstrates how digital platform ecosystems could have been, and have indeed been, structured differently than today’s model based almost exclusively on surveillance capitalism with labor precarity as its necessary consequence. The destiny of digital capitalism is not preordained. Nor is it a single pathway under the auspices of digital Americana. While the Japanese model has its limits and downsides such as nationalist jingoism and tendencies towards capitalist and imperialist expansion, the takeaway from Steinberg’s analysis is ultimately about the hubris of ahistorical, US-centric narratives surrounding the platform economy, which is now corrected through this first book-length treatment of Japanese platform economy and its regional and global ramifications.

An important pending question remains though: what can be learned about the bust of the Japanese contents-plus-platforms bubble? Capitalism consists of boom and bust cycles, globally, regionally, and in specific economic sectors. This volume has done a marvellous job examining the booming days of the Japanese model. However, critical readers interested in postcapitalism would probably demand more in-depth analysis of the Japanese demise more than a decade ago, compared with the initial signs of decline for Silicon Valley in recent years. Yet, Steinberg was limited by the management and business literature that tends to shed light only on the brighter side of the coin. As such, the strength of his discourse analysis and case studies also constitutes a weakness of his methodology.

Nevertheless, this book is a must-read for those who hope to broaden their perspectives on digital platforms geographically and historically; those who are troubled by Silicon Valley’s problematic narratives and practices of surveillance capitalism; and those who seek critical understandings of platform formations in the past to inform current and future struggles toward better digital futures that are sustainable and equitable. I strongly recommend Marc Steinberg’s *The Platform Economy: How Japan Transformed the Consumer Internet*.

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