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3/11 and Japan: A Hinge of History?
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3・11と日本—歴史の一つのかなめ？

By R. Taggart Murphy

“3/11” is emerging as new shorthand for The Great Eastern Japan Earthquake of March 11, 2011 and its aftereffects: the tsunami that destroyed much of Japan's northeast coast, and the crippling of the Fukushima Daiichi nuclear power plant . The sobriquet has the virtue of brevity; it also, of course, calls directly to mind the atrocities visited on the United States on Sept. 11, 2001 – one of the reasons it seems to be coming into use. For while the two events had radically different causes and the scale of the devastation wrought in Tohoku –measured both in human suffering and in economic damage – was orders of magnitude greater than that inflicted on Manhattan, the parallels are sufficiently striking that the echo of “9/11” evoked by “3/l1” may well be justified.

In particular, while the two catastrophes appeared at first to have emerged out of the proverbial clear blue sky, in the weeks following each, it became obvious that neither Tokyo nor Washington respectively could be fully absolved of all responsibility for what had happened. Both catastrophes should have been foreseen. Many suspected before 9/11 that Al Qaeda was planning to stage a spectacular attack; the George W. Bush White House ignored not only the lessons of the 1993 bombing of the World Trade Center but the streams of warnings both from the preceding administration and from various parts of the intelligence community that another such attack would be coming soon.

Turning to Japan, tsunami of the scale that struck on 3/11 were far from unprecedented. Yet coastal communities had been built below the high-water marker warnings placed by the ancestors of those who built those communities. And the Tokyo Electric Power Company (“TEPCO”), a hybrid creature of a bureaucracy straddling the boundary between the private and public sectors, had been allowed to operate the forty year old nuclear Fukushima Daiichi power plant situated right next to the open ocean – one of six nuclear power plants strung along Japan's tsunami-prone Pacific coast. The tsunami of 3/11 destroyed much of Fukushima Daiichi, in the process unleashing the worst nuclear disaster since Chernobyl. But TEPCO had built and operated this plant without adequate protection against tsunami of more than 7 meters, even though there was ample historical and geological evidence that tsunami of that magnitude had struck Japan repeatedly during its recorded history and would continue to do so. And TEPCO's nominal overseers in the Japanese government had not called it to account.

Perhaps as a result, 3/11 looks as if it will, like its 9/11 predecessor, come to be seen as a “hinge of history.” Events will be defined as happening before or after this date and the widespread sense that something both irrevocable and transforming has occurred will not fade soon.

If it is still too early to assess the full impact of 9/11 on the United States and world politics, we cannot at this point even begin the exercise with 3/11. But we can, perhaps, as scholars and observers of Japan, East Asia, and the world, begin to order our thoughts on how we go about that assessment in the months and years to come. To put this in other words, we can begin to construct a framework of questions that will help us begin to come to grips with this catastrophe.

The following, then, is a suggestion for an analytic framework aimed at bringing forward those questions.

Political

3/11 struck just when Japan's first sustained experiment since 1955 with a party other than the LDP in control of the formal institutions of government appeared to have run its course. The Democratic Party of Japan had come to power in 2009 partly because it had convinced the electorate that leaving ultimate decision-making in the hands of unaccountable bureaucracies was leading Japan to ruin. Not because a highly developed society can be run without bureaucrats – i.e., without administrative and other public sector professionals. But because goals of institutional survival and aggrandizement tend to crowd out the purpose for which a given bureaucracy was established in the first place. The more important the original purpose – providing for a nation's physical security, managing a nation's finances, delivering electric power to the nation's nerve center – the more powerful the bureaucracy has to be to carry out that purpose, and thus the greater risk it will use its power to amass influence, to silence critics, to construct self-reenforcing echo chambers that ensure existential questions are not heard, much less answered.

Obviously TEPCO and its relationship to nuclear power serve as a paradigmatic example of the DPJ's argument -- not only about the danger of unchecked bureaucratic power but also about its antidote: robust political institutions with both the will and the ability to impose accountability on bureaucracies.

But while 3/11 may have provided an overt demonstration of this core DPJ argument, it also showed just how far short the DPJ had fallen of its original promise. On the eve of 3/11, Prime Minister Kan Naoto's favorable poll ratings had dropped below 20%; it seemed only a matter of a few weeks or months until he followed his four immediate predecessors in stepping down after little more than a year in office. In retrospect, will 3/11 be seen as having given Kan a new lease on life? Will it empower such rising stars in the party as Edano Yukio, visible every day during the crisis as the government's spokesman? Will it still intra-party rivalries, particularly those swirling around Ozawa Ichiro who broke his self-imposed one month silence after 3/11 with a harshly critical assessment of Kan's performance? Or will these re-surface, leading to a possible break-up of the party and yet another re-alignment of Japanese politics? Will 3/11 be seen to have re-enforced the DPJ's core message of the need to impose political oversight on powerful bureaucracies, or will the electorate conclude that after all complex matters such as power supply and reconstruction should best be left to acknowledged experts who can be trusted to act in the wider good? Will the electorate decide that the disaster of Fukushima Daiichi was a one-off event; that given how much worse it could have been and given the heroic self-sacrifice of many of TEPCO's staff,

that a suitably chastened TEPCO ought to be allowed the benefit of the doubt? And, more widely speaking, that critical economic and political decision making ought to continue to be left in the hands of those with experience and expertise? Or that the DPJ was right in contending that Japan needs strong political leadership?

Economic

3/11 shone a spotlight on some surprising strengths in the Japanese economy. Supply constraints appeared almost instantly worldwide, constraints that threatened to halt the manufacture of scores of products from commercial-grade videotape to "smart" meters, circuit boards, automobiles, aircraft and pharmaceuticals. What these demonstrated was the degree to which the world still depends on Japanese manufactures and Japanese components. But this very demonstration could lead to a scramble to provide alternatives to Japanese suppliers. How will Japanese companies cope domestically with the supply constraints? How will they re-assure their customers overseas that Japan remains a reliable partner and supplier?

Many MNCs had already relocated operations from Japan to elsewhere in Asia; this trend seems sure to accelerate – at least temporarily -- but how fast and at what cost to Japan? At the same time, the extraordinary resilience of the Japanese people displayed during this crisis contains upside economic potential; might reconstruction prompt an upsurge of the "animal spirits" Keynes once identified as central to economic recovery?

Financial

3/11 obviously imposes huge financial burdens on a country already facing what some regard as an inevitable moment of fiscal reckoning, given a national debt as a percentage of GDP that is among the highest in the developed world. In the days right after 3/11, the yen soared to a postwar high against the dollar. Given that Japan had been dealt a grievous blow that had sent its economy reeling, this may have seemed counter-intuitive. But on closer inspection, it wasn't so surprising. Currency traders worldwide assumed that Japan would be drawing down some of its accumulated dollar horde in order to pay for reconstruction, leading to an inevitable weakening of the dollar, at least in yen terms, and concomitant strengthening of the yen.

The soaring of the yen provoked a mini-crisis in global financial markets. US Treasury Secretary Timothy Geithner felt compelled in March 16 testimony to the Senate Banking Committee to discount worries that Japan would have to sell US Treasuries to raise cash. Whatever he may have said, however, fears of currency disorder were sufficient to provoke coordinated action by the world's leading central banks on March 18 to drive down the yen – the first such action since 2000.

The joint action succeeded and in the weeks that followed, the yen drifted down against the dollar. In retrospect, it was not clear how this had benefited Japan. The country will need to spend the yen equivalent of hundreds of billions of dollars to rebuild its ravaged northeast, and cheapening the currency seemed only to add to this burden. While it is true that a strong yen hurts traditional large exporters, these are no longer the most profitable companies in Japan.

Accordingly, are we likely to see a stronger yen as Japan repatriates export earnings that have traditionally been left in the US banking system? Or will the yen weaken because of the extra burdens placed on the economy by reconstruction? Certainly, the catastrophe added yet one more burden to a global financial order already buckling under the demands placed on it by the financial implosion of 2008 and a series of subsequent debt crises around the world.

Industrial Structure

3/11 underscored something that many analysts of Japan's economy already understand – that the drivers of Japan's prosperity today are not the serve-all-markets behemoths of traditional Japan, but newer, smaller, more focussed and profit-driven companies such as the sensor manufacturer Keyence, Japan's most profitable company in recent years. Will the obvious weaknesses of companies such as TEPCO accelerate a redeployment of capital away from the TEPCOs and Toshibas in order to finance more companies on the Keyence model?

Energy

The question here ultimately is green or nuclear? Might 3/11 cause Japan to embark on a crash program of developing renewable "green" energy to replace its crippled nuclear power infrastructure? Or will the experience of rolling blackouts with the resulting inconvenience and economic damage paradoxically bring on an increase in reliance on nuclear power plant construction as old plants are refurbished and new ones brought on stream? Or will Japan opt to increase its heavy reliance on costly and environmentally destructive coal, oil, and natural gas as at least short-run solutions to the energy shortfall? (Andrew DeWit has already shown in an important article written in the wake of 3/11 that in the short-term, Japan is purchasing more fossil fuel, although that does not preclude either green or nuclear futures.)

Foreign Relations and the US-Japan Alliance

3/11 showed the petty territorial disputes that had damaged relations between Japan and its neighbors for what they are. Will these be allowed to fester again or does 3/11 augur a reset? Meanwhile, US military forces gave unstinting and invaluable aid in the early days of reconstruction. Does the US expect to present a bill in the form of a removal of the obstacles in the way of the proposed move of the US Marine base on Okinawa to Henoko? If so, how will Okinawa – and Japan more generally – react?

More widely, 3/11 has raised Japan's profile worldwide in both positive and negative ways. Positively, the world has been awestruck at the behavior of ordinary Japanese people in working together to cope with disasters. Negatively, the effects of 3/11 have in some respects been grossly exaggerated resulting, among

other things, in drastically falling rates of tourist arrivals while MNCs relocate personnel out of Japan. How will these play out? Will we see a strengthening of the "Galapagos" phenomenon or more outreach between Japan and the world?

Society and Culture

Such trends are the hardest to foresee and measure, but no one doubts that 3/11 has already had a huge impact on society and culture. The sight of hundreds of thousands of people with their lives wrecked and their loved ones dead acting with decency, forbearance and sense of responsibility towards themselves and those around them has properly commanded respect and appreciation for traditional Japanese virtues. Could this lead to an upsurge of xenophobia, or a discarding of some of the shallow materialism of recent decades (not mutually exclusive)? How will writers, artists, musicians and film directors digest and represent 3/11 and its impact on Japanese society? What will be the effect on the popular culture? Will jishuku ("self-control" or showing restraint) be seen as just a temporary phenomenon or will there be a longer-term impact? These are but some of the questions that Japan Focus will be addressing in the weeks and months to come.

R. Taggart Murphy is Professor and Vice Chair, MBA Program in International Business, Tsukuba University (Tokyo Campus) and a coordinator of The Asia-Pacific Journal. He is the author of The Weight of the Yen and, with Akio Mikuni, of Japan's Policy Trap.

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