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# Joining the Past and Present in Japan

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> Change in Japan never means the abrupt and fundamental giving up of the past.
>
> – A. Hernandi, *Japan's Socio-Economic Evolution*

## A Century of Change

This volume brings together reflections and research on the link between history and the future of Japan in a time of growing volatility and change. The contributors all share a belief that the dawn of a new millennium offers an opportunity to consider contemporary Japan from a longer point of view. This book is integrated by a major theme – that complex changes currently unfolding in Japan can be understood in part by reference to past events and underlying consistencies in economic, political, and social life. The author of each chapter has approached his or her particular theme in this light, and recognizes that the year 2001 (when most of these essays were completed) represented an intriguing axis on which to assess various past trends as well as future trajectories. Waswo (1996, 163), writing about modern Japanese society since the Meiji period (1868-1912), notes that it is always tempting to see "the present as a historical turning point, and to assign to unfolding events or trends a significance that in the end they do not deserve." Still, as this chapter argues, the events of the last few years have been significant, and understanding Japan at the dawn of the millennium is made even more difficult by the concatenation of deep-rooted tradition and new circumstances.

The end of the twentieth century was celebrated in many countries, and no less in Japan. The *Japan Times* (the largest-circulation English-language newspaper) launched a series of review articles that reflected upon a number of important developments that had shaped the nation over the past 100 years. A wide range of subjects were canvassed, including political decentralization, the use of forestry resources, women's education, and the baby boom generation.[1] These and other reviews of Japan in the twentieth century provided engaging analyses of the country's emergence as a global power.[2] Spanning four periods (Meiji, Taishō, Shōwa, and Heisei), the twentieth century indeed brought historic change to Japan, from the building of a nation-state to the devastation of war, from the achievement

of economic might on the international stage to the struggle to rebuild after the collapse of the "bubble economy." During a century of change, Japan's population has seen a dramatic transformation from rural life to urban society, from primarily agricultural work to primarily industrial and service sector occupations, and from moderate incomes to high incomes per capita. Nevertheless, at the century's end, the Japanese did not seem particularly appreciative of or buoyed by the country's startling successes. Instead they often showed apprehension or ambivalence about a wide range of reforms proposed or carried out by the Japanese government. These were being implemented with varying degrees of resolution to address the problems of a system no longer thought capable of meeting the challenges of contemporary Japan (Kingston 2001). The dawn of the new millennium provides, therefore, a platform for reflecting on the nature of a turbulent period in Japanese history. The opening year of the new millennium is also an appropriate time to take stock of Japan's likely future trajectory, in economic, social, and political terms.

## The Turbulent 1990s

Why were the 1990s considered harbingers of turbulent change in Japan? Essentially, in this decade there emerged a new nexus of forces that threatened to undermine the stability and predictability of the postwar years. Disasters struck, the economy tumbled, and the social fabric unravelled. The government accumulated massive debts to maintain a semblance of prosperity; yet deep down few people felt that this prosperity was real. Specifically, the year 1990 opened with a stock market crash after the Japanese New Year holiday; in the next ten years, the country was beset by economic difficulties, resulting largely from the collapse of the bubble economy. In fact, the media dubbed the 1990s "Japan's Lost Decade" (Millett 2000). They noted that following rapid expansion in the late 1980s, the country faced a myriad of problems that sapped business and consumer confidence.

Stagnation in the economy revealed itself throughout the decade in asset (land and stocks) deflation, negative economic growth, corporate failures, and rising unemployment. A spate of national crises also hit Japan. In 1993 the ruling Liberal Democratic Party (LDP) fell from power for the first time in nearly forty years. That same year, a drought and rice crop failure occurred, necessitating the first-ever substantial imports of rice. In 1995 Japan suffered the Great Hanshin-Awaji (Kobe) Earthquake, which revealed that the country had inferior urban infrastructure and no crisis management plan for a major disaster. The sarin-gas attack in the Tokyo subway by the Aum Shinrikyō cult the very same year proved that the country was as vulnerable to oddball fanaticism as any other modern

urban society. Various scandals involving government damaged the traditional respect for the bureaucracy and faith in political leadership. For example, during the decade, the Ministry of Finance failed to act decisively on the bad-loan problem of the major banks and housing-loan-related financial institutions. In 1996 the Ministry of Health and Welfare was implicated in the use of blood products tainted with the AIDS virus. Various corruption charges were levelled at politicians and government officials. During the late 1990s, a number of nuclear accidents occurred, notably at the Monju plutonium-based fast-breeder reactor and also at Tokaimura. Japan's image as a harmonious, crime-free society was also damaged following several bizarre murders for which there were no clear motives. In 1997 a male middle school student in Kobe was arrested as the suspect in a case involving serial killings and assaults on elementary school students. Vicious crimes also increased as criminals became younger and younger.[3]

## A Nation Adrift

Besides these disturbing events, the country appeared to be in a state of flux and uncertainty. As the last century closed, it seemed that Japan had lost its traditional strong sense of direction. It was also clear that the post-war economic and political model had run out of steam and lost much of its credibility. More worrying at century's end was a sense of paralysis in the Japanese resolution to address its problems, giving rise to a general perception of a nation adrift (*The Economist* 2000). Throughout the 1990s, there was widespread dissatisfaction with the current system but little political vitality – within either the LDP or the opposition – with sufficient clout and popular confidence and vision to push through fundamental reforms. The goal of catching up with the West having been achieved, there appeared no other on the Japanese horizon to take its place. This is perhaps the biggest reason why the country appeared to be gripped by a vague sense of helplessness. People often feel tension and have a sense of purpose when going all out to achieve a critical objective. So it has been with Japan. Having reached Western consumption standards, Japan has failed to find a new national goal, and so has spent the last decade drifting aimlessly (Kingston 2001).

These challenges intensified in the opening years of the new millennium as the economic news worsened and people saw rising unemployment, negative economic growth, and a record number of bankruptcies (Katz 2001).[4] It was during this period of extreme despondency and rejection of the status quo that the LDP elected insurgent and maverick Koizumi Junichiro as party president, and therefore prime minister, in April 2001. Koizumi was Japan's tenth prime minister in just twelve years.

Unlike his predecessors, however, he appeared to take structural reform of the Japanese system seriously. He spoke openly about the likelihood of higher unemployment resulting from the changes to budgets and programs that he wished to introduce. He also broached the idea of reinterpreting Japan's constitution, which currently restricts the role the country's defence forces play in a regional or international crisis (*Oriental Economist* 2001). Nonetheless, despite Prime Minister Koizumi's overwhelming popularity among voters, there have been many critics of his reform movement, especially among the traditional "policy tribes" *(zoku)* who support rural electorates, farmers, small shopkeepers, and the construction industry. Whether the policy changes initiated by the Koizumi cabinet will succeed in turning the tide in Japan's decade-old malaise is unclear, but they certainly promise more volatility and uncertainty.

**Making Sense of Change in Japan**

Compared with earlier periods, these recent changes have been harder to analyze and understand, and it has become increasingly difficult to know how to interpret and characterize Japan, both as it reached century's end and as it shuffled into the new millennium. In part, I believe, this is because we are too close to certain events to have distance and perspective. In part also, the problem is that volatility is now everywhere and bound up in the concept of globalization and an increasing instability of economic, political, and social life (Friedman 2000). As noted by Eades et al. (2000), Japan is becoming transformed by globalization in a number of distinct ways, including intense economic competition and the infusion of Western ideas. Still, for the forty-five years or so following the end of the Second World War, it appeared that Japan's distinctive policy approaches alone had brought continuous growth in incomes and political stability. Hence the terms "economic miracle" and "Japan Inc.," which for a time were clearly embedded in accounts of Japan's success. So, at a more fundamental level, what has really changed?

First, the economic certainties of the early postwar years no longer hold and, as noted earlier, Japan's economy has stagnated for the last decade. Figure 1.1 shows that Japan's distinctive economic model brought high growth in the 1960s and moderate growth in the 1970s; since the early 1990s, however, the economy went into serious recession. By contrast, the United States – whose economic and social systems are often cited as being most dissimilar to Japan's – enjoyed prosperity for almost the whole of the last decade.

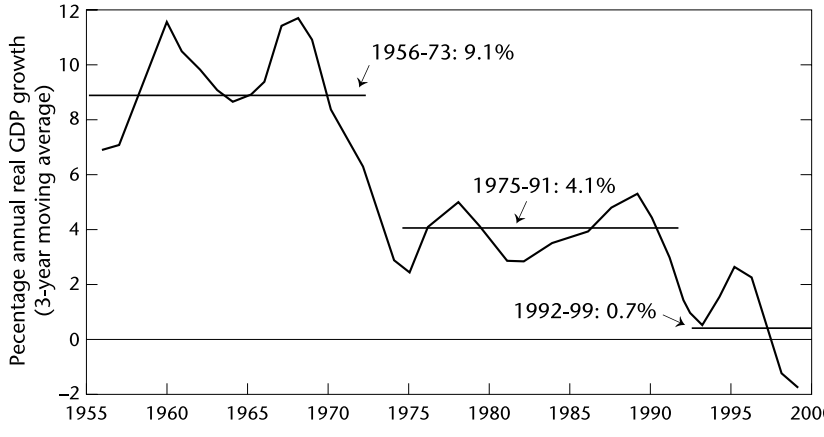
This comparison makes Japan's economic slump all the more conspicuous. Still, it was not so long ago that there was at least the perception of true prosperity, as by 1987 Japan became the world's richest nation in terms of GDP in comparative dollar terms, exceeding that of the US on a

per capita basis. Hence, Japan attained its long-cherished goal of overtaking advanced Western nations. This new-found status turned out to be merely a chimera, however, one caused only by the startling realignment of currencies in global financial markets. Indeed, volatile currency realignments and a high-priced Japanese yen now threaten the very economic base of the country as manufacturing industries are driven offshore to cheaper locations, causing a "hollowing out" of production, downsizing of capacity, layoffs, and increased unemployment (Katz 1998). As economic growth plummeted in the mid-1990s, an array of Thatcher-Reagan conservative policies seemed congenial to many Japanese, in effect making market-oriented liberalization and deregulation of government controls seem more appealing than traditional dirigiste regimes. Japan's distinctive stockholder system and interpenetrating *keiretsu* (Japanese business group) structure also came under strain. Moreover, changes already under way in the financial sector since 1997's "Big Bang" reforms have prompted mega-bank mergers and companies crossing established *keiretsu* lines. In short, the comfortable accommodation of the traditional closed economy and long-term business networks were challenged at the same time that pressure for dramatic change and political realignment began to grow. Old-line manufacturing firms were more receptive to traditional forms of Japanese industrial policy in the 1970s. By contrast, however, many of the younger generation of cutting-edge companies today are more likely to support free-market arrangements (Porter et al. 2000; Lincoln 2001).

Second, the art of governance has fallen into a shambles. Political parties have come and gone, and political alliances formed and re-formed, the

*Figure 1.1*

**Rates of economic growth: 1960s, 1970s, 1980s, and 1990s**




*Source:* Adapted from Katz 1998, updated with Economic Planning Agency data.

manifest aim being to remain in power. Table 1.1 shows the parade of prime ministers who have graced Japan's political leadership since 1982. In the sixteen or so years up to mid-2001, Japan had appointed twelve prime ministers. To be sure, Japanese politicians have never been held in high public esteem, but the public has always felt that a dedicated bureaucracy could rein in political excesses. As we have seen, however, during the 1990s even the bureaucracy saw its gleaming image tarnished by a torrent of scandals. Political reform and liberalization now threaten the traditional role of the bureaucracy as leaders and planners, a role that was established at the outset of the Meiji Restoration (1868). Economic slowdown itself has brought anxiety to the ruling consensus. Thus, small-scale farmers, shopkeepers, and construction companies have found less support for their taken-for-granted system of government protection. Conflicts between bureaucrats and increasingly independent-minded elements of the business and financial communities also became evident. Politicians in both local and central governments began to assert themselves with regard to the autonomy of their respective agency staffs (Carlile and Tilton 1998; Gibney 1998).

Third, there has been much realignment on the international scene. For instance, over the 1990s Japan's relationship with the United States, its traditional ally, changed. In particular, long-standing trade and investment disputes with the US appeared to gradually cool down. This period also saw stronger ties between Japan and the countries of the Asia-Pacific region, especially China. Indeed, the end of the Cold War in 1989 meant that Japan's security-based alliance with the US gave way to the discovery that these two countries were leaders of powerful global economic blocs

*Table 1.1*

**Japanese prime ministers, 1982-2001**

| Years served | Name | Dates served |
|---|---|---|
| 1982-87 | Nakasone Yasuhiro | 27 November 1982 - 6 November 1987 |
| 1987-89 | Takeshita Noboru | 6 November 1987 - 3 June 1989 |
| 1989 | Uno Sosuke | 3 June 1989 - 9 August 1989 |
| 1989-91 | Kaifu Toshiki | 9 August 1989 - 5 November 1991 |
| 1991-93 | Miyazawa Kiichi | 5 November 1991- 9 August 1993 |
| 1993-94 | Hosokawa Morihiro | 9 August 1993 - 28 April 1994 |
| 1994 | Hata Tsutomu | 28 April 1994 - 30 June 1994 |
| 1994-96 | Murayama Tomiichi | 30 June 1994 - 11 January 1996 |
| 1996-98 | Hashimoto Ryutaro | 11 January 1996 - 30 July 1998 |
| 1998-2000 | Obuchi Keizo | 30 July 1998 - 5 April 2000 |
| 2000-2001 | Mori Yoshiro | 5 April 2000 - 26 April 2001 |
| 2001- | Koizumi Junichiro | 26 April 2001 - |

*Source:* "Prime Minister of Japan and His Cabinet Web Site," <http://www.kantei.go.jp/foreign/index-e.html>, accessed July 2001.

(the North American Free Trade Agreement [NAFTA], and East Asia, respectively), and were therefore economic rivals as well. In the wake of the Gulf War, US-Japan differences on security also came to a head. During the first half of the 1990s, Japan appeared to be well placed to take advantage of Asia's own economic miracle. Following the "Asian flu" and currency meltdowns in 1997-98, however, the region's problems rebounded upon Japan. More recently, many have begun to worry about Japan's long-term ties to Asia and the possibility of it being bypassed by trading blocs negotiated between China and the Southeast Asian nations (*Japan Times* 2001).

Fourth, as Japan approached the end of the century, significant changes were afoot on the domestic front. For instance, it became harder to perpetuate the myth that Japan remained a society almost totally composed of people of the same class. As recently as the mid-1980s, the image of Japan as a homogeneous society was a common one in both Japanese and Western publications. By way of illustration, former prime minister Nakasone Yasuhiro could at that time legitimately contrast the presence of "blacks, Puerto Ricans and Hispanics" in the US with the absence of minorities in Japan (Eccleston 1989, 198). In this way, the Japanese majority could legitimately ignore the existence of its own special groups, such as the Ainu and Okinawans, and appear rightfully proud about its degree of social harmony. By the 1990s, however, the outside world began to force the Japanese to come to grips with their relative ethnic exclusiveness. In a rapidly globalizing epoch, even distinct cultures such as Japan often experienced feelings of loss of identity due to processes of international homogenization. While Japan has not become swamped by the West, the entry of foreigners and foreign investments into the country caused a cultural shock to the traditionally xenophobic Japanese society. In particular, the labour shortage of the late 1980s brought about an influx of foreign workers (mostly illegal) (Oka 1994). Other kinds of population shifts also began to cause tensions. Demographic change, combined with sustained policies against large-scale inward migration, led to fewer births and deaths and a rapid aging of the population. Indeed, the past decade or so has seen an enormous amount of attention paid to the implications of the speed at which Japanese society is aging (Ujimoto 2000). Figure 1.2 indicates that among Organization for Economic Co-operation and Development (OECD) countries, Japan will have the highest proportion of seniors in the early twenty-first century, with dramatic consequences for public pensions, health care, and corporate employment.

## The Scope of This Book

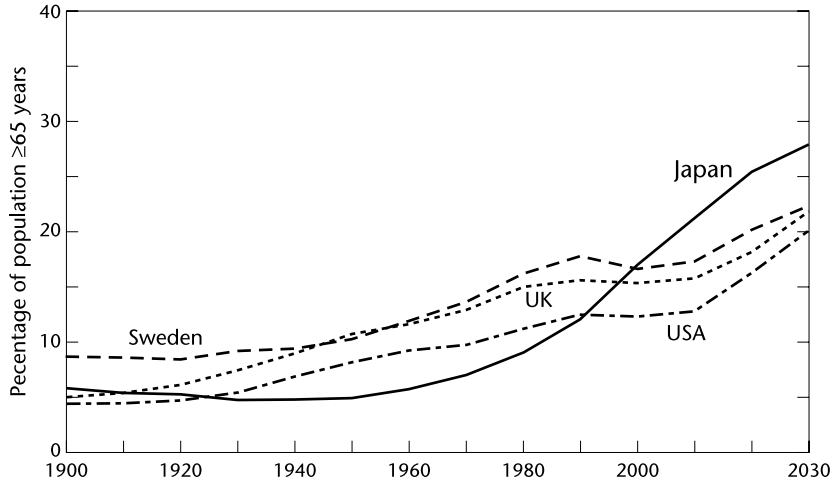
The aims of this book are to place this period of turbulent change in historical context and to show that the break with the past is never complete. The essays are grouped around three major issues, each of which

has a contextual introduction. Although these essays contain different emphases and perspectives, two arguments appear throughout. The first is the need to connect the present with the past in order to understand Japan. As the quote at the beginning of this chapter suggests, it is not surprising that many aspects of contemporary Japan can readily find resonance with the past. Accordingly, each of these chapters reflects upon one aspect of Japan's situation at the end of the twentieth century, and then relates this to events and changes in the postwar years and, in certain cases, even back to Meiji Japan in the previous century.

A second theme, and one that is naturally more speculative, is that by confronting history, it is possible to achieve a more nuanced understanding of Japan's economic, political, and social trajectory in the years to come. Of course, not every important issue can be addressed here, and the major subjects covered in this book were shaped by the research interests of individual contributors. For instance, we do not deal expressly with the breakdown of the so-called 1955 political system and the hegemony of the LDP, which governed Japan for most of the period since the end of the Second World War (but see Pempel 1998; Curtis 1999). Readers will also have to turn elsewhere for a discussion of Japan's changing role in global security issues and its military presence (see, for example, Matthews and Matsuyama 1993; Mochizuki 1997). Furthermore, this book does not provide a general chronology of twentieth-century Japan. Rather, the objective here is more targeted: to look closely at a number of specific issues

*Figure 1.2*

**Percentage of population aged 65 years and over by country, 1900-2030**




*Source:* Ministry of Health and Welfare data, contained in Foreign Press Center Japan 1999.

and then to trace how the past has influenced contemporary events and politics – whether it is the inability of the government to reform the economy to Western capitalist principles or its inability to effect significant improvements in the quality of urban life.

**Part 1: Economic and Political Systems**

This volume begins with three essays on economics and politics that lay out a broad context for addressing contemporary change. To date, Japan's economic and political system has been distinctive. Faced with the challenges of globalization and more intensive competition, however, the country's leaders have had to think how to reposition the country's economy. According to some, this means drastic restructuring of its industries and its financial systems along Western lines. The question also arises of whether the powerful forces of globalization will lead to Japan becoming more like the West. Many commentators think so and see Japan on the verge of conforming with Western norms (*The Economist* 1996). Campbell (1988) notes that in the West it is often assumed that underlying Japanese cultural and social traits are merely "feudal remnants," which can be easily pushed aside by the pressures of a modern economy in flux. In Chapter 2, Keizo Nagatani examines whether the Japanese economic system will converge along the lines of Anglo-American models of capitalism, or whether its earlier, distinctive Japanese approaches to economic development will continue. He concludes that full convergence towards the Anglo-American system is unlikely to occur. Commentators such as Dore (2000) also warn against assuming quick changes on the economic and business front.

Following on from this theme, it has often been argued that Japan's distinctive system has nowhere been more apparent than in the field of labour-management relations (Seike 1997). Yet, economic slowdown has meant that lifetime employment and other cornerstones of the labour market have become unviable. Indeed, many young people eschew the more traditional lifetime employment, and there has been a move to the so-called *freeter* generation (part-timers). All of these trends create problems for labour politics and unions. Faced with such dramatic shifts in the workforce and labour markets, what, in fact, is the future role of Japan's labour unions? This question is taken up in Chapter 3 by Lonny E. Carlile, who explores to what degree the established labour union system is changing. He argues that there has been a noticeable decline of the labour movement as a progressive political force in Japan, a decline that has been gradual and related to the changing organizational characteristics and strategies of various wings of the movement over the postwar period. Consequently, the labour movement will have to make some difficult choices if it is to survive as a meaningful social force in the twenty-first century.

A related dimension of shifting economic and political paradigms concerns Japan's external vulnerability to global changes, especially through its mammoth demand for natural resources. Truly, Japan at the new millennium continues to be a paradox. It is certainly a world power, despite its recent economic decline, but it also has many inherent weaknesses, including its dependence upon foreign sources of energy, food, and military security. Roger Smith addresses this issue in Chapter 4 and notes that Japan has long been obsessed with notions of economic security. In the past, this revolved around the important issue of how and where to obtain industrial resources. Now it is food security that is considered to be equally or even more important. Will the future be any different, even if Japan's economic structure continues to shift towards high-technology production and services and knowledge becomes more important than raw materials? Smith examines the history of fisheries management in the Pacific during the last century and reveals an overall trend of more stringent constraints placed on Japanese demands over time. He argues that there are important implications for future Japanese interests in the North Pacific Ocean. Besides territorial conflicts over fisheries with surrounding nations, such as Russia and South Korea, there is also the question of increasingly assertive nongovernmental organizations (NGOs) involved in environmental conservation, such as Greenpeace. These tensions bode ill for a country that continues to have to negotiate supplies of food and other resources from overseas sources.

**Part 2: Japan's Identity and Youth**

Japan's changing identity and youth are the subjects of the next four essays. It is often said that the Japanese spend more time and energy than perhaps any other people in trying to define what constitutes their particular national identity (Dale 1986). Japan has long been caught between Western-oriented modernizing visions on the one hand and traditional attitudes on the other. Today, as in the past, the perception of this nation is shaped very much by its context in the world. In the contemporary era, the forces of globalization and the steamroller of Western culture have tended to lead to an identity crisis. Certainly, Japan's task of managing its dependence on the world economy has raised new anxieties, and this is related not just to the issue of economic security. For example, Japan appears to be turning away from US hegemony and trying to create a role for itself in Asia. And as the contemporary world is now leaning towards the formation of regional blocs, then Japan's future lies at the centre of the Asia-Pacific bloc (Fukui 1994). But to what degree has its colonial past shaped its freedom to operate in Asia today? Japan and China comprise the most important relationship in the region, and it is conceivable that

within a generation this relationship might become even more important and supplant even that between Japan and the US. Of course, for much of the past decade, cultivating closer and more diverse economic ties with China has been a major priority of the Japanese government. Certainly, Japanese business currently looks upon China as the most important location for its overseas factories. In developing new geopolitical and geoeconomic strategies, however, problems left over from war, from history, continue to haunt Japan. But what can we learn from Japan's Asian colonial past? In Chapter 5, Bill Sewell examines how the historical memory of Manchuria impacts on contemporary identity in Japan. His study suggests that Japan's experience in Manchuria will greatly affect the country's ability to develop Sino-Japanese relations in the twenty-first century.

Domestically, Japan's identity crisis is also causing problems. For instance, Japan can no longer be said to be a homogeneous society and, as with many other countries, it will in the future likely become more and more a nation of new economic immigrants and minorities. Moreover, in a rapidly globalizing world, individuals and minority communities within nations seek some kind of shelter from internationalizing forces perceived as threatening. They often turn to narrow nationalisms and powerful separatist movements and demands for local independence. The Ainu of Japan are already doing this, and represent just one of a number of other diverse communities who continue to face discrimination (including the Koreans, Ryukyuans/Okinawans, Chinese, and foreign workers). In Chapter 6, Millie Creighton points out that the "Ainu problem" is not new. It has been a subject widely discussed among the authorities in Japan for a considerable time. She traces 100 years of the relationship between Japan's aboriginal people and mainstream Japanese society. Meanwhile, the bleak situation of the Ainu remains very much the same. This essay looks at contemporary Ainu resistance and how it creates a focus for the Ainu identity movement's efforts to gain international recognition of the Ainu as an indigenous people. Her study shows that Japan at the millennium is indeed at a crossroads in terms of the rights and recognition of indigenous and minority peoples.

"Youth culture" is driving a new identity for Japan, both in nearby Asia and in the rest of the world (Craig 2000). Paradoxically, Japanese pop culture is thriving at the same time that there is much angst over the aging of the Japanese population. The Japanese *shinjinrui* (younger generation) are quite different from the older generation as they do not have the same postwar experience of their parents, especially in terms of attitudes towards thrift and hard work. Indeed, many argue that the generation gap between the old and young in Japan may be most clearly seen in the attitude towards consumerism. In Chapter 7, Hiroshi Aoyagi examines

important gender implications of one aspect of popular culture known as *aidoru poppusu* ("idol-pop"), represented by a series of female personalities who sing, dance, act, and are groomed by their managers for popular consumption. He concludes that the historical roots of this "industry" can be traced back to premodern images of femininity in Japan. Consequently, there are profound and disturbing ramifications for the role of women in Japan's growing entertainment economy. These reflect the many wider issues and setbacks of women's evolving position within Japanese society.

An even darker side of the new youth culture is the rising number of juvenile delinquents indulging in drugs and urban crime. They are represented in the image of the *Bosozoku* ("speed tribes"; see Greenfield 1994). Besides the economic and political changes noted earlier, Japan has witnessed a number of crimes associated with young people, indicative for many of perhaps an impending social crisis. There is the perception, at least, that failures in home and school education have damaged children's sensitivity and ability to deal with their problems, and that high schools and universities are not functioning as proper educational institutions (see, for instance, Hall 1998; Wray 1999). The rise of cults such as Aum Shinrikyō in the 1990s also revealed that the educational system had failed in the task of developing young people's abilities to understand and to make proper judgments on national and local issues as citizens (Metraux 2000). This increase in youth crime in Japan has led to heightened interest in the broader subject of the juvenile justice system. In Chapter 8, Stephan M. Salzberg traces the legal response to the problem of youth crime and the growth of Japan's juvenile justice system over the last 100 years. He looks at the evolution of the juvenile justice system, its historical roots, and the challenges that it now faces. While there has indeed been a rise in juvenile crime, he argues that the Japanese model of addressing this has been relatively successful and is unlikely to change in the foreseeable future.

**Part 3: Urban Living and Beauty**

A final set of essays concerns the link between the past and present in Japanese cities. As noted earlier, one of the most dramatic shifts in the past century was the transformation of Japan's population into a predominantly urban society. Indeed, because most Japanese live in cities, it is in the urban areas where many of the transitions reported above are being felt, such as economic restructuring and rapid social change. At the end of the century, the tension between urban and rural life in Japan came even more to the fore. Well-known commentator Kenichi Ohmae (1995), for example, berated the "civil minimum" policies of the Japanese government, whereby substantial subsidies are given to even the remotest islands

and rural peripheries for postal services, water supply, electrical power, public works, and a host of other government-funded services. In part, this clearer split between the interests of urban dwellers and rural communities has been caused by the downturn in the economy and rising expectations about the quality of life. At the same time, however, increasing anomie among city residents has led to nostalgia for a simpler rural life.

David W. Edgington and Joshua S. Mostow consider these interrelated themes. In Chapter 9, Edgington examines why economic goals and rural development goals have always outweighed urban quality of life, and discusses the progress made in upgrading the amenities of Japan's cities over the last 100 or so years. He argues that despite the many plans aimed at making Japan a "quality of life superpower," there are very real constraints in upgrading Japanese cities in the years to come. In Chapter 10, Mostow analyzes the phenomenon of an increasing urban interest in Japan's rich and varied past, and finds that the fascination of urban consumers with art museum displays of traditional Japanese beauty is an evocative indicator of how the present is intertwined with the past.

**Bridging the Past, Present, and Future**

A general conclusion emerges from the various case studies, namely, that it would be a mistake not to see strong continuities in Japan's evolution. The final chapter of this book (Chapter 11) reviews the events of 2001. At the dawn of the new millennium, Japan reflected both sides of a national identity torn between tradition and modernity. Many features of Japanese economic, political, and social life remained intact, for better or worse, and so we should be cautious about any forecasts of rapid change. Japan's approach to structural reform has differed, and will differ, dramatically from that of North American and European countries, and so it will have to find its own way to adjust to the twenty-first century's pressures of global competition and global interdependence. This is likely to be based upon institutional adaptation, combining traditional attitudes towards managing change with strong government regulation and communal values.

By way of illustration, Nagatani and Carlile reflect on Japan's changing economy and labour politics. They conclude that an examination of economic uncertainty in Japan today has to recognize the underlying characteristics and strengths of a Japanese political economy, one that has survived more or less intact since the war years. Still, there are continuing and perhaps increasing weaknesses. Despite the country's shift to an industrial structure that is less dependent upon overseas materials, Smith finds that Japan has not been able to escape its need to negotiate supplies of food and other resources from outside. Sewell and Mostow detect aspects of the past, ranging from the feudal period to Japan's ill-fated invasion

of China, continually reflected in Japan's changing image of itself in the years leading up to the end of the century. Edgington and Creighton find that although the country wishes to take its place as a prosperous member of the international community, there remain many dilemmas at home. These include the challenges involved in upgrading Japan's cities and the problems facing minority peoples, both of which have their roots in past actions and attitudes. Aoyagi and Salzberg find strong continuities in social and policy trends in the modern youth scene in Japan.

A second theme, considered by each contributor to this book, has been the connection between the present and the future. The book closes, therefore, with an essay written at the end of 2001 posing exactly how and to what degree change might occur. If some transformation in Japan is unavoidable due to the many structural shifts identified in this chapter, what are the necessary changes and how will they occur? How relevant is the reform government of Prime Minister Koizumi? The final chapter considers all of these issues.

**Notes**

1 See the "Century of Change" series of articles that appeared in the *Japan Times* throughout 1999, commencing with "Reshaping the Political Process: Plebiscites Giving Public an Outlet" (Murakami 1999).
2 For more general works dealing with Japan in the twentieth century, see Tsurumi 1987, Gordon 1993, Bailey 1996, Hane 1996, Thomas 1996, Waswo 1996, Allison 1997, Pempel 1998, Curtis 1999, and Kingston 2001.
3 For a review of these and other major economic, political, and social events of the 1990s, see Masuzoe 2000.
4 During the summer of 2001, many large electronic firms, such as Matsushita, Hitachi, and Toshiba, were forced to eliminate several thousand full-time jobs by offering redundancy payoffs to employees to quit. These and other corporate layoffs during the year were a stark reminder that Japan's job market was rapidly deteriorating, as company earnings slid and industrial output shrank. At the end of 2001, when this chapter was written, the unemployment rate stood at a record 5.5 percent. Economists and government leaders warned that bigger job losses might be ahead (see *Japan Today* 2001a, 2001b).

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