

Globalization and Governance in Japanese Society

SHIMOKOBE ATSUSHI

Chairman

Tokio Marine Research Institute

TO STATE MY CONCLUSION in advance, there are three concepts—globalization, governance, and civil society—that have become of crucial importance in today's Japan. When discussing globalization and governance in Japanese society, we are, in a sense, speaking of the process by which Japan modernized.

The history of Japan's modernization can be read in various ways, but most would agree that the Meiji Restoration of 1868 marked an epochal turning point. In their endeavor to introduce the culture and civilization of the West, Japanese leaders of the early Meiji period became acutely conscious of globalization and sought to build a country differing from the Asian pattern. To be sure, one of their hopes was to turn Japan into a major power, which inevitably implied imperialism and colonialism. The acquisition of military might was, accordingly, seen as essential for creating a powerful country. As a result of the Sino-Japanese War of 1894–1895 and the Russo-Japanese War of 1904–1905, the international community began to perceive Japan as a threat in the Far East. As Japan felt itself becoming estranged, it further pursued an imperialist and militarist path and ultimately plunged into World War II. While the importation of Western civilization around this time can be cited as an excellent example of globalization, the period came to an end after somewhat more than half a century when Japan, in 1945, accepted the terms of the Potsdam Declaration and unconditionally surrendered.

This period, which I call stage one of Japan's modernization, featured governance by a strong state apparatus with bureaucrats in command. Their power derived from the 1889 Meiji Constitution, which created the system of centralized authority by bureaucrats. The state seemed to be an imposing institution in the eyes of the people, who thought it virtuous to sacrifice themselves to it loyally. Needless to say, though, there were also those who were willing to risk their lives for the sake of turning back the growing tides of centralization, imperialism, and militarism.

During the more than fifty years since the end of World War II, Japan has been intent on remaking itself in a new form. Under the 1947 Constitution, it has sought to become a peaceful and cultured nation, renouncing its right to wage war. At the start of this period, the state instituted relief measures for war victims and facilitated the reconstruction of cities reduced to ashes during the war. Then, around the time of the Korean War of 1950–1953 the Japanese economy began to move again. One of the objectives of modernization at the time became the creation of an economy that could stand on its own without aid from other countries. The development of domestic industries for a self-reliant economy became a major theme, and with guidance from such government organs as the Ministry of International Trade and Industry and the Ministry of Finance, efforts were directed at turning out domestically manufactured products. Such was the starting point of Japan's postwar economic growth. Eventually, manufacturers developed good products and the export sector grew larger and larger. Imports also expanded, mainly because Japan lacked many natural resources and thus needed to procure energy supplies, timber, and other items from overseas. During the course of this half-century period—stage two of Japan's modernization process—the economic superpower we know today took shape.

Globalization during this period ceased to be centrally controlled by the bureaucrats, as it had been during stage one. Instead, a more complex structure of governance was developed that involved both private- and public-sector actors, that is, industry, academia, and government. This structure has no central decision-making mechanism; rather, decisions are made within the composite body of industry, academia, and government. Historically viewed, this seems a rather intriguing way of handling governance and indeed may be one cause of the ambiguity in Japanese decision making to which people in other countries often point.

But stage two is drawing to a close now in the context of a broad diversification in the value systems of the Japanese. Leadership of the growing

economy that characterized stage two was the preserve mainly of the Liberal Democratic Party (LDP), which enjoyed many years of one-party rule. But the LDP's grip on power has weakened and a phase of political confusion has ensued. In fact, it is today hard to say what Japan's future political system will look like. Some aftereffects of the East-West confrontation still linger, such as the controversial presence of U.S. military bases on Okinawa and the dispute between Japan and Russia over ownership of the islands known as the Northern Territories. Even so, the end of the cold war structure can now clearly be discerned.

Meanwhile, Japan has encountered many new challenges, such as determining its proper role in the rapidly developing Asian region. Also, as environmental problems reach global proportions Japan must decide how to best address them, ideally making use of the experience it has gained while wrestling with its own domestic pollution. Recognition of the importance of this task has spread widely, and people have begun to ask whether Japanese business activities overseas may be damaging the environment of other countries, or whether overseas resource development for the provision of supplies to Japan may be destroying nature around project sites. Two other trends also make this a major turning point for Japan: the rapid spread of advanced information technologies, and the advent of a society with more elderly people and fewer children. With such new challenges confronting the nation, a state of confusion has arisen in government, politics, and business. Nonetheless, increasing numbers of companies and individuals are seeking to transcend this confusing phase in the modernization process by pioneering new paths into the globalized future.

Recorded history allows us to be confident that the current turmoil will subside someday and that a third stage in Japan's modernization will begin, during which civil society will become a key concern. While Japan has thus far sought to globalize in a variety of ways and fashioned corresponding forms of governance, this will be the first time that civil society assumes great importance in this country. To be sure, in the course of stage two's economic growth satisfying consumers came to be a pivotal concern, as indicated by talk of a "consumers' paradise." But ethical and other problems accompanied this growth: the paradise is perhaps becoming a place of pure self-interest and self-gratification. This is why the evolution and acceptance of civil society, as well as the concept of the citizen, will in stage three attract great attention in Japanese society for the first time.

A multitude of problems must be addressed, and to this end I place my main hopes on the transformative potential of nonprofit organizations (NPOs). In the history of modern Japanese governance, the roles of government and business have alternately waxed and waned, and this shifting duopoly of power has mostly precluded a clear understanding of what NPOs in the so-called third sector can accomplish. Such organizations were already present in stage one, with some serving the state and others opposing it. The corresponding organizations in stage two dealt mainly with issues such as humanitarianism and human rights. Overall, Japan's NPOs have thus far adopted a confrontational stance toward both government and business. However, it is now clear that in stage three Japan needs a third sector of NPOs, coupled with internationally involved non-governmental organizations (NGOs), capable of acting independently and affirmatively alongside both the first sector (government) and the second sector (business). Such a development is likely to be key in facilitating tomorrow's globalization, governance, and civil society.

My hope is that the holding of this Global ThinkNet Tokyo Conference will open new vistas. I will be watching closely over how Japan's NPOs and NGOs evolve in the course of this country's modernization process. And I hope that in the statements each of you will be making, I will be able to pick up valuable hints.