



Three Scenarios for Japan's Global Future

Scenario #2

**Japan Becomes
a Global Niche Player**



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Keizai Society , March 18, 2010

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Japan Becomes a Global Niche Player

- Some elements turning inward (as Michi mentioned)
- But some elements still looking outward
- Japan still has global ambitions, but
 - Doesn't know how to or is unwilling to make the changes needed to get there
 - Lacks strength due to weaknesses in Japanese society

What this means – Japan will be similar to Italy

- A special place in the world (strong “country brand”)
- Leading companies in specific industries/niches
- Cool image in food/culture
- Appealing tourist destination

BUT...

- Declining birthrate, rapidly ageing society
- Poorly run government with huge public debt
- Not considered a global leader



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Japan doesn't know how to or is unwilling to make the changes

- Lack of consensus on what sort of change is needed
- Backlash against Koizumi reforms
- No coherent societal or government vision on immigration
- General difficulty to change the way things have always been done (institutional rigidity, and overall conservatism)
- Pessimistic mood in Japanese society



Japan lacks strength due to societal weaknesses

- Mental health issues (depression, *hikikomori*, suicide)
- Low birth rate (result of various social issues, such as long working hours, “sexless” marriages, difficulty to be a working mother)
- Companies’ lack of investment in training of younger employees
- Poor utilization of human resources (esp. women and seniors) due to traditional ideas of what is “work”
- Poor environment for entrepreneurship
- Inefficient domestic sector (agriculture, services, retail and distribution, etc.)
- Workplace norms that make matters worse (e.g. *pawahara*)



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My wishlist for Japan

- Reduce working hours
- Change workplace environments to reduce stress
- Adopt more flexible HR practices (for work-life balance, greater utilization of women and seniors)
- Create vision for welcoming immigrants and becoming a multicultural society
- Create new vision and roadmap for what Japan can become
- Changes to education system to support new vision