

Patterns of Consumption

By Shoichi Akazawa

Macroeconomically, consumption accounts for 6% or more of the GNP in the leading industrial countries, and consumption trends have a major impact on economic growth. At the same time, consumption itself is influenced by a very wide range of factors, including household expenditures, savings and price levels, as well as such unquantifiables as consumer preferences and market psychology. Some of these factors, such as consumer preferences and psychology, in turn differ by age group from country to country, and even from region to region within the same country.

It is thus extremely difficult to try to summarize all of the intricacies of the complex consumer sector in a few short paragraphs. However, I suspect that the general thrust of Japanese consumption can be encapsulated by three major characteristics that have emerged over the past decade.

The first is that consumption itself is changing. This is, of course, the shift from goods to services. Japanese consumption used to center on such tangibles as furniture and clothing, but it is now driven by intangibles such as knowledge, entertainment, travel and the arts. At the same time, sophisticated new products have been developed with a larger service component. Polo shirts, for example, may cost more for the trademark design than they do for the shirt.

Just as companies may be said to have a corporate culture, so do consumers have their individual cultures, and this tendency to fashion in the broadest sense is particularly conspicuous as modern consumers pay not for the physical product but for the design, color scheme and other service aspects.

Globalization is the second characteristic. Where French designers once dominated the world of fashion, France has now been joined by Italy, Japan, Hong Kong, Singapore and other centers in what is truly a global industry meeting truly global demand. Famous in one area,

the design spreads quickly to consumer favor worldwide. This is particularly true among today's younger people.

And in seeming contradiction to the first two characteristics, the third is the consumer's increasing individualization and sense of personal identity. Of course, the two poles of globalization and individualization are not mutually exclusive. Instead, they are a complementary pair, and the more one is emphasized, the more the balancing other is needed.

Much of consumption is rooted in the behavioral patterns and lifestyles developed over the years in response to particular climatic and other factors in the particular region. These psyche-shaping traditions are not amenable to ready change, and thus it is that consumers are increasingly looking to develop patterns of consumption that fit their own personalities.

As might be expected, these changes in consumption have compelled major changes in production and elsewhere on the supply side. The flexible small-lot manufacturing systems now in widespread use in Japan, for example, were developed in response to this market diversification and short-cycling. All production is, after all, ultimately intended for consumption.

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Images of Women

Ato Ekusa's article "Images of Working Women" in the January/February issue of your magazine was quite interesting. It offers an insight with a light touch into some of the social phenomena in Japan, such as referring to a young woman behaving like a middle-aged man past his prime as *ojingyaru*, *ojin* being "old man" and *gyaru* the Japanized English word "gal." We are also told that the role of women is changing in Japan as in the rest of the world.

Some of Ekusa's observations do not seem to reflect the real situation in Japan, however. The article points to the changes created by the Equal Employment Opportunity Law of 1986, which "encourages companies to give ... women the same job opportunities as men, but ... also requires women to do their share of overtime."

A little further on we are told that the "typical female office worker in Japan used to be considered something of a simpleton. She would be given nothing more to do in the office than serve tea for visitors and make photocopies of documents when asked to do so by her seniors or other male employees." And again: "Following the implementation of the Equal Opportunity Law ... more and more women are being given positions of responsibility in the workplace ..."

It may be, certainly, that the Equal Opportunity Law encourages companies to upgrade the status of women, but this has hardly been put into practice. Whenever I have the chance to enter a Japanese company it is always a woman who serves me tea, never a man, if a woman is around. It is always a woman who handles photocopies. When I receive company brochures or financial reports I never see a woman's name or a woman's photograph among the members of the board or even among the *kacho* or *bucho*, the section chief or section manager.

Furthermore, it may be true that with the introduction of the new Equal Opportunity Law the burden of overtime will also affect women, but it has little practical application. Women flood company and hotel re-

ception areas during the daytime, but they are hard to spot at night. This leads me to the conclusion that women are not thought to be career-oriented, and are rather considered good part-timers at best.

The most striking example of the fact that changes in women's role in society have yet to come is within the government. When political and sex scandals involving members of the government recently broke out, a couple of women were appointed to the cabinet to enhance the appeal to women voters in last February's lower house election. Soon after the vote counting, when the new Kaifu administration was sworn in, the couple of women the prime minister had to squeeze in earlier were duly dropped.

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COMING UP

Tokyo, despite being one of the world's most expensive and overcrowded cities, retains a fascination for residents and visitors alike. High prices in the shops and the astronomical price of land are among its chief faults, but it is also in the vanguard of the information age, and is widely acknowledged to be a far safer place to live and travel in than most other large cities overseas.

The July/August issue of the *Journal* focuses on Tokyo in its Cover Story item, with Toshio Ojima, a professor at Waseda University, and other contributors helping to put the Japanese capital into perspective.

There will also be an article on the political impact of the Structural Impediments Initiative between Japan and the United States by Takeshi Sasaki, a professor at Tokyo University.

LDP Keeps Control in General Election

Prime Minister Toshiki Kaifu's Liberal Democratic Party held its own in a general election for the House of Representatives on February 18, winning a stable majority of 275 seats in the 512-seat lower chamber. With 11 conservative independents joining the LDP after the election, the party's numerical strength in the house stabilized at 286, down nine from the 295 seats it held prior to the election but still enough to let it comfortably steer the powerful lower house.

While the leading opposition party, the Japan Socialist Party, made a spectacular advance, winning 136 seats compared with a preelection strength of only 85, most of the new seats came at the expense of other opposition parties rather than the LDP. Komeito, the Japan Communist Party and the Democratic Socialist Party all suffered serious setbacks.

Despite the JSP's gains in numbers, the elections were widely seen as a solid victory for the LDP. The opposition parties failed to retain the momentum set by their victory in the House of Councillors election last July, and lost what analysts saw as their best chance in 35 years to oust the LDP from power and establish a coalition government.

On the crest of his election triumph, Kaifu reshuffled the Cabinet and top party executive posts. The reorganization

only brought to light feuds among LDP factional leaders who are anxious to succeed Kaifu, however, underlining the prime minister's weak power base within his own party.

The prime minister had declared he would not appoint any scandal-tainted politician to the Cabinet or the LDP leadership. In the end, however, he succumbed to pressure from the old guard to accept Mutsuki Kato, a senior lower house politician involved in the Recruit stock dealing scandal, as chairman of the LDP Policy Affairs Research Council, the party's top policy-making body. Kaifu did manage to save face by having his own way in the Cabinet reorganization. He retained two key ministers—Finance Minister Ryutaro Hashimoto and Foreign Minister Taro Nakayama—and named Kabun Muto as minister of international trade and industry.

The new administration faces hard slogging ahead, especially over trade frictions with the United States. When the U.S. government agreed to postpone the third round of Structural Impediments Initiative (SII) talks, originally set for January, until after the general election, it was widely taken as an indication that Washington would take a strong stance toward Japan after the election in exchange for not rocking the boat before the polls.

As expected, U.S. officials at the February 22-23 SII talks in Tokyo urged Japan to act quickly to readjust the nation's savings and investment balance, lower



Prime Minister Kaifu and President Bush at the start of a session of talks on bilateral trade issues

Photo: Kyodo News Service

exorbitant land prices, streamline the distribution system, end exclusionary business practices, eliminate bid-rigging and introduce a better price mechanism.

Specifically, American negotiators demanded that Japan scrap a law restricting the opening of large retail stores and increase spending for public works projects to 10% of GNP over the next three to five years. They also urged revision of the Antimonopoly Law to end exclusionary business practices by private firms.

The tough U.S. posture was evident in talks between Kaifu and U.S. President George Bush in Palm Springs on March 2 and 3, hastily arranged at the suggestion of Bush after the elections. During the weekend summit, Bush asked for prompt Japanese efforts to remedy trade frictions. Japan's failure to promise drastic measures, citing the "unstable political situation" at home, reportedly angered U.S. officials. Among the specific measures Japan is now offering to take is a revision of the law to allow big stores to open new outlets in only one year or so, instead of the current 10 years in some cases.

Agreement on the interim SII report on April 6, and Bush's decision not to designate Japan this year under the "Super 301" provision of the Omnibus Trade Act, has eased the immediate pressure on Tokyo. But with U.S. mid-term elections scheduled for November, criticism of Japan is likely to intensify in the U.S. Congress, and Japan must persevere with what Kaifu called "painful" economic reforms in order to avoid a resurgence of trade friction. ■

Greenery Exposition Under Way in Osaka

The International Garden and Greenery Exposition has opened at the 140-hectare Tsurumi Ryokuchi urban park on the eastern outskirts of Osaka. The international event is designed to contribute to a full appreciation of the relationship between nature and human life.

The exposition opened April 1 for a six-month run. It features 32 pavilions sponsored by Japanese enterprises, some



The opening of the International Garden and Greenery Exposition in Osaka for its six-month run on April 1.

40 outdoor gardens sponsored by foreign governments and governmental organizations, and more than 20 roofed exhibition spaces for mini-gardens. By the time it ends in September some 5,000 stage performances and events will have been held. More than 10 million advance tickets have already been sold, and organizers are hopeful that 20 million people will visit the exposition.

It is the first international flower exposition ever to be held in Asia, and organizers hope it will prove a unique exposition, different from similar events held before in Europe.

Some 81 countries and 54 organizations are participating, a new record in world expo history and far outnumbering the initial target of 50 countries and 44 organizations.

The exposition is costing a total of ¥89.2 billion (\$595 million at the rate of ¥150/\$), ¥10.9 billion more than originally planned. Some 30 developing countries in Asia and Latin America have withdrawn from such large-scale international events because of their difficult financial situation, and Hungary and Czechoslovakia have also canceled participation in the expo itself. Even so, extra



Uniform theme — what the guides are wearing at the Garden and Greenery Expo.

space had to be added for the unexpected rush of foreign exhibitors.

The six-month exposition is divided into five periods—the opening, full spring, early summer, full summer and the finale—with each season featuring the flowers most associated with it.

Major events will include a recreation of the world-famous Brazilian samba carnival, performances by leading Kabuki actors against a background of orchestral music, and musicals dealing with the environment.

Three participants, including the State of Hawaii and two Japanese groups, are arranging wedding ceremonies for couples who wish to be married surrounded by the flowers of the world.

The famed 12th short hole of the Augusta National Golf Club, the site of the U.S. Master's Tournament, is reproduced in the Golden Bell Pavilion, where visitors can try a tee shot for a hole-in-one.

An African country has even created an artificial desert in its exhibition space with sand from the Sahara. It hopes to draw attention to the spread of deserts in Africa, which has created a serious environmental problem. ■