

What Has Changed after March 11? What Has Remained Unchanged even after that?

By Naoyuki HARAOKA

The recent unprecedented tragedy caused by natural disasters has completely changed the destiny of Japan. For myself, in our JEF office, where nine of the 14 workers are women, it is first to be noted that everybody stayed calm when the big tremor attacked us on the 11th floor of a 13-story building in Tokyo's Ginza at 14:46 on March 11, 2011.

In particular, all the women kept amazingly calm, as if any emotional reaction of panic would be considered the feebleness of women that should not be permitted, just like a samurai's pride would hold up when he faced a crisis. After the most critical moment was over, many foreign residents and tourists visiting Japan said that they were impressed by the Japanese people's calmness even during the crisis. That is true. Our female colleagues stayed in the office overnight without panicking and without complaint. In the following weeks, they came to the office just like on ordinary days in spite of the incomplete transportation. They did their routine work quietly as if nothing disastrous had ever happened. There did not seem to be any significant difference in other offices in Tokyo, according to foreign correspondents. Western residents and visitors might call this chaotic calmness. Japanese people did not respond naturally to the disaster as the Westerners had expected. The emotionless response made them feel a little sick, since the Japanese seemed to have lost their sensitivity.

Meanwhile, according to the Japanese newspapers, Chinese and other Asians also recognized Japanese calmness and their decent behavior, politeness and respect for others even in the midst of the tragedy as invaluable virtues, and renewed their respect for the Japanese people.

The Japanese attitude observed during the devastating disaster as mentioned above could be interpreted as a sign of the deep influence of Confucianism, which even the Japanese themselves are not conscious of. Asians sharing the same tradition with Japanese might understand this better than Westerners.

It is amazing to see such traditions still remaining so powerful in our daily lives, something that most Japanese had never dreamt of.

No matter what may be our state of mind, however, our economy is not what it used to be before the earthquake. Thus, the catastrophe has completely changed the destiny of Japan. *Japan SPOTLIGHT* will highlight the disaster's economic impact in Japan and also in the world in the next issue, in July/Aug. At this stage, apart from simple optimism, that is, believing that the Japanese economy will recover strongly in spite of the expected sharp decline due to the probable substantive amount of loss of national wealth caused by the earthquake amounting to 3-4% of the total GDP, because the expected drastic increase in effective demand supported by the need for reconstruction will boost our economy. But there are two concerns showing us the structural change from the situation before the crisis. The first one is energy policy. Due to the nuclear power plant crisis that remains unsolved even now, we may no longer be able to be as indulgent in our view of nuclear energy as before, which would impose on us the great challenge to develop an energy supply for economic growth and also the global environment, since nuclear power is considered one of the few clean energy sources. This is certainly a challenge not only for Japan but also for the world as well. We may have to change our growth strategy completely in accordance with the energy constraints. Our economic policy goal must be to achieve a balance among economic growth (which is important for creating employment), energy, and the environment, in this highly challenging situation.

The second largest concern is the budget deficit. Japan's budget deficit had reached an enormous amount even before the crisis. The possible huge amount of additional government expenditure could make our fiscal situation even worse.

How we can address these two concerns will be the key for Japan to restore its economy and renew its contribution to the world economy and take full initiative in leading global governance. This is certainly not an easy, flat road but rather one filled with thornbushes. However, the one positive fundamental and decisive change from our days before the crisis is that the Japanese, who seemed to have lost any

Photo: Hidekazu Nakata



A devastated shopping center in Shizugawa, Minamisanriku, Miyagi Prefecture on April 15

sense of national objective to achieve as a country during the last two decades, have now regained it, namely, the reconstruction of the economy and rebirth of the country. This gives us a strong incentive to work hard and to create more innovation to overcome the many challenges we now face.

Finally, we Japanese are all thankful to our friends all over the world for having provided us with such warm-hearted sympathy and, in particular, invaluable materials for the residents most seriously hit by the disaster to help them in their hardship. The rebirth of Japan as mentioned above is now our mission to reward such great help and sincere sympathy shown by the rest of the world.

In this May/June issue of *Japan SPOTLIGHT*, we highlight two issues, "Web Revolution in Asia" and "The Emergence of China as the Second Largest Economy in the World." Asia's dynamic development is symbolized by the Asian giants, China and India. Two distinguished young business

economists, who have been making great contributions to building the foundation of a bridge between Japan and their countries, introduce a picture of the web revolution in China and India and its impact on Japan.

The emergence of China as the second-largest economy in the world is another phenomenon that reflects Asian dynamism. Dr. Teo, a young, bright Chinese economist in Hong Kong, talks about its significance for China, while distinguished opinion leaders from neighboring Singapore, Malaysia, and Taiwan, discuss its consequences for the rest of Asia. Finally, Dr. Meyer, a French expert on Asian affairs, shares his insightful views on the new China-Japan relations, based on his recent publication. **JS**

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