

〔書評〕

*Nihon Keizai no Bunsui-Rei.*

By the Study Group on the Postwar Japanese Economy. Tokyo: Bunshindo, 1988. Pp.373.

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This book is a collection of eight papers dealing with a broad spectrum of issues pertaining to the Japanese economy during the volatile decade of the 1970s. The subjects covered range from Japan's foreign investments and its standing in the global economy to such domestic issues as regional development, labor management, and business philosophy. Unlike many works of this type, the authors have managed to maintain a common strand of argument throughout the book which may be labeled the "watershed thesis." However, the different chapters are clearly too diverse to lend shape to an integrated thematic development. The eight contributing authors are members of the Departments of Economics, and Business Administration of St. Andrews' University.

The title of the book may be literally translated as "A Watershed Point in the Japanese Economy." This title aptly reflects the basic contention of the book that the wrenching changes in the global economic environment during the 1970s brought on a clear demarcation in the postwar development of the Japanese economy.

To briefly outline the contents of the book, Chapter One deals with the transformation in the balance of economic power between

Japan and the United States during the 1970s. Against the background of a gradual decline in American economic hegemony, the 1970s are depicted as the consummating phase in Japan's catching-up process as evidenced by its successful penetration of global markets for major industrial products. However, the author argues that at the end of the decade Japan had not completed the transition from catch-up to a status of economic leadership insofar as it had yet to pioneer in the creation of a major new industry in which it enjoyed a position of dominance. Chapter Two examines the secular trends in Japan's balance of payments and foreign investments. By 1970, Japan is finally freed from the stop-and-go cycles imposed upon it by recurring trade deficits, and has emerged as a net creditor nation. While these facts fit comfortably into the book's watershed thesis, it is equally true that it was clearly not until the following decade that the world was made to witness the quantum leap in Japanese foreign investments, not to mention the unprecedented levels of trade surpluses.

Chapter Three is a technical treatment of capital formation in postwar Japan focusing on the question of depreciation and capital replacement, or the D-R problem. The analysis follows the tendency towards accelerated replacement (excess discard) of physical capital during the phase of Japan's rapid economic growth, and calculates that the cumulative excess discard of this period was not fully adjusted for until after 1977. Chapter Four takes on the issue of inflation during the 1970s and documents the familiar argument that Japanese inflation after the first oil crisis was more severe than in other industrialized countries because monetary authorities had neglected to properly adjust expansionary policies in response

to the fundamental changes in the domestic economic structure. This failure to rein in the bias towards expansionary fiscal and monetary policies stands together with Japan's costly fixation with the old yen-dollar parity in the twilight hours of the Breton Woods system as painful rites of initiation into the age of uncertainty.

Chapter Five traces the progress of regional economic development in postwar Japan by examining the three Comprehensive National Development Plans which were initiated in 1962. Special emphasis is placed on the development and integration of the industrially backward Tohoku area which the author refers to as Japan's "new frontier" where the spread of secondary and tertiary industries has occurred concomitantly with serious regional depopulation. Chapter Six deals with the rapid change in the relation between Japan's leading business groups and their "main banks" which occurred during the 1970s. The strong bonds of financial intermediation nurtured during the extended period of capital rationing in postwar Japan are shown to have started a long downward slide in this period when capital scarcity gave way to capital abundance, and diversification of corporate strategies encouraged the strengthening of access to a wider range of capital sources. The main-bank phenomenon would suffer more serious blows in the 1980s as deregulation and securitization would dilute the importance of intermediation, but the author contends that the growing trend towards global financing has provided new opportunities for bonding and co-operation between major city banks and leading industrial groups.

Chapter Seven examines the changing status of Japanese labor

management practices in the 1970s. Although the oil crisis related recessions had a clear augmenting effect on intramural labor competition, it is difficult to establish a well-defined turning point in the transition from rigid seniority rules and life-time employment conventions to performance-oriented criteria in the Japanese labor market. The final chapter of this book treats the issues of social responsibility and labor participation in management within the framework of the Japanese "corporate crisis" of the 1970s. The author argues that this crisis, spawned by a tidal wave of anti-corporate and anti-industrial sentiment affecting all industrialized nations during this decade, elicited some uniquely Japanese responses to the problems of social responsibility and labor participation. The relative success of these responses as determined by the group-orientation of Japanese management philosophy is seen to have been instrumental in bringing to the fore the discussions of the "superiority of Japanese management".

In conclusion, how strong is the case made by this book for a "watershed thesis" in the 1970s? This is the time frame of the introduction of widely fluctuating exchange rates, the arousal of economic nationalism among the resource-rich developing nations of the South, and of ravaging oil crises twice repeated. True enough, this is the decade in which the pace of Japan's economic growth sank from the miraculous to the merely mundane. And the ensuing slowdown would in turn set off a chain reaction of transformation and painful adjustment throughout the economy as basic macroeconomic balances fell out of sync. The chronic excess of savings over investment, the chronic-and at times-severe budgetary deficits, and the momentary loss in price stability

would all combine to cause a fundamental change in the parameters of the Japanese economy. By the same token, it was during this decade that we begin to witness a significant reformulation in the set of peculiar economic policies and institutions which were uniquely geared to the task of Japan's postwar catch-up.

Nevertheless, whether future economic historians will accede to the assessment of the 1970s as the Japanese economy's critical watershed remains to be seen. Already there is a tendency to view the 1970s as merely a period of technical redirection, the dynamic manifestations of which were not made apparent until the following decade. Thus, for example, the savings-investment imbalance would make its full severity known only when it induced the trade frictions which became the hallmark of the 1980s, or when it catapulted Japan to the position of the world's leading creditor nation. Similarly, the long-term ramifications of the budgetary deficits created by the oil crises of the 1970s were not fully revealed until the relatively recent initiation of a thorough deregulation of the financial markets. Perhaps in historical hindsight, the 1980s will be identified as the watershed for the Japanese economy, and the preceding decade will be labeled as a period of transitional malaise, and a prelude to the sea change which was soon to follow.

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