



## **How Japan can Become an Advanced Nation after Opening its Borders (Summary)**

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### **Opening up the Country to Western Civilization**

After Western nations accomplished modernization, countries considered as “non-modernized”, increasingly protected themselves from the outside World by setting up “regulations” in their legal and social systems, serving as (non-military) barriers, in addition to armed resistance. These regulations inadvertently slowed down their path to modernization.

Emerging nations are those striving to “modernize” their economy to escape from their status of “non-modernized” nations by the use of “liberalization”, or partial opening of their barriers, as the primary driving force. Japan was such an emerging nation at the forefront of a changing era.

### **Core of Modernization and Society with Various Regulations**

The core of the “modernization” process depends on an open society, without regulations that are too restricting and which guarantees an active, functional market economy and the appropriate disclosure of information. Such a society is the ultimate goal of modernization. Japan has already shed its status of “emerging nation” but is perhaps still like an emerging nation in that many of its harsh regulations remain in various social systems. Since the Meiji era, it is also difficult for Japanese people immersed in an “emerging nation” mentality to quickly adopt a different perspective.

There have been many examples of deregulation, privatization and liberation since the 1980’s. The Council for Regulatory Reform of Japan (The Council) identified approximately 14,000 items as potential subjects of regulatory reform. Public and private sectors are still struggling to achieve the goals recommended by The Council.

### **Japan Opens Itself to the World for the Second Time – To Change from an Emerging Nation to an Advanced Nation**

To be an advanced nation, Japan should be a country which gains deserved respect from other countries. To that end, it should embrace a truly open society as well as achieve economic self-reliance. It is also essential to establish an identity of its own – to forge a unique culture, which integrates with society and economy. Strong leadership should be exercised in various areas including historical view, foreign policy and security policy.

Now is the time for Japan to embark on such drastic measures of change. Japan should depart from seeing itself as a “former emerging nation” and follow the path to establish itself as a truly advanced nation.

### **Development of a globally-minded workforce**

A central belief of globalization is the transformation from an emerging nation to an advanced nation. In this respect, globalization is seen as a synonym for the opening of Japan for the second time. As in the “Meiji restoration” era we leave this role of being the primary driving force of change up to a globally-minded workforce, to usher in the second opening of Japan.

Globalization is forcing Japan to become a society which is open, without regulations that are too restricting and which guarantees an active, functioning market economy and the appropriate disclosure of information. Such a society plays a central role in the modernization process. A globally minded workforce constitutes people who are “independent”, highly capable of “fulfilling responsibilities” and “making right decisions” in a modernized, globalized environment.

### **Responsibilities of Japan as an “Advanced Nation”**

Being an “advanced nation” means having values and a culture solid enough to impact the world and being able to exercise economic power to be leaders in positively influencing nations. In order for infant “advanced nations” to lead the world, they must be able to introduce “something” that is new and innovative and which reaches beyond the conventional standards.

Instead of being a reactionary force, Japan, as an advanced nation and in the spirit of proactively achieving harmony, should strive to lead the world. In cooperation with other Asian nations, including China and South Korea with whom Japan has a long, shared history and culture, Japan will be able to present an advanced model of global modernization. Only when Asian nations join forces to modernize Asia through peace-building efforts for the progress of the region and for the world, will Japan have accomplished its mission of opening the country for the second time and establishing itself as a new advanced nation.

### **Regain the “Shine”**

When it regains its shine, Japan will then be able to present a vision of a brighter future to the coming generations.



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## How Japan can Become an Advanced Nation after Opening its Borders

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### Opening up the Country to Western Civilization

In the early-modern world, “modernization” was recognized as emulating standards established by Western nations. This process of change encompasses elements of culture and impacts on industry, as well as the financial and political system of a nation. Based on this belief, countries seeking to modernize, promoted international cooperation and competition.

Countries considered as “non-modernized” nations set up “regulations” in their legal and social systems to protect themselves. These barriers slowed down their path to modernization.

Emerging nations are those striving to “modernize” their economy to escape from their status of “non-modernized” nations by the use of “liberalization”, or partial opening of their barriers, as the primary driving force. Japan, since the Meiji era, was an emerging nation which was at the forefront of such change.

### Core of Modernization

The core of “modernization” depends on an open society, without regulations which are too restricting and which guarantees an active, functional market economy and the appropriate disclosure of information. Such a society is the ultimate goal of modernization.

Russia, after giving in to the US, first established the policy of Perestroika and Glasnost. We could say that the big socialist power observed “modernization” from the other side of social system and gained insight into the process. China too, is currently promoting reform and liberalization without resorting to any prescribed methodology.

Some Western nations, in an effort to keep up with the competition have introduced regulations though these seem to be only partially implemented. For the US, which has the biggest advantage compared to other countries in terms of their legal system, deregulation provides the maximum benefit, creating an “open” society with arguably the least regulation in the world.

Japan has already shed its status of “emerging nation” but it is more like an emerging nation in that many of its regulations remain in various social systems. Since the Meiji era, it is also difficult for Japanese people immersed in an “emerging nation” mentality to quickly adopt a different perspective.

### Society with Various Regulations

The Council for Regulatory Reform of Japan (The Council) started to examine systems which encourage the government ministries having jurisdiction over laws and governmental and ministerial ordinances to proactively review regulations. This council, after designing a system, intends to verify regulations covering approximately 14,000 items under the laws and the governmental and ministerial ordinances, which will hopefully lead to a relaxation of regulations (MSN Sankei News, January 21, 2014).

The following are examples of “deregulation, privatization and liberation since the 1980’s” provided by Wikipedia. Public and private sectors are still struggling to achieve the recommendations of The Council. Apart from the examples below, there are numerous other regulations in Japanese society.

- Privatization of Nippon Telegraph and Telephone Public Corporation
- Privatization of Japanese National Railways
- Japanese big bang in the financial markets and removal of restriction on number of taxes
- Relaxation of conditions upon new entry into motor truck transportation business
- Relaxation of conditions upon new entry into motor bus transportation business and deregulation on electric power utilities
- Relaxation of standards to grant liquor sales licensing
- Relaxation of annual minimum production volume of alcoholic beverages
- New entry into port transportation business
- Opening up of telecommunication business
- Participation of stock companies in agriculture
- Opening up of the mail business to the private sector
- Increased outsourcing of business
- Relaxation of drug-related regulation by reclassifying drugs as “quasi-drugs”
- Opening of architectural standard inspection operation to private institutions
- Opening of administrative services provided by designated administrator systems to foreign capital
- Relaxation of limits on building heights for tall buildings and promotion of building super-skyscrapers in the metropolitan areas
- Expansion of redevelopment and use of underground space by the deregulation of restrictions on the use of underground space

It is a prerequisite to get over these regulations if Japan wants to be a truly advanced nation.

**Japan Opens Itself to the World for the Second Time – To Change from an Emerging Nation to an Advanced Nation**

Japan, a former emerging nation, was slated to overtake other advanced nations in economic and industrial areas. It has outgrown the “emerging-nation” status but still hasn’t joined the group of advanced nations, leaving it in limbo – a kind of “ronin” (not belonging anywhere). With the advent of “new emerging nations”, Japan seems to have lost its place in international society. As such, it has been forced to abandon the position of an emerging nation and face the challenge being brought by these newcomers. Such a structural change is considered a remote cause of the rapidly increasing enthusiasm toward “human resources playing an active role in the global age”.

To be an advanced nation, Japan should be a country which gains deserved respect from other countries. To that end, it should embrace a truly open society as well as achieve economic self-reliance. It is also essential to establish an identity of its own – to forge a unique culture, which integrates with society and economy. Strong leadership should be exercised in various areas including historical view, foreign policy and security policy.

In conjunction with efforts by companies to boost competitiveness, Japan should change its industrial structure. It should also depart from the trade policy of relying on exports and should strive harder to reinforce currency initiatives.

At the same time, Japan should recognize that it has an important role to play on the international stage. By taking advantage of its past experience as a former-emerging nation, it can now extend support and advice to other emerging nations and to those nations likely to become an emerging nation.

### **Development of a globally-minded workforce**

A central belief of globalization is the transformation from an emerging nation to an advanced nation. In this respect, globalization is seen as synonym for the opening of Japan for the second time. A number of prominent and enlightened figures drove Japan to accomplish what is often referred to as the “Meiji restoration”. Now we leave this role up to a globally-minded workforce.

In the past, requirements for the globalization of human resources were to emulate the US standards, as far as possible. Nowadays, however, the US has various social problems and therefore learning from the US is not necessarily viewed as the most appropriate methodology for Japan to follow in order to accomplish true “modernization”. Japan knows instinctively that it needs to depart from focusing solely on the US model of change and focus instead on “globalization” as a vehicle of change.

To facilitate the Japanese society to make the maximum use of the globally-minded workforce, the society itself should be globalized. Globalization forces us to become a society which is open, without regulations which are too restricting and which guarantees an active, functional market economy and the appropriate disclosure of information. Such a society plays a central role in the modernization process. A globally-minded workforce consists of people who are “independent”, highly capable of “fulfilling responsibilities” and “making right decisions” in a modernized, globalized environment.

### **Re-evaluation of the Liberal Arts**

It is a natural consequence of Western standards having a dominant position in society, as well as in international politics and in global economies that the underlying liberal arts values play such a major role. Liberal arts are the shared notions in Western nations which have a common origin in Greek and Roman civilizations. Even for non-Western nations, they are essential requirements to modernization by Western standards. One of the outstanding

characteristics of Western civilizations, compared to their global counterparts, is logical thinking that dates back to ancient Greece. This concept of logic is the backbone of liberal arts.

Japan, as a super-emerging nation, currently on the brink of a new quest of establishing itself as an advanced nation. For that purpose, Japan must master the underpinning facets of liberal arts as they were key to the progress of other advanced nations. Japan has to strive to have a deeper understanding of liberal arts.

### **Role of Liberal Arts**

A person pursuing the study of liberal arts should aim to master the concepts and principles of the cultural, natural and social science that formed the base of the “civilizations” supporting the modernized world and determine the subjects and themes they wish to engage in. Mathematics is especially important as a base for logical thinking processes and history allows one the advantage of hindsight in gaining a broader view and perception of the world.

At the same time, it is important to engage in non-specialized areas (fields other than the one chosen to specialize in) choosing from diverse fields such as the law, medicine, physics, chemistry, biology, literature, philosophy, architecture, psychology, art and sports. By taking full advantage of the knowledge gained in the study of liberal arts, people can enhance their view on their specialized field and on any other fields they may find interesting.

The study of liberal arts is only one of the doors to globalization. It provides a true understanding of the underlying logic and fosters a spirit of freedom and independence that mean much more than academic theory alone. When a nation develops its knowledge and understanding of the liberal arts, it moves a step closer to being an advanced society without putting down other nations.

### **Responsibilities of Japan as an “Advanced Nation”**

A nation can no longer be regarded as a “new advanced nation” merely by mastering the liberal arts that form the basis of Western values. Being an “advanced nation” means having values and a culture solid enough to impact the world and being able to exercise economic power to be leaders in positively influencing nations.

The modernization led by the West was by no means a mistake in our view, but for newly rising “advanced nations”, they must be able to introduce “something” that is new and innovative and which reaches beyond the conventional standards. In the process of becoming the next advanced nation, Japan’s most important responsibility, in cooperation with China and South Korea which whom Japan has a long, shared history and culture, is to further develop the modern social system created by the West.

An example of Japanese nature not observed in the West is the spirit of “harmony”. As found in the “scene of equality” set up in the tea ceremony in Sengoku-era (the age of provincial wars) forbidding hierarchical relationships, Japanese people are adept at achieving mutual benefits and overcoming conflicts and aggressive competition. These valuable qualities have been

acquired in the process of a long history and culture, developing patience through the acceptance of various foreign

cultures. Not neglecting the harmonious balance in preference of the aesthetic is the foundation of Asian cultures. This spirit of harmony is one of Japan's most outstanding qualities compared to Western countries.

Creating harmony through proactive communication, instead of reacting to issues, is the pillar on which the responsibility of an "advanced" nation rests. In cooperation with Asian nations such as Singapore, ambitious to grow out of the "emerging nation" status and join the members of "advanced nations", Japan can present an advanced model of global modernization. Only when Asian nations embrace mutual communication as a tool to modernize Asia through software capabilities for the progress of the region and for the world, will Japan have accomplished its mission of opening the country for the second time and establishing itself as a new advanced nation.

### **Regain the "Shine"**

As a forerunner of the emerging nations, Japan has proven to be a good role model for nations striving to modernize. It paved the way countless times after going through the Meiji Restoration, and achieved a miraculous economic recovery and rapid growth post World War II, evolving craftsmen's expertise into excellent mass-production technologies to deliver innovation to the world's manufacturing industry.

While truthfully addressing the regrettable history in which Japan failed to hamper military action, Japan once again took the lead in terms of pointing the way for emerging nations to develop into advanced nations. A better future can be realized when Asian people cooperate and demonstrate a model for the world's first super-aging society to prosper. When Japan regains its shine, it will acquire a greater peace-building ability and contribute to the development of Asia, which will in turn contribute to a better future for the world. It will then be possible to present a vision of a brighter future to the coming generations.

The aim of this newsletter is to set out proposals for a better future based on contemporary knowledge. This inaugural edition has been written by the two founders of this foundation to illustrate the intentions and goals of the foundation. Your feedback is always welcome and appreciated.

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This newsletter aims to set out proposals for a better future based on contemporary knowledge.  
Your feedback including validation, advice, constructive criticism and proposals are most appreciated.  
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## **The Outlook Foundation (Registered as a general incorporated foundation)**

Established on August 21, 2013

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### **Objectives of Establishment:**

For a very long time, we have continued to take advantage of and bask in the glow of the achievements of our predecessors who sacrificially reconstructed Japan in the post war period and led the economic development of our nation. Today, with concerns about our future manifesting, we believe it is the responsibility of us seniors, and indeed for anyone with a passion for change to start reconstructing the social paradigm and transforming Japan into a nation with a bright future. To achieve this goal, we must destroy the moulds from 1980s and work anew on the issues of “people” and the “system” to establish a new, internationally relevant, Japan.

### **Our Goals:**

- To cultivate and support human resources to transform Japan into an influential global nation.
- To establish a prosperous, super-aging society ahead of the world and demonstrate the results and the principles globally.

We have established The Outlook Foundation with the aim of achieving these goals. As change is usually the result of a collection of little steps, our first step toward achieving our aims will be to send out proposals based on contemporary knowledge.

### **Expected Outcomes:**

Young people establish identities through “independence, fulfilling responsibilities and making right decisions”.

Young people with identities and high governance capabilities foster solid governance cultures in the society.

Based on these cultures, Japan becomes a truly open nation and contributes to furthering the prosperity of Asia and the world.