

Japan in Transition

By

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With regard to their social and political framework, Japanese have changed rapidly in the past two or three years. For example, with the rise of Koizumi in the LDP, political decision-making has changed completely. Recently Koizumi shuffled his cabinet. No one knew the make-up of the new cabinet until he himself disclosed it. Previously, ministerial appointments were decided through discussions between the prime minister and leaders of groups within the LDP. The process was an unwritten law, like the practice of making decisions on community issues in old Japanese villages.

Koizumi has made a change. Two years ago party leaders protested about this manner of making appointments. This year no one made a public protest. Only one or two leaders of minor factions made negative comments in feeble voices.

Japanese politics has completely changed. In a word, practices have evolved from the pattern of a village society to the pattern of a citizen's society.

Social resources are moving from the farm districts to towns and cities, from road and bridge building to investment in software. Bureaucrats are losing their powers. Yes, actually, Japan is changing politically and socially. But, while the old system is collapsing, a new one to replace the old is not yet established. Perhaps we are still searching for that new system as well as searching for a vision of achievement and merit worthy of the Japanese people.

The atmosphere in business society is changing too. Over the past summer "corporate social responsibility" has taken the place of "environmental sustainability" as the hot topic of conversation and concern. Many study groups for environmental issues are changing their name to "corporate social responsibility". It is too superficial perhaps, like a bad joke that keeps us from getting serious.

I expect the economy to recover slowly over the next three years and then long term interest rates will start rising rapidly. I am looking for a breakout from the past.