

STUDIES OF THE JAPANESE ECONOMY IN THE SOVIET UNION

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At present, there are two main science centres in the Soviet Union studying the economy of Japan—the Institute of Oriental Studies and the Institute of World Economy and International Relations (IWEIR) of the U.S.S.R. Academy of Sciences. Both institutes have on their staff, respectively, eleven and nine researchers involved in the study of the Japanese economy. In addition, Japanese economic studies are conducted, although on a more modest scale (one or two researchers), by members of such research institutes as the Moscow State University and the Institute of Economic Studies in Khabarovsk.

There is no rigid division of labour in Japanese economic studies between the Institute of Oriental Studies and IWEIR. For this reason, the researchers of these institutes sometimes deal with the same subjects which leads to involuntary competition between them. However, this is a very rare occurrence because the complexity, sophistication and high dynamics of the Japanese economy provide a great variety of subjects for Soviet researchers.

Economic research constitutes an elaborate area of Japanese studies in the Soviet Union. Regular studies on the Japanese economy in the Soviet Union began in the early 1950's. In the 1970's and 1980's, for example, about 40 books appeared in the Soviet Union dealing with various topics related to the Japanese economy. In addition, a great number of articles and essays on Japan and reviews of books by Japanese scholars have been published in Soviet periodicals.

A special place in our literature on Japan belongs to the yearbook, *Japan*, published in the Soviet Union since the beginning of the 1970's. The yearbook has become a very popular edition in our country. There are noted Soviet scholars of Japan and very young researchers on the list of authors in the yearbook. The yearbook constitutes a collection of articles thematically arranged in three areas—— “Home and Foreign Policy”, “Economics, Science and Technology”, “Ideology, Sociology, Culture”. In addition, the yearbook includes statistics and information supplements. A number of articles by Japanese scholars have also been published in the yearbook. In the 1988 issue, for example, there is an article by a prominent Japanese economist and Director of the Institute of National Economy of Japan, Prof. Takenaka Ichio.

I'd like to note that academic studies on the Japanese economy in the Soviet Union have now acquired a considerable practical importance. As is known, the Soviet Union is implementing its policy of perestroika, which implies a sweeping change in various spheres of life in our society, including economics, politics, culture, and ideology. We've made impressive progress in culture, ideology, science and social relations. Regrettably, however, there is virtually no progress in our economy.

Economic perestroika is primarily linked with a restructuring of our economic mechanisms. In other words, it is linked with a transition from an administrative to an economic form of management. In elaborating and implementing the concept of this transition we can borrow a lot from foreign experience, including that of Japan, which constitutes a combination of market relations and effective and vigorous economic regulation by the state.

In his interview with Soviet daily newspaper, *Pravda*, which is a voice of the Communist Party, a prominent US economist Vasily Leontiev recommended that our scholars and managers study, specifically, the Japanese economic model.

The departments of Japanese economics at the Institute of Oriental

Studies and the IWEIR had been studying various aspects of economic mechanisms in Japan long before Leontiev's recommendation. Our practical conclusions were presented to the U.S.S.R. Planning Committee, the Communist Party Central Committee, the Council of Ministers and other establishments concerned with the development of Soviet economic policy. It is hard to say whether the government paid heed to our suggestions, but in recent years there has been an increasing interest in the Japanese economic experience at various levels of Soviet administration. An especially high appraisal has been given to Japanese achievements in the sphere of management.

At the same time, I'd like to note that there has been a considerable change in our attitude towards studying the Japanese economy for practical purposes. We used to believe, for example, that the Soviet Union should be only interested in studying individual aspects of the Japanese economic experience (such as the utilization of industrial and domestic waste in Japan).

Today, however, we are increasingly convinced of the importance of studying the Japanese economic mechanism as a whole, primarily a combination of elements of planning and markets in Japanese economics. Naturally, it was the entire experience of post-war economic development in Japan that made us draw this conclusion. As is known, Japan is distinguished for its high level of economic effectiveness, adaptability and assimilation of technological innovations in the capitalist world.

The Institute of Oriental Studies and the IWEIR have begun studying economic mechanisms in Japan in order to learn what can be borrowed by the Soviet economy from the Japanese experience.

Now I'd like to speak in greater detail about Japanese economic studies at the Institute of Oriental Studies where I work.

Our department of Japanese economic studies has prepared a book entitled *Japan: Changing Models of Economic Growth* which shall appear in 1990. The book constitutes, to a certain extent, the results of the

work of our department in the 1970's-80's. The list of its authors includes virtually all researchers in our department. The book has been edited by Dr. Andrei Kravtsevich and this author. We have arrived at the conclusion that the mid-1970's was a turning point in the post-war development of the Japanese economy because those years signified the beginning of a fundamentally new stage of economic development in Japan. The difference between the new stage or model of development and the old model is as follows. Firstly, there has been a change in the resource base of growth because from the early 1970's science, and technology have been the main factors of economic growth in Japan. Secondly, there has been a change in the content of economic growth which is expressed in the considerable reduction in quantitative indicators and a sharp increase in the qualitative.

This conclusion was drawn on the basis of a comprehensive study of different processes which occurred in the Japanese economy during the 1970's and 1980's. The space limitation of this paper does not permit me to discuss this book in greater detail.

I shall only list the main issues raised in the book:

1. Changes in material production;
2. The processes of service industries in the economy;
3. Progress in science and technology;
4. Changes in the labour market and in labour management;
5. Financial (macro-economic) regulation of the economy;
6. Changes in the pattern of public entrepreneurial activity;
7. Changes in foreign economic relations.

Each researcher of our department usually deals with a specific area of study and then discusses it in a book written on the results of his/her research. I'd like to mention a number of books published in the second half of the 1980's: I.S. Tikhotskaya, *Commodity Problem in Japan*; I.P. Lebedeva, *The Structural Change in Japanese Industry*; Y.D. Denisov, *Main Trends of the Scientific and Technological Progress in Japan*; S.B. Markaryan, *Scienti-*

fic and Technological Progress in Japanese Farming; A.I. Kravtsevich, *Public Enterprise in Japan*; S.V. Braghinsky, *Credit and Monetary Policy in Japan*. The following books shall appear in the next one or two years: Y.D. Denisov, "The Role of Information Resources in Japanese Economic Development"; V.V. Vlasov, "Japan: Economics and Industrial Infrastructure"; S.B. Merkaryan, "Japanese Farming: Problems of the 1980's"; N.Y. Shevchenko, "The Anatomy of Japan-US Economic Relationships". In his book, Shevchenko raises the following question: Is it possible that such a phenomenon as "Amerippon" will emerge? His answer to this question is basically negative.

Since the early 1980's, a series of collected articles entitled, "Scientific and Technological Progress In Japan", has been published in the Soviet Union under the editorship of a researcher in our department, Yuri Denisov. The list of authors in the series includes not only scholars from academic institutes, but also those from industrial research institutes who are involved in studying various branches of the Japanese economy. Since 1980, three books in this series have been published.

The department of Japanese economy in the Institute of Oriental Studies is now concerned with the following major areas of research:

1. National economic regulation;
2. General problems of economic development;
3. Scientific and technological progress in Japan;
4. Foreign economic relations of Japan;
5. Management of Japanese companies.

Within these areas of research our scholars are dealing with the following subjects: mechanisms of economic development in Japan (S.N. Milgram); the strategy of development of Japanese corporations (Lebeoeva); taxation system and tax reform in Japan (Tikhotskaya); the financial system in Japan (Braghinsky); a new technological structure of Japanese economy (Denisov); Japan-USA-NIEs of Asia—the mechanism of economic co-operation (Shevchenko, Y.M. Cherevko).

In addition, we plan to begin the publication of a series of pamphlets entitled "The Experience of Economic Development in Japan". This series shall include seven or eight pamphlets relating the most important aspects of economic experience in Japan from the point of view of its applicability for the Soviet Union. Hopefully, the series will provide practical help to our specialists and managers at various levels.

The department of Japanese economy at IWEIR, in turn, usually prepares collective studies, although it has published a number of books written by individual authors.

I'd like to mention two collective studies prepared by this department in the 1980's: *Japan* ("Contemporary Monopoly Capitalism" series); and *Japan: Economics, Society and Scientific and Technological Progress*; as well as the following books written by individual authors: Y.A. Pevzner, *State-Monopoly Regulation in Japan*; V.B. Remzes, *Private Consumption in Japan*; V.K. Zaitsev, *A System of National Accounts and National Programming in Japan*. The department has recently prepared a new collective study entitled *Japan on the Threshold of the 21st Century*. This book offers a number of new approaches to, and evaluations of, processes occurring in Japan at the macro- and micro-economic levels.

In conclusion, I'd like to speak in brief about our plans for the future. In studying various aspects of the Japanese economy we've arrived at the conclusion that in order to understand the mechanics of the economic success of Japan, we have got to study not only its economics, but also its history, culture, as well as the psychology of the Japanese. For this reason, we plan to write a collective study entitled "The Japanese Phenomenon: a Comprehensive Study of Economic, Political, Cultural and Social Aspects". Admittedly, this is a very challenging and ambitious task, but we hope that our project will be implemented in the next two or three years.

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