Japanese Economy and the Kansai

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GDP per capita
World’s GDP Share (PPP)
## Average Distance Between People

<table>
<thead>
<tr>
<th>Country</th>
<th>Average Distance (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>710.2</td>
</tr>
<tr>
<td>Canada</td>
<td>636.3</td>
</tr>
<tr>
<td>United States</td>
<td>200.9</td>
</tr>
<tr>
<td>South Africa</td>
<td>180.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>104.9</td>
</tr>
<tr>
<td>France</td>
<td>104.3</td>
</tr>
<tr>
<td>China</td>
<td>94.4</td>
</tr>
<tr>
<td>Italy</td>
<td>77.7</td>
</tr>
<tr>
<td>Germany</td>
<td>70.9</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>69.0</td>
</tr>
<tr>
<td>India</td>
<td>63.0</td>
</tr>
<tr>
<td>Japan</td>
<td>58.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>55.6</td>
</tr>
<tr>
<td>Korea</td>
<td>49.9</td>
</tr>
</tbody>
</table>
## Crime and Arrest Rates

<table>
<thead>
<tr>
<th>Country</th>
<th>Homicides Rate</th>
<th>Incidence Rate of Arrest</th>
<th>Arrest Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>9.4</td>
<td>5.7</td>
<td>67.2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2.3</td>
<td>2.9</td>
<td>92.0</td>
</tr>
<tr>
<td>Germany</td>
<td>3.9</td>
<td>3.6</td>
<td>94.2</td>
</tr>
<tr>
<td>France</td>
<td>4.5</td>
<td>3.4</td>
<td>77.2</td>
</tr>
<tr>
<td>Japan</td>
<td>1.0</td>
<td>1.1</td>
<td>96.7</td>
</tr>
</tbody>
</table>

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Healthy Life Expectancy at Birth

- Japan
- Switzerland
- Sweden
- France
- Germany
- United States
- China
- India
- Iraq

<table>
<thead>
<tr>
<th>Gender</th>
<th>Japan</th>
<th>Switzerland</th>
<th>Sweden</th>
<th>France</th>
<th>Germany</th>
<th>United States</th>
<th>China</th>
<th>India</th>
<th>Iraq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>75.8</td>
<td>74.4</td>
<td>73.2</td>
<td>73.5</td>
<td>72.2</td>
<td>68.8</td>
<td>51.3</td>
<td>53.3</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>66.4</td>
<td>62.0</td>
<td>68.3</td>
<td>69.0</td>
<td>68.8</td>
<td>64.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Industrial-use Robots in Operation (2000)
Growth Rate in Real GDP
High Growth: Environment

- Postwar World Free Trade System
  - IMF, GATT, World Bank

- Technology
  - Heavy, Petrochemical Industry
  - Catch-up

- Natural Resources
  - Relatively Abundant World Resources
High Growth: Engine

- Labor Force
  - Demographic Configuration, Education, Social Mobility

- Capital Formation
  - “Investment Calls for Investment”, High Domestic Saving

- Social Overhead Capital
  - Private/Social Capital, FILP
High Growth: Efficiency and Equity

- Productivity Increase
  - Technology Transfer, Industrial Configuration

- Man-machine Relationship
  - Technological Progress, Robots

- Japanese Management
  - Life Time Employment, Main Bank System, Organizational Hierarchy

- Income Distribution
  - Fruit of Growth, Equitable Wealth Distribution
High Growth: Government Policy

- From Reconstruction to Catch-up
  - Teachers Around, Desire to Catch-up

- Macroeconomic Stabilization Policy
  - Keynesian Fiscal and Monetary Policy

- Industrial Policy
  - Priority Allocation of Scarce Resources
  - Encourage Growth/ Mitigate Decline
High Growth: Why?

■ Why Fevered?
  • Driving Force, Social Ethos, Escape into Busy-ness

■ A Turnpike Theorem
  • Distant Destination, Turnpike, Self-Assurance, Meaning of Life
Bubble and Its Aftermath

- From Stable Growth to Bubble
  - Asset Price, Self-perpetuating Expectation
- Bubble Burst
  - Asset Prices Fall
- Vicious Cycle
  - Negative Asset Effect, Shattered Expectation
- Old Keynesian Prescription Ineffective
  - Fiscal Stimulus
The Earth Quake of 1995

- The Great Hanshin-Awaji Earthquake
  - Killed 6,432 / Economic Damage ¥10 Trillion

- Illusionary Richness
  - Material Abundance for What?

- Quest for New Value
  - Security, Redundancy, Quality of Life, Meaning of Life
Towards a New Economy

■ Structural Change
  • Political System, Government Reform, Industrial Restructuring

■ New Sense of Direction
  • Social Concern and Participation, Private Initiative

■ New Economy
  • Information Technology, Quality of Life, Environment, Welfare, Sustainable Growth
Kansai: People, Culture and Economy
Map of Kansai
Natural environment

- Area = 27,000 square kilometers
- Woody mountains, flat land and the sea
- Population = 20 million
- Clear four seasons
Infrastructure

- Airports: Kansai Osaka (Kobe)
- Seaports: Kobe Osaka Sakai
- Highways and road system
- Public transportation
- Underground towns
- Telecommunications
Tale of Three Cities

- Osaka
  CBD of Kansai; Merchant City
- Kyoto
  Historic and Creative
- Kobe
  Gateway to Heaven
The Kansai Economy

- World’s seventh largest country
- Japan’s second largest region
- Industrial but increasingly service oriented
- Small and medium sized enterprises
- Relative decline and potentials
The Seventh Largest Economy

(十億ドル)

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>美国</td>
<td>8,760</td>
</tr>
<tr>
<td>日本</td>
<td>3,832</td>
</tr>
<tr>
<td>德国</td>
<td>2,151</td>
</tr>
<tr>
<td>法国</td>
<td>1,452</td>
</tr>
<tr>
<td>英国</td>
<td>1,404</td>
</tr>
<tr>
<td>意大利</td>
<td>1,185</td>
</tr>
<tr>
<td>全世界</td>
<td>670</td>
</tr>
<tr>
<td>加拿大</td>
<td>584</td>
</tr>
<tr>
<td>西班牙</td>
<td>582</td>
</tr>
<tr>
<td>澳大利亚</td>
<td>373</td>
</tr>
</tbody>
</table>

1998年 暦年表示
ただし、関西は速報値の年度表示
88年の対米ドルレートは
128.02円／ドル

資料「国民経済計算年報」「県民経済計算年報」内閣府
Relative Decline

(資料)「県民経済計算年報」内閣府
High Unemployment Region

(資料)「労働力調査報告」総務省
(注)「関西」、「関東」、「中部」はそれぞれ「労働力調査報告」の「近畿」、「南関東」、「東海」の数値。
People in Kansai and Tokyo

- Individualistic / Herd
- Casual / Formal
- Fun loving / Austere
- Pragmatic / Authoritative
- Price Speaks / Quality Speaks
- Money Making Admired

/ Achievement Respected
Business Ideas from Kansai

- Asahi Newspaper, Mainichi Newspaper
- Sumitomo bank, Sanwa bank
- Textiles
- Pharmaceutical
- Electric Appliances
- Whisky
- Prefabricated Houses
- Supermarket
Business Ideas from Kansai 2

- “Terminal” Department Store
- Moving Service Company
- “Capsule” Hotel
- Sushi Conveyer
- Futures Market
- Instant Ramen
- Kansai Through
Small Businesses in Kansai

- Bicycles (Sakai)
- Blanket (Izumi-Otsu)
- Artificial Pearl (Sakai)
- Hand Tools (Higashi-Osaka)
- Carpet (Sakai)
- Thermos
Some Recent Ventures

- Computer Software
  Nintendo, CSK, ASCII, Capcom
- Personnel Service
  Pasona
- Entertainment
  Yoshimoto
- Business Matching
  VentureLinks
Projects under way

- Osaka-Dome Ball Park (completed)
- Akashi Strait Bridge (completed)
- Second Runway for Kix
- Olympic Games of 2008 in Beijing
- World Cup Soccer of 2002
- Universal Studio Japan
- International Convention Center
- Reconstruction Projects in Kobe
- Urban Redevelopment projects
New Business Model

- Deregulation
  Banking, Communications, Energy
- Privatization
  JR, NTT West, Postal Services
- Decentralization
  Public Works, Project Development
- Value for Money
  Private Finance Initiative
Kansai Potentials

- Cultural Heritage
- Cyber Society in Natural Environment
- Big Market
- Production Base
- Gateway to South East Asia
- Free Market Tradition
- Open to New Ideas
Welcome to Kansai!

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