

# G A M A N



**10th** ANNIVERSARY OF  
ECONOMIC CRISIS IN JAPAN



Luxury ad in Ginza, the most prosperous part of Tokyo



A couple shares a fruit

way of folding are really impressive. But what is wrapped is usually a gift. The result becomes an economy based on mutual, even generous gift-giving. No room for competitive offers, no room for cost cutting. The bids are traditionally rigged and favours exchanged. The politicians, also local, are part of this mechanism. Public interest is nobody's business. The bribes, as stakes are high. But the wrappers are beautiful.

A Japanese tourist is lost without his group and guide. Even in his own country. Hotel sizes are calculated in bus loads and not everywhere individuals are welcome. Exaggerating just a little bit, outside their social group or network people have no identity. Obedience to the group rules comes first, personal preferences trail behind. In the industry the decision making process is never quick and always based on group effort and agreement. Politeness is paramount. To disagree with others is really not polite at all. So people hardly present their opinion and everybody tries to guess what the others DON'T say. Yes means No. Lots of energy is spent on covering up. Misbehaving leads to the loss of face, the worst disaster that might happen to a Japanese. This troubles not so much the industry as the state administration and leaves the country without any true leadership. The clerks are interchangeable and on upper levels don't have specialised training. There is no way of checking if the decision is right or wrong. And even if wrong decision will not be punished, as long as the culprit remains loyal to his group. Because the loyalty is also paramount. Loyalty to the party, loyalty to the colleagues, loyalty to employers and employees, loyalty to the local shopkeeper, loyalty to relatives, even to wife (rare in older generations, changing with the young one). Any serious attempt to introduce changes becomes futile or doesn't happen in the first place. With so many vested interests nobody is truly interested.

After the end of the Cold War the country lost its privileged status of a solid land aircraft

Are we ready to consider Japan a helpless victim of the end of the Cold War?

Or do we still remember it as world second biggest economy?

In fact it is both.

In Tokyo people with long memory still talk about the bubble years. This economic miracle ended more than a decade ago, and curiously for non-economic reasons: the Yakuza. The banks loaned money to crooks, crooks bankrolled politicians, politicians let the banks run wild, making uneconomic loans that helped inflate the bubble. Yakuza was making money. Then the value of real estate used as guarantee for loans collapsed and was worth far less than the loans themselves. The dream was over, the Yakuza was richer. Today according to an estimate published in Japan Times, two third of Japanese banks are technically bankrupt. They remain afloat only by government tactful approval of creative book keeping. The Yakuza are a traditional institution of Japanese society, they operate in broad daylight, sometimes provide bread for Kobe earth quake victims. They are doing fine.

Japanese are admired for their wrapping culture. The choice of paper, the



Under a railway bridge



Police convinces a homeless to dress, near Shinjuku station







An old woman prepares to carry home all she could gather after a day of street cleaning around a railway station

carrier moored next to Soviet coast. America became reluctant to sponsor Japan with top technologies and money, only to ask for a bigger access to the market for American products. The situation didn't become easier with China ending 50 years long, self-imposed isolation and starting fierce competition on labour and capital markets. There is even a tangible switch of world attention towards China, with Japan slightly forgotten as a "temporary superpower" of the past.

All these extra economic phenomena contribute to a slow but constant downward trend of the economy. Unemployment, for many decades absent from Japanese vocabulary is a very tangible and feared thing. It reaches a never-heard-of 5% . Homelessness follows. Without work people are outside the system. Life became extremely expensive. Not so much for the Japanese, as for the government. Growing government debt - about 140% of national output - recently prompted rating agencies to downgrade Japan to a level below Botswana.

Can Japanese way of living survive in the today's hostile economic environment? Will the Japanese be able to afford all the characteristics that make their culture really unique? Many are perfectly conscious that without profound social reform, or even change of national character the economy will not continue its successes. For the last years every Japanese prime minister was promising such reforms and every backed from the task. The population is not in turmoil, the mood is resignation rather than dissent. So far the way to cope for the Japanese is also very traditional: gaman. Endurance. As a young man, but already a corporate warrior explained over a beer: "We don't have the knowledge of reforms in our society, it's not our tradition here."



In a bar under railway



Near Ginza



