

Some Remarkable Changes in the Economic Structures of Recent Japan

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1. Lost Ten Years

After the bubble years in the last half of 1980s, Japanese economy suffered a serious time of depression throughout in 1990s. The average rate of economic growth from 1995 to 1999 is 1.1%. The bottom of business cycle is in 1993 and 1999. Now, in 2000, the economic conditions show upward swing, but both unemployment rate and bankruptcy of enterprises maintain a high level.

2. Economic and social conditions have changed

Through these years, Japanese economic conditions and political conditions changed much. For example, leading companies in Japan no longer continue their traditional “Japanese management style”. Big banks stopped their “main bank system”. The LDP, which continued in power for 40 years, lost its one-party cabinet, and now it comes in power as a coalition government.

Evidently radical changes of economic and social structure have occurred. Our theme is to clear the causes of these changes.

3. Three causes of these changes

- (1) Floating exchange system and the swagger of international speculation
- (2) Regan’s “strong America, strong dollar” policy and close relationship of trade and capital movement between U.S. and Japan.
- (3) The end of the Cold War between U.S. and U.S.S.R.

Of course these things are big changes influenced to world economy and politics, but they directly worked to Japan as for the international position of this country.

4. Where are we going?

Japanese government promised to U.S. that Japan will change its economic structure from export-oriented one to domestic demand oriented, or international cooperative one. But there are two different ways to achieve this, one on the sacrifice of big businesses, the other on the sacrifice of Japanese people. The government runs along the latter, and the contradictions between the rulers and people.

