

JAPAN IN THE 21ST CENTURY

ENVIRONMENT, ECONOMY, AND SOCIETY



Pradyumna P. Karan

二十一世紀の日本

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CARTOGRAPHY BY DICK GILBREATH

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Preface and Acknowledgments

Japan stands as one of the more intriguing nations in Asia. Despite Japan's important role as the second-largest economy in the world and a major trading and strategic partner of the United States, geographic studies of Japan in the United States have been relatively scarce. The standard English-language geography, *Japan: A Geography,* by Glenn Trewartha, was published in 1965. Momentous changes have taken place in every facet of the nation during the last four decades. In the early 1980s Japan's growing economic strength was a source of concern in the United States and Europe. Now there is worry about an economy that is slow to reform and grow. Fundamental problems such as banks overburdened by bad loans, a dangerous ratio of national debt to gross domestic product, a rigid labor market, a highly regulated economy, and an aging population and shrinking labor force have eroded Japan's ability to play a larger world role. Today Japan is a far different nation than it was in the 1980s.

This book discusses the land, people, and economy of Japan from a geographic perspective and identifies the demographic, economic, and environmental challenges facing the country in the twenty-first century. The text integrates important new research published in Japan and elsewhere during the last two decades. Maps, graphs, and photographs provide a gripping portrait of the new Japan.

I first became interested in the geography of Japan in the 1960s while spending several weeks each year in the country—on my way to field research in the Himalayas—to visit with Japanese Himalayanists. A visiting research professorship in 1985–86 at the Institute for the Study of Languages and Cultures of Asia and Africa, Tokyo, provided my first prolonged opportunity to travel throughout the Japanese islands.

In 1992–93, another visiting research professorship at the Tokyo University of Foreign Studies provided the opportunity for geographic field reconnaissance from Hokkaido to Kyushu. Professor Cotton Mather of the University of Minnesota, who had done extensive geographic research on Japan at the Office of Strategic Services in Washington, D.C., during World War II, accompanied me on these field trips. The idea for writing this book on challenges facing Japan in the twenty-first century from a geographic perspective originated in 1998 while I was doing field research in Atsumi Peninsula with Cotton Mather. I began work on the book in 2000 during my stay at Nagoya University on a research fellowship from the Japan Society for the Promotion of Science. The fellowship enabled me to travel again to all the Japanese prefectures and visit with people in various walks of life in both rural and urban areas: factory workers, farmers, grassroots activists, government officials, and academics. To those individuals whom I interviewed in Japan, I owe a debt of gratitude for revealing many rich details of their country's social and cultural geography. The book in many ways represents my personal observations and interactions with the Japanese people and their country.

My experiences were greatly enlarged and my observations confirmed through discussions with other professional geographers and scholars. Several individuals deserve specific mention. Professor Toshi Ikegawa (University of Hawaii—Windward Community College) helped prepare an earlier version of the section on physical geography that appears in chapter 2. Professor Jonathan Taylor (California State University at Fullerton) wrote the section on entertainment districts in Japanese cities that is included in chapter 8.

The generous help and hospitality of many friends and colleagues ensured the success of my field visits in Japan. In particular, I want to thank Shigeru Iijima, professor emeritus at the Tokyo Institute of Technology, who first introduced me to Japan in the early 1960s. I also thank Professor Hiroshi Ishii and other colleagues at the Institute for the Study of Languages and Cultures of Asia and Africa and the Tokyo University of Foreign Studies, who provided great fellowship in the field and helped me establish contacts with Japanese officials and scholars in various parts of the country. Field observations in Japan in the 1990s were greatly facilitated by President Kazuaki Imoto of IEC Kyushu International College, Yatsushiro, Kyushu, and former Prime Minister Morihiro Hosokawa. The University of Kentucky Field Research Station at Yatsushiro also helped with my research trips around the archipelago.

At Nagoya University I benefited immensely from discussions on various aspects of Japanese geography with Professors Kohei Okamoto, Tsunetoshi Mizoguchi, and Masatomo Umitsu. Graduate students at Nagoya—Toshibumi Takai, Yumiko Yonemoto, Yuichiro Nishimura, Daisuke Hirouchi, and Jun Tsuchiya—helped me contact other scholars and locate archival research materials. Kenji Ito of Meijo University; Kenkichi Nagao of the Institute for Economic Research, Osaka City University; Shii Okuno of the University of Marketing and Distribution Sciences, Kobe; Kazusei Kato of the Kansai University of Foreign Studies; Kenichi Nonaka of the Institute for the Study of Nature and Humanity, Kyoto; Koji Ohnishi of Toyama University; Shin'ichiro Sugiura of Kanazawa University; Shigeru Kobayashi of Osaka University; Noritaka Yagasaki of Tokyo Gakugei University; Toshio Mizuuchi of Osaka City University; Yuji Yamamoto of Osaka International University; Biren K. Jha, Barrister-at-Law in Tokyo; and Asabe Shin-ichi, independent journalist and television producer, provided many insightful comments on the geography of Japan and the challenges facing the country.

Professor Okamoto and his students at Nagoya University played a key role in the evolution of this book. They read the manuscript and made many constructive suggestions. Their meticulous comments were invaluable, and I am deeply indebted to them for the time they spent to read the text and brainstorm over parts of it, and for their unflagging interest. Professor Miranda Schreurs of the University of Maryland, Professor Todd Stradford of the University of Wisconsin–Platteville, and Professor Unryu Suganuma of Hokuriku University also read earlier drafts of the manuscript and offered encouraging, stimulating, and helpful comments. My students at the University of Kentucky in the Department of Geography and the Japan Studies Program provided many constructive comments. The book has benefited from the comments of all these individuals, but I alone am responsible for any errors.

Richard Gilbreath, Director of the University of Kentucky Cartographic Laboratory, edited the maps prepared by Donna Gilbreath, cartographer, and student cartographers Jeff Casperson, Jacqueline Goins, Dave McLaughlin, Tony Morris, Gina Poore, John Poskin, Whitney Walker, and Tony Zerhusen. I am grateful to all of them for their splendid work.

Note on Numerical Conversions

Most of the physical measures in this book are given in English units, with metric equivalents added for the convenience of readers who are more familiar with metric units. All references to tons, however, designate metric tons unless indicated otherwise.

For yen-to-dollar conversions, the rate of exchange at the time of writing, 109 yen to a dollar in June 2004, has been used throughout for the sake of simplicity.

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JAPAN AT THE CROSSROADS

Grappling with Changes

Japan. The name evokes thoughts of electronics, dials, lights, and numbers. This ancient civilization, with its Shinto shrines and Buddhist temples, is closely associated with all that is new and modern in our times. Looking outward, Japan sees what it has become since Hiroshima: a source of fury and wonder, the world's second-largest economy, a power without arms. Looking inward, Japan sees old ways shaken and new ones moving forward at a hectic pace.

What is Japan like? Who are the Japanese people? What are the challenges that they face in the twenty-first century? Their characteristics collide: democracy and hierarchy; formality and chaos; the overfed wrestler and the shrunken tree; daring modernity and traditional skills; permissiveness and restrictiveness. In form, Japan is a parliamentary democracy. Yet a single party, the Liberal Democrats, was in power for almost all the years since World War II. In form, Japan is a capitalist, free enterprise society. Yet bureaucrats, businessmen, and politicians seem to collude for the greater glory of Japan. Is this real democracy? A real free enterprise society?

Some say Japan is continuous. It interweaves the

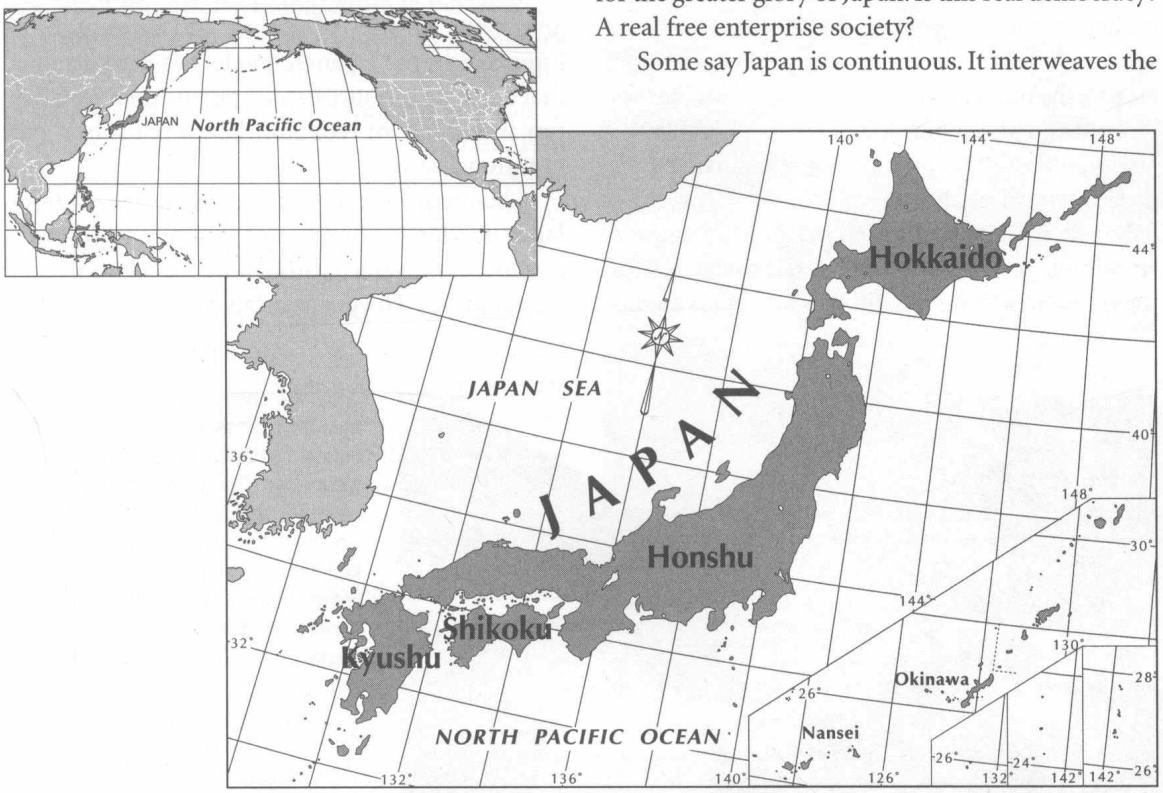

Fig. 1.1. Japan and the United States. Japan is America's neighbor across the Pacific. Tokyo is located about 3,000 miles (4,828 km) from the west coast of Alaska and a little over 6,000 miles (9,656 km) from Chicago. The four largest islands of Japan cover an area a bit smaller than California. Japan lies in the same latitude as the United States. The residents of the islands call their homeland Dai Nippon or Great Land of the Rising Sun.

tradition of temples with the discovery of cameras. It heeds parental voices even while recording them. It tells yesterday's time promptly, digitally. Japan is viewed as seamless: A garden. A blossom. A stone. A brook. The haiku that fuses them together. The wizened figure in a kimono who recites the haiku.

How do we assess such a culture? Where did the Japanese come from? Where are they going in the twenty-first century? And why are they as they are? Even more than most peoples, the Japanese have been shaped by their environment. From the dawn of their history, close communication and often precarious coexistence with nature have dominated almost all aspects of the national character and culture. In chapter 2, we will examine a few of the natural features of this island nation, which have played such an important role in the making of the Japanese. In the other chapters we will explore Japan's social, economic, and political structure as it affects Japan's twenty-first-century role in the world. We will try to understand its environment, culture, and economy within the context of geography, and you will find explanations that clarify much of what seems so contradictory about Japan and the Japanese.

All nations seek greatness, but few achieve it. During the past half century, Japan has attained this rare status. This claim will stand despite all of Japan's obvious flaws. The past fifty years constitute the greatest epoch of all Japanese history, outweighing the Heian age with its splendid writers, the Kamakura era with its great religious thinkers, the epoch of the warring states with its military heroes, and the Edo period with its unprecedented flowering of political reflection.

Between 1945 and 2000, more Japanese have lived more decently, enjoyed better health and more prosperity, while benefiting from greater freedom and peace, than at any other time in recorded history. This is a singular triumph. Even more astonishing, the postwar labors of the Japanese people have all but ensured that Japan's name will be added to that very select list of nations that have successively stood at the spear point of economic progress during those years.

Against enormous odds and the weight of history, Japan has transcended its obvious weaknesses (its physical constraints and its dependence on imported raw materials and export markets, for example) to play the predominant role in a historic transformation: the shift of the center of economic activity and initiative from the Atlantic to the Pacific. More than the decolonization of Asia and Africa, this marked the end of the long era of Western domination of world history. Japan's economic surge has helped to spark the revival of East Asian energies after two centuries of decline and turmoil. More importantly, the Japanese model has demonstrated that a people can successfully pursue their own destiny in defiance of economic laws and the iron cage of rationalization.

Unique among the advanced industrial nations, Japan developed a benevolent society in which many employees are valued throughout the whole of their working lives. The postwar Japanese family blunted

The high-speed, superexpress bullet train (*shinkansen*) symbolizes Japan's natural beauty and impressive technology. These high-speed trains travel almost silently and without vibration at more than 100 miles (161 km) per hour, and they run nearly the entire length of the country. Wind and earthquake detectors and rain gauges are installed along the entire line to warn of impending natural disasters. In case of an earthquake, the current is automatically shut down, and the train in the danger area stops; if there is high wind or heavy rain, the train's running speed is automatically reduced, or the train is stopped. Photo by P.P. Karan.

Despite modernization and urbanization, Japanese people have made major efforts to preserve their culture and tradition through a variety of festivals celebrated at various times during the year. A dance performance in Tokyo's Asakusa district at the Tanabata Matsuri is celebrated on the seventh day of the seventh month (July 7). Many festivals in Japan have their origins in tradition and are related to the annual cycle of planting, growing, and harvesting, which followed the four seasons. Festivals were observed when a major task in rice cultivation was completed. They gave rhythm to life in a village community. During the festivals many urban Japanese return to their former village homes. A large proportion of the population of metropolitan areas have rural roots, their families having lived in the cities only for two or three generations. Photo by P.P. Karan.

the pain of modernity. A delicate Japanese balance permitted the maximum division of labor (the father's total commitment to the workplace, matched by the full educational mobilization of the children, with the mother playing the role of indispensable family anchor). At the same time a higher standard of civilized life is reflected in the freedom of a woman to walk alone in the city, day or night, unafraid. That such freedom has been secure in this huge society almost without interruption through all the stresses and strains of the postwar era is astonishing.

Two decades ago Japan was praised as a nation with small government, balanced budget, and economic vitality. Japanologists such as Chalmers Johnson and Ezra Vogel described the Japanese state as a growth-oriented "developmental state" (Johnson 1982; Vogel 1979, 2000) in which the state bureaucracy, the Ministry of Finance and the Ministry of International Trade and Industry in particular,[1] collaborating with business associations and the Liberal Democratic Party, coordinated market activities and allocated resources efficiently to promote economic growth. One of the major institutional instruments of the developmental state system was the linkage of public and private finances, in which leading ministries controlled the Bank of Japan's finan-

Traditional Japanese clothing, such as the kimono worn by this woman, is no longer part of everyday life and is reserved for special ceremonial occasions. Japanese adopted Western-style clothing in the mid-nineteenth century. Until the recession of the 1990s the Japanese topped the list of big fashion spenders on clothing. Now, it's good-bye to designer suits as Japanese taste is drifting down-market. Photo by P.P. Karan.

[1] The central government underwent a major reorganization in January 2001, and the names of the ministries have changed.

cial policy as a means of growth-oriented economic policy. However, in the 1990s Japan's fiscal condition worsened, and its economic growth rate became one of the lowest in Asia (Yoichi 2000). The "Developmental Public Work State" failed.

As the twenty-first century began, a sense of greatness did not define Japan's mood. Fears of national stasis, even retreat, persisted despite evidence that the recent recession was at last easing. The 1980s taught the Japanese to celebrate their success; then the 1990s provoked the most severe crisis of national confidence since 1945. For the first time since the brutal ending of the Pacific War, the Japanese have been forced to brood on why countries decline and fall. Just a few years ago, Japan was a country so dedicated to extravagance that some restaurants even offered meals topped with gold dust, a tribute to corporate expense accounts, and executives were picking up Armani suits and patches of American real estate as if they were stuffing a gift bag with baubles. National spending soared. But now after several years of near-zero growth, many Japanese are anxious about their future.

The collapse of Japan's "bubble" economy is having a dramatic impact on consumer behavior. Traditionally, Japanese consumers placed overwhelming priority on a product's quality and on luxury brand names: Hermes scarves, Prada handbags, Rolex watches, fashion and leather goods from Louis Vuitton, Tiffany, Giorgio Armani, and Bvlgari. Since 1996 sales of luxury goods have declined by more than one-third, to 1.2 trillion yen ($10.8 billion), according to Yano Research Institute. That is a big change from the heady 1980s, when the average Japanese was flush with cash. But consumer behavior changed when the economy slipped into reverse more than a decade ago. The lifetime employment system began to crumble, disposable incomes declined, and consumers started to look harder at what they were buying. Young Japanese working women living with their parents have room in their budgets to shop for luxuries. The number of young working women is dwindling, however. Japan's population is aging rapidly, and the sluggish economy, rising unemployment, and higher taxes mean that the smaller new generation of young adults tends to have less to spend. Now economic uncertainty and political inertia have altered the tendency to shop for mainstream brands like Gap and its Japanese equivalent, Uniqlo. Japanese are becoming much more bargain-conscious and are willing to buy at Wal-Mart, which opened its first store in Yokohama in partnership with Seiyu, Japan's fourth-largest retailer. This price sensitivity is causing a revolution in the distribution of goods. Japanese consumers have stopped making weekend shopping forays to expensive department stores, opting instead for suburban discount centers. In the Tokyo and Osaka areas alone, there are at least eight major megamalls under construction hoping to take advantage of the changes. Most of these malls are American-inspired projects and feature America's best specialty retailers and American-style entertainment venues.

The idea of dressing down arrived in Japan in the 1990s with the recession. Uniqlo, a Japanese retailer, often called the clone of the Gap, is growing rapidly. Young women in Japan now tend to wear simple casual clothing sold at stores similar to Kmart and Target. Gone are the heady 1980s, when Japanese were dressed in the likes of Gucci and Hanae Mori; when Japanese companies seemed unstoppable; when some Japanese and Western commentators opined that Japan had developed a form of capitalism newer and better than that practiced elsewhere. All this now smacks of hubris. Photo by P.P. Karan.

Large department stores such as Sogo collapsed in 2000 because they had borrowed heavily and overexpanded; they paid the price when real estate values fell in the 1990s. The squeeze on Sogo came about when banks faced new competition from overseas and a deregulated financial system, which could no longer keep shaky companies on life support forever. Japanese banks are cleaning up their balance sheets; in the

Despite the collapse of the asset-inflated economic bubble in 1990 and the general business slowdown, new shopping malls such as this one, called Apita, in suburban Nagoya, are being constructed all across the country in response to strong consumer demand by the young Japanese. The stores that fill the mall include outlets for Lands End, Gap, Starbucks Coffee, McDonald's, and Eddie Bauer. Each day cars jam the parking structures adjoining the shopping complex. Consumers are willing to spend on luxury items that are discounted and quality items that are inexpensive in shopping malls. Thanks to cheaper land in the 1990s and looser regulations, the shopping mall concept is taking root in suburban Japan. Photo by P.P. Karan.

short term this may result in job losses that will delay economic recovery. Most scholars say that Japan must swallow strong medicine in order to rise again.

Japanese banks are now shifting themselves from government control, while companies are casting off the control of banks. Strings of interdependence, which crisscross among Japanese companies two or three times, are being snipped one by one. For example, Nissan Motor Company, supported previously by the Industrial Bank of Japan, Japan's main bank, chose to survive as a member of France's Renault group, which introduced Western-style pricing and smashed entrenched and often costly corporate relationships.

Japan's elderly citizens have enough money (54 percent of the nation's personal assets), and they could revive the economy if they spent a little more. But fear of the future deters seniors from opening their wallets. Without strong evidence that a well-constructed social security system—one that could ease the anxiety senior citizens feel as their declining years approach—is on the horizon, efforts to get older citizens to spend their life savings are unlikely to succeed.

Frugality is sweeping Japanese society as it enters the new millennium. Magazines offer suggestions for saving, telling readers that microwave cooking is half as expensive as gas-burner cooking and recommending baths rather than showers or small instead of large televisions. A long recession notwithstanding, shops dealing in used goods are going strong. The trend is endorsed by cheap prices and a changing awareness of consumers, who now value quality more than newness and who are also interested in environmental issues. A case in point is the recent rise in the number of secondhand golf-club shops, which were hard to come across a few years ago, and 100-yen stores (similar to the Dollar General stores in the United States). More than two hundred used-golf-club outlets opened in 2000, and about the same number have contracted to become part of Golf Partner, a franchise chain that opened in 1999. The rapid growth of shops selling used goods contrasts sharply with the slow growth in consumption. The Ministry of Economy, Trade, and Industry's Commercial Census shows that there were 10,568 used-goods retailers in Japan in 1999, an increase of 24.9 percent from 1997. That growth is astonishing considering that the overall number of retailers decreased 7.5 percent in the same period.

Until recently, many Japanese were unwilling to buy secondhand goods. But the negative feeling has been dying down, particularly among young people. In an Economic Planning Agency survey in August 2000, 47.9 percent of the respondents reported buying books and CDs at secondhand shops. About 31 percent had purchased used clothes, and about 24 percent had bought used children's wear. Consumers are more aware now than in the 1980s of the balance between price and quality, as evidenced by the extraordinary success of clothes retailer Uniqlo, which made its name with its own brand of clothing at reasonable prices. Japan's society may be moving from one filled with disposable goods to one that emphasizes recycled products.

Cost cutting has increased household savings in Japan, which have climbed to 21 percent of disposable income, from about 18.5 percent in 1991. Household savings were less than 5 percent in the United States. Savings cut domestic consumption and thus

Success turns sour. Sogo Department Store chain in Toyota City was closed in 2000. The financial collapse of Sogo, one of the largest chain stores in Japan, was a shocking reminder of Japan's economic problems. Sogo borrowed huge amounts of money from banks, overexpanded during the 1980s real estate boom, and paid the price when values fell in the 1990s. Sogo started in 1830 as a secondhand kimono shop, and it was a struggling 3-store department chain until 1962, when it became transformed into a retailing colossus with 41 outlets in Japan and overseas. Sogo opened stores near busy railway stations and bought nearby land. As business took off at the department store, surrounding land rose in value, providing collateral for further expansion. Trouble began as land prices fell after the burst of the bubble economy. By 1994 Sogo was in default, but it was still opening stores in 1998. When the end finally came in 2000, Sogo had racked up more than $17 billion in debt, making the corporate collapse one of the biggest in postwar Japanese history. Photo by P.P. Karan.