

The State and the Changing Public Psyche

By Wakamatsu Kenji

The warm conditions in March caused the cherry blossoms to appear in record time across Japan, to the delight of those eagerly awaiting the arrival of spring. Moreover, there has been a fervent revival in the popularity of professional baseball. The celebrated Hanshin Tigers, who have traditionally rivaled the Yomiuri Giants in popularity, have notched up a string of victories since the start of the season. These two factors have even led to talk of a revival in the sagging economy. This has provided some relief from the widespread pain from the economic slump and from the lack of progress on structural reform and the non-performing loans in the financial sector.

Some influential members of parliament have resigned their seats in the wake of scandals involving public works contracts. The bureaucratic bungling and ministerial responsibility over the BSE (bovine spongiform encephalopathy, or mad cow disease) crisis was also a major political issue. The problems with the new Mizuho Financial Group also caused a considerable loss of vital confidence. Mizuho was launched in April following the merger of three major banks. It aimed to become a world leader in the banking sector. However, a faulty computer system caused difficulties from day one for depositors wanting to transfer funds or pay bills. The problems persisted for a month. Meanwhile, a leading public prosecutor was arrested on charges of dishonest dealings involving gangsters. The public has been disgusted by these revelations of unprecedented slackness in their society.

In April, Prime Minister Koizumi Junichiro marked his first year in office. However, the popularity of his government has fallen to around 40%. The government's future is uncertain. Koizumi nevertheless continues to show a strong commitment to structural reform. In spite of the opposition from his own party, he has presented legislation to parliament that would permit private industry participation in the postal sector. The drop in support

expressed in the opinion polls reflects public frustration on the lack of progress in reform, and could be viewed as a desire for more leadership on the part of the Prime Minister.

The drop in support for Koizumi has not transformed into more support for the opposition parties. The ruling Liberal Democratic Party, which has been showing considerable opposition to Koizumi's reforms, has also seen its support wane. An increasing number of people say they no longer support any particular party. This trend has been underscored in the recent local elections, which have been won by non-affiliated candidates who have gained the backing of many citizens.

In recent years, it has been said that Japan is facing its biggest period of upheaval since the Meiji Restoration of 1868 and defeat in World War II. The considerable change in the international situation is the main reason for this. The collapse of the Soviet-led communist system led to the end of the Cold War and the advent of a multi-polar world of free market economies and democratic countries centered on the United States. The dramatic developments in telecommunications technology have also ushered in a global era in which vast amounts of people, goods and money flow across borders. These changes have led to a wide-ranging exchange of ideas about the future of Japan amongst politicians, business people, academics, journalists and people in various other sectors of society.

These exchanges have ultimately led to the establishment of parliamentary venues to consider a previously taboo topic – constitutional change. Various other reforms are being implemented to streamline the bureaucracy and to improve the education system. There is also the vexing question of the constitutional restraints on the Self-Defense Forces (SDF). The SDF are playing an increasingly larger role in international cooperation and elsewhere. Japanese non-governmental organizations (NGOs), which have been conspicuous since the 1995 Great Hanshin

Earthquake, are also expanding their activities throughout the rest of Asia and in Africa, and are actively contributing to the reconstruction and development in Afghanistan and East Timor.

The government wants to utilize the experiences of these NGOs. It will soon establish a joint public-private center to foster international cooperation. Japan aims to play a more active role in the quest for international peace. Elsewhere, private sector corporations are pressing ahead with tough measures that will enable them to survive free world trade. Japan is slowly yet surely pressing ahead with reforms to cope with the new age.

COMING UP

The next issue of *JTI* will examine the rapidly developing Chinese economy and its impact on the entire Asian economy including that of Japan. We will also look at the comprehensive strategy of intellectual property that is aimed at strengthening Japan's industrial competitiveness.

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