

Crisis of Confidence

By Shoichi Akazawa

The world was astounded that someone so young should be elected president of the United States. Especially in Japan, where gerontocracy seems to be the rule, this astonishment was accompanied by a chorus of admiration. Although the United States is demographically very unusual in having a baby-boomer generation that spans nearly two decades after World War II and that is 77-million strong, the election of Bill Clinton is seen as symbolizing the passing of the torch and heralding this generation's arrival at the pinnacles of power.

A few days after the election, I received a letter from an American friend who wrote that he expects the next four years to be extremely difficult years for President Clinton.

The first reason he gave for this expectation was that Clinton had won with only 43% of the popular vote—a low for an American president—and has only a very weak mandate. The second reason was that Clinton has surrounded himself with too many academics and commentators. He has too many advisers. Third was that Vice President Al Gore has a political power base of his own and it is not entirely clear how closely their different agendas overlap. Indeed, Gore was one of the reasons Clinton won, and, unlike previous vice presidents, he may not be satisfied with staying in the president's shadow.

Nonetheless, it is clear that President Clinton will—and has no choice but to—make an all-out effort focused on America's domestic problems. Medicare, of course, is a major problem, but even more important for the economy is the need to revive American manufacturing. Once the world's best and strongest, America's manufacturing capability deteriorated noticeably during the Reagan-Bush years.

During this period, the disparity in incomes among different households has widened sharply. Widening income disparities have had particularly serious repercussions for the middle class. Clinton

has come out strongly in favor of family values, and his biggest political problem is that of how to alleviate and reverse this situation.

The manufacturing sector is not only a problem for the United States. Japan is also grappling with the difficult task of restructuring. The economic malaise in the wake of the excess-liquidity bubble's collapse has cast doubt on the entire range of management practices that Japanese industry has developed since the war. Japanese industry has traditionally been firmly grounded on an integrated network encompassing R&D, manufacturing and sales, and this pattern was quickly transplanted overseas with the recent globalization.

Taking advantage of this system, consumer electronics companies, for example, were able to come out with new products every quarter. Automobile companies were able to institute model changes and offer all-new models every three years. Yet people are now rethinking the network management system that made all of this possible, and management is looking for new patterns that will work in the new environment.

In addition to these efforts to restructure, Japan also faces the difficult problem that public trust in politics is probably at its lowest ebb since August 1945. With the seemingly endless series of political scandals over the last decade, Japan seems to be experiencing system fatigue, and there is an urgent need to rethink the political system, the quality of our politicians, the way people are elected, and all of the other issues that define Japanese politics.

Japan and the United States may differ in many ways, but they are very much alike in both facing acute crises of confidence.

The *Journal* welcomes letters of opinion or comment from its readers. Letters, including the writer's name and address, should be sent to: the Editor, Japan Economic Foundation, 11th Floor, Fukoku Seimei Bldg., 2-2 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo, 100 Japan. Letters may be edited for reasons of space and clarity.

Closer to Europe

Yours is a very readable magazine, explaining many of the material, historical, and psychological constraints affecting the way Japanese industry operates, and which the mostly foreign readers must grapple with if they want to work successfully in the country.

The constraints, alas, will probably be with us for a long time to come, if you consider that ever since the end of World War II they have been building up in spite of many efforts to reduce them. Actually, one sometimes wonders whether those efforts have not, in fact, contributed to the problems they were designed to resolve: is not the Shinkansen which provides us with extremely rapid and comfortable access to the string of industrial centers along the Pacific coast and the Inland Sea in the end reducing the need for overseas visitors (and many Japanese too, for that matter) to spend their nights in the provinces, simply because they can do it all so conveniently on day trips from Tokyo?

One cannot, of course, expect a journal such as yours to do away with all the obstacles one encounters when doing business in Japan, but it is comforting to see that it shows ways developed by foreign and Japanese companies of getting around those hindrances. To a certain degree, it may be easier for foreign companies to employ novel strategies, because they are already doing it all the time—think only of hiring practices, salary scales, employment and advancement of women, etc.

Perhaps it would be interesting for your magazine to discuss aspects of company operation in use elsewhere but not yet widespread in Japan, such as flextime, which might help both to alleviate congestion of the transport system and perhaps to make use of the early daylight hours which go wasted, especially in Tokyo.

Another aspect of the relations between foreigners and Japanese which often strikes me in the pertinent literature is the predominance of matters relating to the U.S. and Japan. As a European in Ja-



pan for more than 10 very active years, I sometimes grew quite irritated with being measured against (in some ways quite literally) an American scale.

It is an unfortunate fact that Japan and the United States find themselves at opposite extremes of any kind of sociological yard-stick, whereas the European peoples are somewhere in between the two in many respects and are more easily able to understand the reasons underlying the behavior and actions of the Japanese.

By the way, I enjoyed Mr. Okamura's reminiscences about his early life as an interpreter. However, while I perfectly believe his stories about the foul language used by the GIs, I absolutely disagree with his remark about the language used by European ladies when talking to their hired help (June/July 1992 issue, p.53). It is the very definition of a lady (or of anyone trying to be one), regardless of their country, not to use abusive language even if she is very angry.

Thomas Dunskus
Maintenon, France

COMING UP

The world finds itself in turmoil. There are wars and armed conflicts the world over. Problems also abound in the world economy.

Americans have chosen Bill Clinton as the person to take charge at this moment, a decision which inevitably affects the rest of the world. The president of the United States has an inescapable responsibility in his role as a world leader. The *Journal* will examine some of the numerous requests being made to the new president in its next issue.

Premier Shuffles Cabinet As Pressures Mount

The 125th extraordinary session of the Diet ended on December 10 after approving a fiscal 1992 supplementary budget containing ¥1.9 trillion worth of the pump-priming program of public works spending proposed by the government in late August. The budget brought the total of the 1992 general account budget to ¥71,489.7 billion, down ¥728.3 billion from the original fiscal 1992 budget, due to a considerable shortfall in tax revenue from the initial projection. The net curtailment of the original budget under a supplementary budget is the first in six years.

The Diet session also approved prior to its closing a bill for rectifying the gap in the value of votes between populous and less populous electoral districts. The bill provides for one seat to be removed from each of 10 districts where the number of eligible voters has declined, while one seat will be added to each of nine constituencies where the electorate has been increasing.

The closing of the Diet session was followed the next day by the reorganization of the Cabinet and the top executive posts

of the ruling Liberal Democratic Party. The Cabinet reshuffle, the first to be carried out by Prime Minister Kiichi Miyazawa since he took office in November 1991, was designed to project a fresh image for his administration, which has seen its popularity plummet due to a massive scandal over political donations to the LDP.

Major features of the reshuffle were the appointment of reform-minded Yohei Kono to the key post of chief cabinet secretary, Hajime Funada, 39, as director general of the Economic Planning Agency, becoming the youngest Cabinet minister in postwar Japan, and Mayumi Moriyama as education minister, the first woman appointed to that post. The selection of Masaharu Gotoda, a former police chief known for his superb administrative skills, as justice minister also drew keen public attention at a time when the prosecution authorities continued proceedings in the political donation scandal.

Foreign Minister Michio Watanabe and Minister of Agriculture, Forestry and Fisheries Masami Tanabu were retained, a move seen as reflecting Miyazawa's preoccupation with the Uruguay Round of GATT multilateral trade negotiations.

In the reshuffle of the LDP executive posts, Seiroku Kajiyama, an influential



Commemorative photo of the new Cabinet after the reshuffle by Prime Minister Kiichi Miyazawa in December, designed to give his administration a fresh image.

Photo: Kyodo News Service

member of the strife-torn faction of former Prime Minister Noboru Takeshita, was named secretary general.

The latest Diet session was highlighted by investigations into the scandal, which stemmed from political funds donated to the LDP by trucking company Tokyo Sagawa Kyubin, top executives of which have been arrested on charges of aggravated breach of trust.

The investigation included questioning at a hospital bedside of Shin Kanemaru, former LDP vice president who had virtually controlled the ruling party for years and reportedly distributed ¥500 million he received from the company among party members. Kanemaru admitted receiving the money and resigned from the Diet to accept responsibility for the affair.

Former Prime Minister Noboru Takeshita was also forced to testify in Diet committee sessions to clarify his reported connections with Sagawa Kyubin and also claims of contacts with an underworld figure to stop an ultranationalist group's harassment against him when he was contesting the LDP presidency in 1987. Takeshita flatly denied any involvement in dealings with the underworld. Kanemaru's secretary, Masahisa Haibara, also testifying before a Diet panel, admitted receiving the ¥500 million that Sagawa Kyubin paid Kanemaru but refused to disclose who the money went to.

As the ruling party was shaken by the scandal, the largest party faction, headed by Takeshita, split into two groups in a power struggle over who should succeed Kanemaru as chairman of the faction. The split resulted in the formation of a new group, called "Forum 21," led by former Finance Minister Tsutomu Hata and former LDP Secretary General Ichiro Ozawa.

In a parallel development, Ken'ichi Ohmae, a well-known management consultant, launched a grass roots group called "Heisei Restoration," to champion the cause of political reform focusing on improvement of the quality of life and giving greater authority to local governments.

In the opposition camp, too, moves are afoot to launch cross-party policy groups

or openly resist the leadership, raising the possibility of a realignment of political groupings in Japan.

Given such a background, political observers say, Miyazawa is being urged to exercise strong leadership. His immediate task is to dispel public distrust of politicians and address various problems the nation is now facing, including global pressure for the opening of Japan's rice market.

View of Women's Role Changing, Surveys Show

Recent surveys carried out by government agencies show clearly that the traditional view that a woman's place is in the home, looking after the children, is changing in Japan, as in other countries. As a result of the increasing number of women who are going on to higher education and finding jobs, double-income households now outnumber single-income households for the first time ever.

Although the attitudes of women toward marriage and family life are changing, however, society and companies still lag a long way behind in their response.

According to a white paper on female labor issued by the Ministry of Labor in November 1992, the number of female employees in Japan in 1991 reached an all-time high of 19.18 million, up 4.6% from 1990. The proportion of women in the total employed work force also reached a record high of 38.3%. Excluding households in the agricultural and forestry sectors, the number of double-income families passed the 50% mark for the first time to reach 9.14 million.

A white paper on women published by the Prime Minister's Office in December 1992, the first in four years, showed that the number of female graduates from universities and junior colleges has surpassed that of men since 1989 and that in 1991 the ratio of women in the total work force reached 41%.

Nevertheless, the fact is that sexual inequality remains very much intact both in the workplace and the home. The Prime Minister's Office survey revealed



Morning rush hour outside Tokyo Station. The proportion of women in the work force has reached a record high of over 38%, though sexual inequality continues to be a problem.

that the ratio of women in politics and the judiciary has yet to climb above 10%, and the Labor Ministry report showed that nearly 90% of those taking care of bedridden elderly people at home are women.

Meanwhile, a survey of attitudes carried out at about the same time by the Economic Planning Agency showed that approximately 80% of women expressed the hope of rejoining the work force in some way once their children have grown up, even if they have to quit their jobs once for childbirth and childrearing.

Clearly, women want to play a social role. The Prime Minister's Office survey also revealed that women opposing the view that a "man's place is at work, a woman's in the home" outnumbered those holding such a view for the first time.

On the basis of the results of these surveys, the Economic Planning Agency has proposed the introduction of a reemployment system to make full use of the abilities of women who desire to work. And in view of the need to change the attitude that taking care of bedridden elderly people at home is a woman's role, the Labor Ministry has urged the spread of the system whereby all employees can take time off work when necessary to take care of those people.

The merging of attitudes and realities and the laying of conditions that enable women to carry on working for extended careers will not come overnight, however.