

Decade of Contrasts

By Takamitsu Sawa

Future historians are certain to mark 1989 as the single most epoch-making year of the latter half of the 20th century.

In domestic affairs 1989 began with the death of Emperor Hirohito on January 7. The nationwide consumption tax debuted on April 1 with considerable commotion. Japanese politics witnessed the fall of two cabinets and an unprecedented defeat for the ruling Liberal Democratic Party in the July 23 House of Councilors election. In the international realm, Soviet President Gorbachev's May 16 visit to China marked the end of 30 years of hostility between the two nations. Shortly thereafter came the June 4 crackdown at Tiananmen Square. The formation in Poland of a government led by members of the Solidarity labor federation set in motion a chain of events that culminated in the opening of the Berlin Wall on November 9. The year concluded with the Bush-Gorbachev shipboard summit conference off the coast of Malta.

Up until the spring of 1988 there was widespread optimism among most commentators about prospects for the 1990s. Nevertheless, the events of 1989 cast a shadow of uncertainty over the course of the coming decade, giving rise to premonitions that the 1990s may differ considerably in character from the 1980s.

I personally have been stating since the middle of the last decade that the 1990s would be quite different, even when it was not fashionable to say so. To me it was abundantly clear that there would be major contrasts with the 1980s, and that we would see shifts in emphasis from efficiency to fairness as a societal value, from the Cold War to detente in superpower relations, from Asia and the Pacific to Europe and the Atlantic, from globalization and trans-nationalism to forms of neo-nationalism, from post-modernism to a neo-modernist resurgence of Western values, and from neo-Japanism ("Yamato-ism") to demands for a new form of modernization for Japan.

Our assessment of the *International Trade and Industrial Policy in the 1990s* hinges on how thoroughly it accounts for these impending dramatic changes in direction.

The three objectives of trade and in-

dustrial policy for the 1990s seem altogether commonplace, but they do appear to account for the trends mentioned above. The first of the stated objectives, namely, to contribute to the international community and promote internal reforms, represents not only a response to the resurgence of Europe and demands for a new form of modernization, but also a recognition that Japan must promote development and stability in Asia within the context of a shift in focus from Asia to Europe.

The second objective, to improve the standard of living for the Japanese people, expresses in different words the shift from a one-sided emphasis on efficiency to more of an emphasis on fairness in allocation of wealth and resources within economic society. Finally, the third stated objective, to solidify the basis for long-term economic growth, may be seen (although admittedly this is straining matters just a bit) as an effort by Japan to fulfill its duty in a major-nation role to find new ways for nations to live and work together within a new international political and economic framework shaped by the realities of world resource limita-

tions, environmental impacts, and the shift from goods-based to information-based economies.

Moreover, the seven basic principles the report advocates also appear to address some of these exigencies. Principle 1 (emphasis on market principles and individual responsibility), principle 5 (receptiveness to change), principle 6 (the need for continuing internal reforms) and principle 7 (cooperation among administrative bodies) may be seen as responses to the above-mentioned impetus toward a new form of modernization. Principle 2 (emphasis on humanistic values and social interest) reflects the shift in policy emphasis from economic efficiency to fairness as societal values. Finally, principle 3 (integration of foreign and domestic policies) and principle 4 (long-term perspectives in policy implementation) reflect efforts to cope with the needs of policy formulation in the post-Cold War and post-postmodern era. ■

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Importance of MITI's Policy Vision for the 1990s

As Ryotaro Shiba has written, "Referring to the end of an era implies that the distinguishing features of the era no longer prevail."

Man is a creature of his times. Yet times change, and it is very difficult for people immersed in an era to see the delineations of their era. This holds in spades for the relationship between the states and the era. States shape eras but are in turn tied to the destiny of history. Tragedy awaits the state that is blind to this relationship and proudly believes that it can follow an independent path regardless of historical circumstances. Countries without vision perish. The state that can ride the crest of history, however, will prosper.

The task of understanding the times and their currents is as difficult for the state as it is for the individual. Yet unless policymakers endeavor to peer beyond the haze of the present and try to see what lies ahead, their state will be overwhelmed by the turmoil of history.

The Industrial Structure Council has provided visions for the 1970s, the 1980s, and now the 1990s. Such initiatives are crucial to understanding the times, and it is imperative that these efforts be continued if MITI is to maintain its leadership position.

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