

# The *Zeitgeist* & Future Challenges

*The “spirit of the times” – a concept mostly associated with the German philosopher Hegel – refers to an invisible agent or force dominating the characteristics of a given epoch.*

By Kazumasa Kusaka

At the end of April 2019, or Heisei 31 in the Japanese era system, Japan's Emperor Akihito will relinquish the throne to his eldest son, Crown Prince Naruhito. The abdication will mark the end of the Heisei Era – the name given to Emperor Akihito's reign, which lasted for more than 30 years. In the past, when Japan's era names have changed, the spirit of the public has also changed, and accordingly new waves in the arts, music and fashion have emerged. This phenomenon was especially pronounced among the younger generation and women.

The term “Heisei” comes from ancient Chinese history and is intended to mean “peace in heaven and on earth”. The Heisei Era started in 1989, the year the Cold War ended. At that time people had hoped to receive the dividend of peace, but what we have observed is different. As Professor John J. Mearsheimer of the University of Chicago pointed out in an article in *The Atlantic Monthly* in August 1990 titled “Why We Will Soon Miss The Cold War”, the conditions that had made for decades of peace were fast disappearing and returning to the multipolar system that had bred a series of conflicts. Now without the heavy lid of Washington and Moscow, ethnic or religious conflicts and nationalism have risen to the surface.

The Heisei Era saw the end of the bubble economy in Japan and the subsequent so-called “Lost Decade”. This was a time when globalization had started through the integration of the Eastern bloc into a single global market economy. The era also witnessed major natural disasters such as the Great Hanshin-Awaji Earthquake of Jan. 17, 1995 and the Great East Japan Earthquake of March 11, 2011. People's prayers in the name of Heisei have not been fully realized.

As we now approach the start of a new era, our attitude has become more forward-looking. Let me point out a few factors that will color the new era. Festivals have long played a critical role in changing mindsets and the activities of communities, and the forthcoming Tokyo Olympic & Paralympic Games in 2020 and the Osaka Expo in 2025 should bring a positive note. But it is time that we directly faced up to challenges to which we have long delayed a fundamental response. Demographic changes and their consequences should have been predictable and though Japan is a front-runner in this regard, other mature countries are also facing a greying population and threats to the sustainability of their social security and fiscal systems. We have a responsibility to share our lessons regardless of their success or failure.

Then there is the political landmine of income and asset disparities, with possible collateral damage caused by popular discontent. This is a threat to the established political parties and we have yet to learn effective ways of coping with these issues. In

the social arena too, diversity is a key strategic concept for Japan to pursue, including accepting more foreign professionals and promoting women in order to change internal systems.

Finally, the new era's biggest external challenge will be to form a sound and sustainable relationship with China. The start of the Heisei Era coincided with the end of the Cold War, but now there is a creeping risk of a new cold war with China. However, a successful containment strategy against the Russian bloc was possible in the time before globalization, and now supply chains, value chains, human resources and technology are all connected globally. The private sector is the key player in the market economy, not only in business but also in security areas.

In the economic area, we have competing groups of countries in the form of regional integration, FTAs or the rising Chinese economy. Most recently, the Japan-EU FTA and TPP11 have come into effect. Conflicts come and go, but we have a more or less shared governing system under the WTO, and the EU, the United States and Japan are working to update intellectual property protection as well as data protection.

In the security area, there used to be the COCOM in the Cold War period, but the rules of the game at this moment are not certain, such as in the area of sensitive technologies. Whatever rivalries may exist, most activities in a globalized world would have to proceed as if it were a normal situation. In this security area, just as there has been wisdom demonstrated in the sharing of arms control arrangements, we will need some shared codes of behavior.

Without rules or a safe blanket, economic activities cannot realize the full potential for global growth. Asian countries especially, whose historical ties with China date back over 1,000 years, will be caught in the middle if they find themselves forced to choose between China and other allegiances.

Coming back to the “spirit of the times”, or the *zeitgeist*, in addition to this change of era we are now in the Year of the Boar in the Chinese zodiac. It is believed that this year's calendar sign sees the “conflict and decline” of the previous year change to a year of “sorting out confusion”. Moreover, the Chinese character for a boar means the nucleus of a plant storing energy for its growth, exactly like a boar waiting to rush out of a bush.

We hope that the new era can sort out confusion and find “better globalization” by drawing on the lessons of the last 30 years.

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