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The *Romanian Economic and Business Review* (ISSN 1842-2497) intends to provide a forum for academic analysis of the economic phenomena and institutions affecting the world economy in general, and Romania, in particular. *REBE* examines a wide

variety of phenomena related to economic growth and business development and attempts to publish high quality research focusing on the role of institutions and public policy, within both a national and international context. *REBE* encourages cross-disciplinary research work of Romanian and foreign scholars.

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The ROMANIAN ECONOMIC AND BUSINESS REVIEW (REBE) is a refereed journal published four times annually by the Romanian-American University. The editors invite submissions of articles that deal with important issues in economy and business. Papers that focus on specific phenomena and events affecting Romanian economy are particularly encouraged. Because REBE seeks a broad audience, papers should be comprehensible beyond narrow disciplinary bounds. Manuscripts should not exceed 8,000 words and must conform to the REBE's style requirements, which are guided by The Chicago Manual of Style (14th edition). All submissions must include a cover sheet explaining the scope of the article, and including the authors' names and affiliations, telephone and e-mail address. The text should be single-spaced. References are cited with parentheses using the author/date/page style. *Example:* (Marcus, 2005, p. 74). Authors should use footnotes, not endnotes to add only short comments. Bibliography should include only references cited in the text, in the alphabetical order of authors. An abstract of no more than 200 words should be included. Submission of a paper implies that the paper will not be submitted for publication to another journal unless rejected by the REBE editor or withdrawn by the author, and that it is an original work. All submissions should be sent to the journal Editor:

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**CROSS-STATE VARIATION IN SELECTIVE SERVICE COMPLIANCE:
A RESEARCH NOTE**

Billy Hawkinson, Joshua C. Hall*

Abstract

In this short note, we discuss the economic, institutional, and political factors explaining cross-state variation in selective service compliance laws in the United States. We report empirical results showing that states that have driver's license laws are more compliant than those without.

JEL Classification: F52, H73**Introduction**

In 1980 the United States reinstated the Selective Service System in response to the Soviet invasion of Afghanistan. The Selective Service System is the way that the United States government keeps track of those individuals eligible to be conscripted into military service should conscription be reinstated. Since then, all males between the ages of 18 and 25 have been required to register with the Selective Service within 30 days of turning 18. Despite the possibility of \$250,000 fines and prison time for failing to register, the national Selective Service compliance rate was only 91% in 2007, according to the Selective Service System (2011). The compliance rate in 2007 was measured as the percentage of males born in 1988 who registered at some point during calendar year 2007.

More interesting, however, is the fact that there exists tremendous variation in compliance rates across states. For example, the states of Hawaii and Nevada had the nation's worst compliance rates of 76%, while 21 states had compliance rates of 99%. Apparently \$250,000 fines and/or prison time are insufficient motivation — at least in some states — to get high compliance rates. This brief research note seeks to explore the determinants of this interstate variation in Selective Service registration and provide some perspective on how some states are able to achieve nearly 100% compliance while others cannot achieve a 90% compliance rate.

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Additional research into state laws regarding Selective Service reveals that some states have passed laws in an attempt to increase their compliance rate. These laws generally fall into three categories: (1) laws that restrict educational opportunities to men who have not registered, (2) laws that block non-compliant men from getting driver's licenses, and (3) laws that require selective service compliance as a condition of employment with the state government. Both educational laws and state employment laws mirror existing federal legislation. Driver's license laws are unique, however, in that they do not mirror any federal legislation given that there is no national driver's license. These driver's license laws require applicants to sign a form indicating that they will agree to have their information forwarded directly to the Selective Service so those that had not previously registered are automatically signed up. Many of the states with high rates of compliance, such as Florida, have these laws.

Results and Discussion

To examine more formally whether there was a relationship between these laws and Selective Service compliance across states we collected cross-sectional data on the fifty states in 2007. Our dependent variable was Selective Service compliance rate among men born in 1988. All three types of state laws were included in the regression as binary variables, with a value of one if the state had a law in place and zero otherwise. All four of these variables came from the Selective Service System (2014a; 2014b). In addition, four other control variables for each state were included: Department of Defense spending per capita (Statistical Abstract of the United States 2011), percentage of 18-24 year-olds enrolled in college or university (National Center for Higher Education Management Systems 2014), percentage of a state's population from a racial minority group (Statistical Abstract of the United States 2011), and the state's economic freedom in 2007 (Stansel and McMahon 2013).

Our regression results confirm that an important determinant of interstate variation in Selective Service compliance rates is a driver's license law. In addition to being statistically significant at the one percent level, the coefficient on the driver's license variable suggests that having the law adds over eight percentage points to a state's compliance rate, *ceteris paribus*. Both other state laws are not statistically significant at conventional levels, which is not surprising in that they already duplicate in many ways existing federal legislation. None of the control variables were statistically or economically significant, with the exception of the percentage of a state's population from a racial minority group, which was negatively related to Selective Service compliance. While this research suggests that driver's license laws are positively related to a state's Selective Service compliance rate, further research is

needed to better understand why some states have adopted these laws and others have not. The decision to adopt a driver's license law is not exogenous and perhaps other underlying factors are driving the higher compliance rates in states with driver's license laws.

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**VENTURE CAPITAL ORGANIZATION AS A "GUARANTEE"
FOR THE COLLABORATION BETWEEN SMES
AND UNIVERSITIES DESPITE ECONOMIC CRISIS**

Ioannis Makedos*

Abstract

The aim of this working paper is to present the valuable role of Venture Capital Organization which can be a "guarantee" for the collaboration between Small and Medium Enterprises (SMEs) and Universities. In case SMEs want to absorb university know-how so as to implement it in the real market with the aim to be self-sponsored, a Venture Capital Organization is absolutely necessary, given that the business and academic site have many different features, and as a result, serious problems arise many times in their collaboration. A questionnaire has been made and through personal interviews with businessmen and professors-researchers we may now present the data from 150 answered (108 from businessmen and 42 from professors-researchers). The main conclusion is that an organization Venture Capital is considered innovative and indispensable so as the collaboration between SMEs and Universities continues through the time without any problems.

Keywords: *SMEs, University Research, Venture Capital, economic crisis*

JEL Classification: G24, G01, M21, O03.

1. Introduction

Venture Capital is similar to risk capital in meaning but the latter refers to long term funds, which have been invested in businesses that include high risk, like small and new companies. Thus, Venture Capital can be characterized as the combination of provision of danger fund and company consultants (Shilson 1984). The big emphasis that is put on university research is proven by public sponsorship, as well

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as private, as enterprises hope that the exclusive implementation of know-how will bring up significant results for them in the real market (Almeida and Kogut 1995).

In this working paper, we examine the importance of the role of SMEs when they collaborate with universities and reach the level of self-sponsorship and self-development. But since the differences in the way of their operation that is why we suggest the operation of an organization Venture Capital under state supervision, so as to be able to bridge the gap that arises from their collaboration. Especially we present the characteristics and advantages of venture capital organization, the important role which have for the collaboration between SMEs-Universities, the methodology and data. Finally, the data which was collected from the research gave innovative conclusions to international literature.

2. The characteristics and advantages of Venture Capital Companies

Venture Capital Companies are able to sponsor businesses from which they expect satisfactory performance, regardless of their level of development. This means that financier of business participations accept the risk without being its supporters. Depending on the successive stages of development of an enterprise we can categorize 6 stages of sponsorship through Venture Capital (Sahlman 1990):

- Seed money stage: In the period, the business is before the stage of its creation and it needs a starting amount of fund to develop a product, including the highest investment risk.
- Start-up stage: Sponsorship is addressed to businesses that start to organize, or to those which were established during the recent year but have not still launched their products in the market.
- First-stage or first round: Sponsoring of the businesses that have used their first funds and they need more to start production and sales.
- Second-stage or second round: The enterprise sells its products with injurious operation and that is why it needs to be sponsored with additional funds.
- Third-stage or third round: Sponsorship of businesses that operate at least to the break-even-point and plan to expand their activities. This phase has more duration than a typical short-term borrowing and less permanent character than share fund.
- Fourth-stage or fourth round: Sponsorship of the businesses that are expected to introduce their shares in the Stock Market within 6 months or a year. This is also called connection sponsorship, as it bridges the gap that arises in the business sponsoring funds permanent sponsors.

The above mentioned stages of sponsorship usually last 5 to 10 years and

Venture Capital companies rarely sponsor them all. In each stage they grant the funds the new company needs to reach the next level and if its evolution is not satisfactory then the Venture Capital Company may refuse to further sponsor and then the new company will have to close down. As this solution is considered extreme, the most possible is to change administration or to give funds but on less favorable conditions. The most important reason of the common case of participation of enough fund business participations in the same company is due to the aspect that their collaboration leads to better choice of sponsored businesses (Lerner 2010).

Most fund companies of the business participations do not classify the recommended to them investment plans in the categories of risk, but the risk seems to be included in the total individually in each investment work and we do not take into account its influence in the total risk of the briefcase of the fund companies. For taking additional risk Venture Capital companies estimate the performance they demand from the investments, adding usually the rate of base and a reward of risk that is added in the rate of base. The reward of risk depends on many factors, of which the most important is the stage of development of the sponsored enterprise. It has been historically proven that the risk of failure is decreased when the new enterprise moves from the initial stages of development to its most developed stages. Thus, it is natural that companies Venture Capital demand higher payment of risk for sponsorships of enterprises that are in the first stages in relation to those which operate in more developed stages of development.

The investment performance of the Venture Capital Companies comes from two basic sources: The revenues from potential dividends or interests and those from the fund profits, coming from the shares sales of the sponsored businesses. These returns are usually expressed in the formation of an annual before the taxes internal grade of performance of the initial investment. In the expansion where this performance would be bigger than the cost of its opportunity, investments would become more attractive and as a result there would be direct inflow of funds. But, we should have to estimate the decrease of the briefcase risk of the owners of Venture Capital, through the method of its differentiation, as it can be achieved through investments to various enterprises in different stages of development. Also, Venture Capital companies are interested in decreasing their operational cost, through specialization per sector of activity, whilst this specialization helps the capitalists to gain valuable experience knowledge, information as well as, to be able to develop the skill of control and guidance of the sponsored enterprises.

It is proven that Venture Capital companies are choosy as far as the way of sponsoring of the new businesses is concerned, most particularly for SMEs. It

appears that they examine the recommended investment projects and only 2% seems that they will finally be sponsored. At the beginning of 1970s Venture Capital Investments were interested in investing to new businesses in the first stages of their evolution, taking at the same time the highest business risk, by demanding higher payment. In the course of time, this trend reversed. This means that they preferred to sponsor businesses in the intermediate stages, something that means smaller businesses risk but also smaller payment.

Venture Capital companies along with the passage of time, they entered a more mature phase of development in a more rational business frame and preferred to invest bigger amounts of money per investment than in the past. In order to avoid inappropriate sponsorship, the capitalists implemented methods according to particular selective targets. Specifically, the basic factors that defined their choices were the business team that would administrate the sponsored business and the business plan that would have eventually been followed.

Venture Capital companies used and continue to use various criteria as far as the rating and choice of investment plans is concerned. It was claimed that many companies of this kind used three basic characteristics, which are idea, administration and performance (Fried and Hisrich 1994). Other researchers suggested the choice of investments based on the criterion of the simple method of definition of the business value. According to this method, Venture Capital Company made an initial prediction in relation to the successful or not realisation of the long term targets that is about to sponsor. In case the opinion is positive, the capitalists estimated the potential final value the business would have after a limited period of time whilst the final value would be discounted in the present using a discount rate that ranged from 40-60% depending on the stage of sponsoring (Sahlman 1990).

We should point out that the institution of Venture Capital has specific advantages for SMEs in contrast to other types of sponsorship, according to the international literature:

They provide with long-term sponsorship, creating powerful fund base for the future, growth of the business. At the same time, they cover the future needs of sponsorship in the collaboration with other investors, since this is necessary for further development.

They become partners in the business, since they share not only the risks, but also the achievements.

They provide with counselling on topics of strategy, organization and financial administration of the businesses depending on the experience they have by similar businesses.

They have extended networks of contacts in various sectors, a fact that is particularly useful for a company that wants to attract customers, hire staff and seek for strategic allies and investors.

They give prestige to a business that seeks for funds, making access to traditional types of sponsoring easy.

They have valuable experience in the preparation of a company in order for it to enter the Stock Market, as well as in cases of acquisition and merger.

The owners of Venture Capital realize a significant intermediate operation. They collect funds from institutional investors, who grant them to other companies for a specific period of time, in exchange for their profitable returning (Amit, Brander, and Zott 1998). Another characteristic of theirs is that the owners of Venture Capital companies are not interested in permanent posts of work, as they liquidate their investments in regular periods of time (Cumming 2008). Also, the asymmetric information among the Venture Capital company owners and the companies they invest has many difficulties, especially when the latter activate in a different country. In this way, Venture Capital companies were characterized as purely local investments (Bengtsson and Ravid 2009; Cumming and Dai 2008; Gompers and Lerner 1998). Nevertheless, in the lack 1990s, such border investments, started to expand (Aizenman and Kendall 2008).

Many studies point out how important the role of globalization of Venture Capital is, such as Guller and Guillen (2010a; 2010b), who proved that the American companies increased the possibilities of their revenues when they activated in other countries. Also, they studied if the advantages of these enterprises could be transferred when activated out of the borders of their country and they found eventually that there was a positive association.

On the other hand, the common feature between Venture Capital and Foreign Direct Investments (FDI) is that they influence the administrative decisions within the company. But, whilst the FDI are usually guided by strategic rational and long-term administrative controls, the basic goal of Venture Capital is the production of funds for their investors (Groh and von Liechtenstein 2009). Moreover, Venture Capital investments are different from the traditional briefcase and the FDI, as far as, the characteristics of their businesses are concerned. Specifically, Venture Capital Sponsorship appears to be interesting for the enterprises whose performance could increase thanks to its productivity. Furthermore, Venture Capital Companies mostly invest on enterprises of high technology, such as biotechnology and pharmaceutical industry. Thus, the innovative potential of a country could have instant positive

impact on fund companies of business participations, because the specialized staff or patentees are likely to establish companies asking the sponsorship of their initial fund by Venture Capital Companies (Hirukawa and Ueda 2008). Most investment opportunities in a country not only attract Venture Capital companies but also expand their extroversion. The American companies traditionally invested quite often on countries with a high percentage on innovations (Aizenman and Kendall 2008).

In general, new businesses focused mostly on the exploitation of opportunities that appeared on the business arena through the development of their technology and other resources that are based on the development of knowledge. But in order for them to be successful they should in the first place delimit their goals, which mean that they either focus on some strategic methods or prefer a variety of strategies. Strategic simplicity can many times prove to be beneficial for the creation and achievement of the competitive advantage, as it directs the energy of new Venture Capital in the development of skills and abilities to make significant decisions quickly (Barney 1991; Hamel and Prahalad 1994). But, on the other hand, strategic simplicity may decrease the flexibility of a new Venture Capital company, causing organizational hurdles (Miller 1993). Diversity of strategic movements is on its own an attractive selection for the new Venture Capital companies that want to learn immediately the secrets of entrepreneurship, supplying their fund profits (Lumpkins and Dess 2006; Ferrier 2001; Miller and Chen 1996).

3. Growth through the collaboration of Universities – SMEs and the organization Venture Capital

Small and Medium Enterprises could, through the absorption of university know-how and its implementation in the real market, obtain significant advantages so as to survive and later self-develop, especially when there is financial crisis. On the other hand, the acquiring and virtually implementing the university know-how from the SMEs abroad is that many innovative ideas and practices in the real market came from the research of university scientists. As a result, the revenues of SMEs increased and later there was a corresponding sponsorship at the universities, a fact that made them viable and self-sponsored. The absorption of graduates from SMEs was a further cause of the development of the vertically integrated relationship between universities and SMEs (Bania, Calkins, and Dalenberg 1992).

SMEs as continuations of a big industrial development are an important part of global economy. But, their access to the production of knowledge was too limited and as a result they faced problem on competitiveness which is considered of vital importance (Karunakaran, Puro, and Cameron 2009). The above mention topic was

under a lot of discussion and literature references, especially in the big universities abroad which specialize in Business Administration. The continuous increasing percentage of scientists that are involved professional in search and entrepreneurship shows the fact that more and more businesses, especially those which belong to SMEs, depend on university research for their later development (Thursby and Thursby 2007).

As it was pointed out initially, the institution of Venture Capital is an alternative source of sponsorship, either for the development of existing SMEs or for the creation of new ones, taking part in their share capital in two possible ways, through its development or through a convertible bond loan. In this way, Venture Capital companies undertake equally part of the business risk of the enterprise they decide to invest, expecting at the same time high performance of their funds, similar to the one of the businessmen. Also, SME is supported in every way in the strategic designing, in marketing, sales, financial programming, control, transportation of know-how and introduction of modern methods of administration. The funds of Business Participations are provided in the initial stages of the foundation of enterprises that usually activate in fields of high innovation and relevant risk, such as new technologies, renewable sources of energy, biotechnology and so on.

Venture Capital companies are important for SMEs, as they are their basic sponsor factor, especially, in times of financial crisis. SMEs need help, not in the formation of temporary state sponsorship but of a long-term investment by another company that would offer its funds for their development. State sponsorship can turn out to be only armful something that was obvious since many SMEs closed down during the financial crisis. Because the recent formation of state sponsorship (many times due to political motivations) weakens SMEs and at the same time prevents the really hopeful and innovative SMEs from progressing.

Thus, since we first examined thoroughly all the characteristics of Venture Capital companies, their advantages and disadvantages in their relation to SMEs, we can now conclude that they have bigger and more advantages in case they are a basic investor of the SMEs. Specifically, temporary state sponsorship without planning towards the SMEs, besides the fact that they did not help them at all, is estimated to have weakened their operation. As a result, they were politically dependent and many times were made because of them to close down or not operate properly. So, it is obvious that SMEs immediately need the creation of a competent organisation that will protect their interests, lead them to healthy development and promote rapidly only the best and innovative of them.

That is why we propose the creation of an intermediate non-profit organisation that would operate in the rationale of a Venture Capital company and would have either

state character, or would operate under state supervision, as it would be a significant solution to the problem of fund lack for the growth of SMEs. This means that the organisation would invest funds to those SMEs that would present innovative ideas or relevant activities and would also get paid in relation to the investment risk it would take. For the meritocratic operation of this organisation we also propose that the state be in charge, which will be controlled, as long as there is political will and healthy regular frame. In this way, the Venture Capital Organisation would evaluate the business plans of SMEs, it would judge how innovative and hopeful they would be, it would re-rate their investments horizon and would be categorized. Depending on the place it would have every SME would take the relevant sponsorship in the formation of direct investment. This is so, because the funds that would be granted by the intermediate non-profit organisation would have a retributive character which would be profitable enough, depending on the investment risk they would take.

Also, the role of the intermediate non-profit organisation would be double, as it could bridge the gap that exists between the academic and the business community. Particularly, university and technological research from the creation up to sales and its implementation in the real market needs to be re-evaluated up to the point that it will be absolutely applicable. The role of bridging the gap could be played by this particular organization provided that it operates to the full within a regular frame.

4. Methodology and Data

The research took place through survey data which were collected from 108 Greek companies and 42 researchers – professors whose scientific interests were relative to this research. The personal interviews were held exclusively with the owners or directors of the enterprises with the use of structured questionnaire, following the important criteria of validity and reliability. This method has the advantage that it makes it possible to reject in comprehensible questions from the interviewers which would lead to erroneous conclusions and results (Zikmund et al. 2000; Bryman and Bell 2007). The data collection was realized from March 2013 up to September 2013. Firstly, the data were coded in Excel and later imported into SPSS 22.00 for the descriptive analysis.

The non-random choice of the sample has the important advantage that the enterprises which were selected can give greater value to the results of the analysis of the survey data. Also, it was preferable the questionnaires to be completed by the owners or directors of enterprises, persons that are directly involved in the strategy planning so that we could have high quality data for further analysis.

5. Findings and Discussion

From the sample of 166 enterprises, 108 of them (or else 65.06%) answered correctly. Also, from the sample of 58 researchers – professors (whose scientific interests are relative to this research), 42 of them answered correctly (or else 72.4%). According to Hamilton (2003), this percentage is very successful, following the standards of high quality survey.

Table no 1 Respondent results from questionnaire survey

| Hypothesis | Answer "YES" of companies | Answer "YES" of professors |
|--|---------------------------|----------------------------|
| SMEs are important in the national economy of any country | 72 | 38 |
| The university research is necessary for the development of SMEs | 65 | 35 |
| SMEs can be stronger if they apply the university research in the real market | 64 | 33 |
| Venture Capital Organization is a very good solution for the funding of SMEs | 74 | 34 |
| There are different characteristics between the enterprise and academic sector | 75 | 34 |
| From the collaboration between enterprises and universities problems arise | 73 | 35 |
| Venture Capital Organization, under State supervising, can guarantee the collaboration between SMEs and Universities | 68 | 31 |

Table 1 above shows the responses of companies and academic researchers - professors from the questionnaire survey. In the question "if SMEs are important in the national economy of any country", 66.67 % of companies and 90.47% of researchers - professors answered "yes", since 60.1% of SMEs and 83.33% of researchers - professors believe that "The university research is necessary for the SMEs". In addition, 59.26% of the companies believe that "SMEs can be stronger if they apply the university research in the real market, while 78.57 of the researchers –

professors answered “yes”. From this data we can conclude that the SMEs are very important for any national economy, and the university research can increase their ability for the development and the self-funding of SMEs.

On the other hand, 68.5% of companies answered “yes” in the hypothesis “Venture Capital Organization is a very good solution for the funding of SMEs”, and 80.91% of academics agree with it. But both of these two sectors, businessmen (69.44%) and academics (80.95%), agree on the point that “there are different characteristics between enterprises and universities”.

Also, 67.59% of businessmen and 83.33% of academics believe that from their collaboration problems can arise. Finally, 62.9% of businessmen and 73.8% of academics agree on the hypothesis that, “Venture Capital Organization, under State supervising, can guarantee the collaboration between SMEs and Universities”.

Table no 2 Businessmen’s answers if Venture Capital Organization is a very good solution for the funding of SMEs

Venture Capital * SMEs' Funding Crosstabulation

| | | SMEs' Funding | | Total |
|--------------------|--------------------------|---------------|--------|--------|
| | | NO | YES | |
| Venture Capital NO | Count | 28 | 6 | 34 |
| | % within Venture Capital | 82.4% | 17.6% | 100.0% |
| | % within SMEs' Funding | 82.4% | 8.1% | 31.5% |
| | % of Total | 25.9% | 5.6% | 31.5% |
| YES | Count | 6 | 68 | 74 |
| | % within Venture Capital | 8.1% | 91.9% | 100.0% |
| | % within SMEs' Funding | 17.6% | 91.9% | 68.5% |
| | % of Total | 5.6% | 63.0% | 68.5% |
| Total | Count | 34 | 74 | 108 |
| | % within Venture Capital | 31.5% | 68.5% | 100.0% |
| | % within SMEs' Funding | 100.0% | 100.0% | 100.0% |
| | % of Total | 31.5% | 68.5% | 100.0% |

After statistical analysis, as illustrated on Table 2 above, SMEs can be funded better by Venture Capital Organization according to 74/108 companies (68.5%). Also, Fisher’s exact test (0.000) showed that there is big association between the SMEs funding and Venture Capital Organization. In addition, the Pearson Chi-Square Test (0.001<0.1) implies that the funding of SMEs is not indifferent to the Venture Capital Organization.

Table no 3 Researchers – Professors’ answers if Venture Capital Organization is a very good solution for the funding of SMEs

Venture Capital * SMEs funding Crosstabulation

| | | SMEs funding | | Total |
|--------------------|--------------------------|--------------|--------|--------|
| | | NO | YES | |
| Venture Capital NO | Count | 5 | 3 | 8 |
| | % within Venture Capital | 62.5% | 37.5% | 100.0% |
| | % within SMEs funding | 62.5% | 8.8% | 19.0% |
| | % of Total | 11.9% | 7.1% | 19.0% |
| YES | Count | 3 | 31 | 34 |
| | % within Venture Capital | 8.8% | 91.2% | 100.0% |
| | % within SMEs funding | 37.5% | 91.2% | 81.0% |
| | % of Total | 7.1% | 73.8% | 81.0% |
| Total | Count | 8 | 34 | 42 |
| | % within Venture Capital | 19.0% | 81.0% | 100.0% |
| | % within SMEs funding | 100.0% | 100.0% | 100.0% |
| | % of Total | 19.0% | 81.0% | 100.0% |

As we can see from Table 3 above, 34/42 researchers – professors (81%) believe that the Venture Capital Organization can be a very good solution for the problem of funding SMEs. Also, Fisher’s exact test (0.001) showed that there is big association between the SMEs’ funding and the Venture Capital Organization. On the other hand, the Pearson Chi-Square Test ($0.003 < 0.1$) implies that the funding of SMEs is not indifferent to the Venture Capital Organization.

Table no 4 Businessmen's answers if Venture Capital Organization can guarantee the collaboration SMEs - Universities

Venture Capital * Collaboration SMEs - Universities

Crosstabulation

| | | | Collaboration SMEs - Universities | | Total |
|-----------------|--|--|-----------------------------------|--------|--------|
| | | | NO | YES | |
| Venture Capital | NO | Count | 35 | 5 | 40 |
| | | % within Venture Capital | 87.5% | 12.5% | 100.0% |
| | | % within Collaboration SMEs - Universities | 87.5% | 7.4% | 37.0% |
| | | % of Total | 32.4% | 4.6% | 37.0% |
| | YES | Count | 5 | 63 | 68 |
| | | % within Venture Capital | 7.4% | 92.6% | 100.0% |
| | | % within Collaboration SMEs - Universities | 12.5% | 92.6% | 63.0% |
| % of Total | | 4.6% | 58.3% | 63.0% | |
| Total | Count | 40 | 68 | 108 | |
| | % within Venture Capital | 37.0% | 63.0% | 100.0% | |
| | % within Collaboration SMEs - Universities | 100.0% | 100.0% | 100.0% | |
| | % of Total | 37.0% | 63.0% | 100.0% | |

As we can see from Table 4 above, 68/108 businessmen (63%) answered that the Venture Capital Organization, under State supervision, can guarantee the collaboration between SMEs and Universities. The Pearson Chi-Square Test (p -value $0.001 < 0.1$) implies that the factor of Venture Capital is not indifferent to the factor of collaboration between SMEs and Universities. Also, Fisher's exact test (0.000) showed that there is a big association between the Venture Capital Organization and the collaboration between SMEs and Universities.

Table no 5 Professors-researchers' answers if Venture Capital Organization can guarantee the collaboration SMEs-Universities

Venture Capital * Collaboration SMEs - Universities

Crosstabulation

| | | | Collaboration SMEs - Universities | | Total |
|-----------------|--|--|-----------------------------------|--------|--------|
| | | | NO | YES | |
| Venture Capital | NO | Count | 7 | 4 | 11 |
| | | % within Venture Capital | 63.6% | 36.4% | 100.0% |
| | | % within Collaboration SMEs - Universities | 63.6% | 12.9% | 26.2% |
| | | % of Total | 16.7% | 9.5% | 26.2% |
| | YES | Count | 4 | 27 | 31 |
| | | % within Venture Capital | 12.9% | 87.1% | 100.0% |
| | | % within Collaboration SMEs - Universities | 36.4% | 87.1% | 73.8% |
| | | % of Total | 9.5% | 64.3% | 73.8% |
| Total | Count | 11 | 31 | 42 | |
| | % within Venture Capital | 26.2% | 73.8% | 100.0% | |
| | % within Collaboration SMEs - Universities | 100.0% | 100.0% | 100.0% | |
| | % of Total | 26.2% | 73.8% | 100.0% | |

As illustrated on Table 5 above, Fisher Exact Test (0.003) implies that there is a strong association between Venture Capital Organization and the collaboration SMEs - Universities. Especially, 31/42 answers of academics (73.8%) show that the Venture Capital Organization under State supervising can guarantee the collaboration between SMEs and Universities. Also, the Pearson Chi-Square Test (p-value $0.001 < 0.1$) implies that the factor of Venture Capital is not indifferent to the factor of collaboration between SMEs and Universities.

6. Conclusion

The aim of this study was to suggest solutions to the problems that arise from the possible collaboration between SMEs and Universities. According to this notion, there has been relevant research through the method of personal interviews with a well-built questionnaire to businessmen and academic researchers-professors. We have chosen the method of personal interviews so as to avoid any potential error of a misunderstanding from the interviewees in relation to the questions, with the aim to collect quality data that will lead to useful conclusions.

We also chose personal interviews with the owners or directors of the businesses that are connected with the strategic policy of them, so as to analyze data and get quality conclusions in relation to the goal of the enterprises themselves. Moreover, we selected interviews with academic researchers – professors whose field of research and scientific interests are relevant to this research, so as to have a quality base in the data analysis.

From the statistical analysis in SPSS 22.00 we come to the conclusion that academics believe more than businessmen that an organizations in the way Venture Capital works, under state supervision, could be a guarantee, so that the collaboration of SMEs and Universities through the absorption of university research from these enterprises progress without any problems in depth of time. Before that, both researchers-professors and businessmen agreed that problems arise from the collaboration of businesses and universities and as a result, many times it fails to be efficient. Also, both academics and businessmen were of the opinion that a Venture Capital Organization may help significantly in the sponsorship of SMEs. The originality if this working paper is based on the fact that for the first time we detected and mentioned the specific problems in the collaboration of SMEs and Universities. Furthermore, the innovation and uniqueness of this research is the proposal of a specific way of tackling their collaboration problems, which is the operation of a Venture Capital Organisation, under state supervision, so as to be the connecting link and to bridge the gap that arises from their collaboration.

In this light, the results of the research coincided exactly with the original targets of the researchers, as both the academic and business fields agree on their collaboration, as well as on the avoidance of the creating problems due to the particular characteristics of both sides, through the operation of a Venture Capital Organisation. This study could be a significant base for further research as far as the collaboration of SMEs and Universities is concerned and to avoid of problems that arise.

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NATURE AND CONTROL OF LEGALITY OF THE LEGAL ACTS OF THE PRESIDENT OF ROMANIA

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Abstract:

The competence of the administrative contentious courts with regard to the control of legality of the acts issued by the President of Romania should be analyzed from case to case, as the legal nature and the field in which they produce effects being very different

Key words: administrative act, judicial control, Presidential Administration

JEL Classification:Z19

In the exercise of the attributions conferred by the Constitution, the head of the state issued decrees that are published in the Official Journal of Romania. Failure to publish such acts is provided under the sanction of considering the decree as a non-existing legal act. Presidential decrees may have normative or individual character. In coordinating the Presidential Administration, the President issues dispositions. The competence of the administrative contentious courts with regard to such acts should be analyzed from case to case, as the legal nature and the field in which they produce effects being very different.² An opinion considers that “*presidential decrees, especially those of appointment in public positions or of conferring a certain personal status have the nature of individual administrative acts of authority, which are not excepted from the jurisdictional control exercised by the way of the administrative contentious.*”³

Decrees of dissolution of the Parliament. Another attribute of the head of the state regards the dissolution of the Parliament. After consultations with the presidents of the two chambers and with the leaders of the parliamentary groups, the President of Romania may dissolve the Parliament, if the latter has not given its vote of confidence for the formation of the Government within 60 days from the first demand and only after the rejection of at least two demands of investiture. The

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²To that end, see I. Deleanu, [“Constitutional Law and Political Institutions, Treaty, volume II”], Editura Europa Mare, 1996, p.360.

³To that end, see I.Vida, [“Executive Power and Public Administration”], Editura Regia Autonomă “Monitorul Oficial”, Bucharest, 1994, p.69 and A.Iorgovan, [“Administrative Law, Elementary Treaty, Volume I], Ed.Nemira, Bucharest,1996, p.420.

Parliament may be dissolved a single time during one year, but not during the last 6 months of the presidential mandate, or during a state of mobilization, war, siege, or emergency. To accomplish this attribution, the President is assisted by the Legislative Constitutional Department within the Presidential Administration. In relation to the accomplishment of this attribution, this department has the following tasks: the analysis of constitutionality of the dissolution and the drafting of the dissolution decree.

Decrees for law promulgation. After being adopted by the Parliament, a law is sent to the President of Romania in view of promulgation. It is appreciated that *“promulgation has the significance of a final operation of the legislative procedure, which allows the head of state to invest the law with enforceable formula, obligating the public authorities to enforce its provisions.”*⁴ Before promulgation (operation which may not exceed the delay of 20 days from receiving the law), the President may request, one time only, to the Parliament to reexamine the law. In the hypothesis that the head of the state has exercised this attribution, or if the verification of the constitutionality of the law has been requested, the promulgation must take place within 10 days from receiving the law adopted after reexamination or from receiving the decision of the constitutional contentious court by which the conformity of the law with the Constitution was confirmed.

Decrees regarding partial or total mobilization of the armed forces. The issuance of such decree is conditioned by the prior approval of the Parliament. Only in exceptional cases, the President’s decision is subsequently submitted to the approval of the Parliament, within 5 day from adoption. In case of armed aggression against the country, the President of Romania takes steps toward the rejection of such aggression and informs the Parliament on such steps by sending it a message without delay. If the Parliament is not in session, it is convened in law within 24 hours from the onset of the aggression. In case of mobilization or war, the Parliament continues its activity for the whole duration of such states, and if it is not in session, it is convened in law within 24 hours from the declaration of war.

Decrees instituting the state of siege or state of emergency. These may regard the entire country or just some administrative-territorial units and involve the request of the Parliament for the approval of the measure adopted, within 5 days from such adoption. If the Parliament is not in session, it is convened in law within 48 hours from instituting the state of siege or of the state of emergency and it functions for the whole duration of such states.

⁴ M.Constantinescu, I.Deleanu, A.Iorgovan, I.Muraru, F.Vasilescu, I.Vida, [“The Constitution of Romania commented and annotated”], p.177.

Decrees conferring some decorations and honors. In that sense, the Chancery of Orders within the Presidential Administration has the following main tasks:

- it proposes to the President of Romania the annual quota of decorations on types, grades, or classes, according to the legal provisions;
- in accordance with the annual quota of decorations, it proposes to the President of Romania the number of decorations on types, grades, or classes, to be distributed to each ministry or central institution authorized to make proposals for decoration, it draws up the decoration decrees;
- it draws up the decrees and the accompanying notes related to the decorations conferred by the President of Romania;
- it monitors and checks, in point of observance of the legal provisions and of the quality of execution of the decorations and the accessories thereof (boxes, patents etc.), the reception and management thereof;
- it takes over the decoration proposals made by the authorized institutions, checks the observance of the legal norms for conferring of such decorations and draws up the centralized tables on types, grades, or classes, and submits them for the approval of the President of Romania long with the decree drafts related to their conferring;
- it drafts the documentaries (short history of the decoration and the main legal provisions related thereto) which, by the care of the Protocol Division, are transmitted to the similar foreign divisions in the event that the President of Romania decorates some high personalities;
- it proposes for approval and follows up the production of the specific forms (ledgers, records, data sheets regarding the persons proposed to be decorated, the head of tables for decoration proposals a.s.o.);
- it records the decorated persons on paper and on magnetic support, in the general ledger on types, grades, or classes;
- it organizes the ceremonies for conferring decorations to high foreign personalities in cooperation with the Protocol Division and the Financial and Logistics Department;
- it transmits to the ministries and central institutions authorized according to the law, the proposals for decoration, the amounts required for each decoration, rank, or class for which decoration proposals are to be made;
- it draws up, in cooperation with the Ministry of Foreign Affairs, the lists of Romanian citizens that were decorated by other states, in view of granting them the right to wear such decorations;
- it ensures the up-to-date record of the lists of persons decorated and the publication thereof on the site of the Presidential Administration;

- it keeps the record of vacancies for each decoration, on ranks and classes;
- it cooperates with all Councils of Honor with a view to ensure a good development of the activity thereof and exercises the activity of secretariat during the meetings thereof.

Decrees conferring the military ranks of marshal, general, and admiral. In that sense, the Secretariat of the Supreme Council for the Defense of the Country is the structure within the Presidential Administration that specializes in assisting the President of Romania in carrying out some attributions related to conferring such ranks. For such purpose, the Secretariat of the Supreme Council for the Defense of the Country presents the President with proposals for appointing military in functions provided in the organizational charts with the rank of general-lieutenant, vice admiral, ranks similar and superior to these, and presents the President with proposals related to the participation in the examination and granting the rank of general of brigade (and other assimilated ranks), as well as advancing generals to the next rank.

Decrees of appointment in public functions. They are issued under the conditions provided by various special laws. The doctrine gives as example the proposal of the Parliament related to the appointment of the director of the Romanian Intelligence Service, to the appointment of the judges of the Court of Accounts, or to the appointment of two members of the National Audiovisual Council.⁵

The constitutional text uses a wide sense of the notion of public function. The positive law defines the public servant as *“the person appointed under the conditions provided by Law no.188/1999 (with the subsequent modifications) in a public function”*. We note that the lawmaker wanted to expressly exclude from the notions of public servants the state employees that provide public service, but who are not the object of Law no.188/1999. Comparing the legal definition of the public servant institution to that of public function, it results that the public servant is the person who, under the conditions of the Statutes of public servants, carries out the attributions and the responsibilities established by the Law, with a view to ensure the fulfillment of the public power by the central and local public administration. The notion of public servant has two meanings. In the sense of positive law, the notion of public servant designated those public employees remunerated from public funds, who carry out their activity within the bodies, public institutions, and services, with a view to satisfy the general and legitimate interests of the member of the state society; they are

⁵ Romeo Paul Postelnicu, [The Institutional Structure of the Public Administrative System of Romania], Bucharest, 2007, pag.28-30.

subject to the dispositions of the Statutes of the public servant and of the special statutes derogated from the Statutes of the public servant. Nevertheless, not only the public servants under the incidence of Law no.188/1999 carry out activities of public interest and are in the public service. For example, the dignitaries (to whom the provisions of this legal act do not apply) envisage by their activity to satisfy and accomplish the public interest. Obviously, the Constitution and the Regulation for the organization and functioning of the Presidential Administration do not take into consideration the strictly legal sense of the notion of public function.

Decrees for individual pardon. In carrying out this attribution, the President is assisted by the staff of the Constitutional Legislative Department within the Presidential Administration. The attributions of this department include the analysis of the demands of pardon positively endorsed by the Ministry of Justice or those that the Division of Citizens' issues considers founded, even if they got a negative endorsement from the Ministry of Justice, and also drawing up notes containing the demands of pardon mentioned above, drafting the decree and presenting such documents to the President of Romania.

The Supreme Court established by the Decisin no. 4416/2005, passed in the case file no. 1303/2005 that *"granting pardon is an exclusive prerogative of the President of Romania, expressly provided by art. 94 letter "d" of the Constitution of Romania, while by the effects it produces, pardon being at the same time an institution of criminal law."*⁶ In the exercise of his prerogatives, as provided by art. 80-94 of the Constitution, granting or revoking the individual pardon, the President of Romania acts not only as the representative of the executive, but also as the head of the state exercising the function of mediator between the state and the society. In other words, between the person who applied for individual pardon and the President there is no typical relation of administrative law, subject to the censure of the administrative contentious court, the decree for granting, respectively revocation of pardon being, as defined in the doctrine, some complex legal acts subject to a regime of constitutional law, with implications at the level of criminal proceedings law.

Decrees concerning referendums. The President of Romania, after consulting with the Parliament, may ask the people to express, by referendum, its will with regard to issues of national interest. In carrying out this attribution, the President is assisted by the staff of the Constitutional Legislative Department within the Presidential Administration. The attributions of this department include the finalization of the object of the consultation by referendum with the specialized

⁶Culegere de spete-Dreptadministrativ-Dreptulmediului, Editia I-a, LuciaGiosan, Liviu Giurgiu, IulianIonita, Cristian Giuseppe Zaharie, OanaGiosan, Ed. Pro Universitaria, Bucuresti, 2007, p.43.

departments within the Presidential Administration, drawing up the works preparing for the debate in Parliament of the issues that make the object of the referendum and monitor, together with the department of political issues, the onset of the referendum and signaling to the President of Romania of the eventual shortcomings occurred in relation thereto.

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OPINIONS ON THE IMPACT OF MANAGEMENT DECISION ON PERFORMANCE IN TOURISM

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Abstract:

Addressing this issue is part of a broader research approach of the post-doctoral studies (the main theme "Deepening the directions for efficient operation of the accounting and fiscal information in Romanian tourism management"), during which I proposed myself the capitalization of part of the research results through a set of articles. Thus, in a recent article, I pointed out the views on issues affecting the performance of Romanian tourism, during which an important place is held by the quality of management. Therefore, based on the facts presented in my PhD thesis, entitled "Accounting information for management in tourism, hospitality and leisure", I will substantiate some opinions that I reached during my post-doctoral research.

Keywords: management, information, tourism, efficiency, competitiveness, analysis of results, decisions, performance.

Jel Classification: H32; L20 ; L21; M41; Q28.

I. Introduction

Romanian tourism performance issues are always a topic of discussion both in society and in the media. Therefore, in this debate, I proposed to elucidate some aspects of the impact of management decisions on performance in tourism.

To this end, I have presented some considerations related to performance in tourism, and the elements that contribute to this goal of any company that is completed by maximizing profit.

On this basis, I have continued my approach by highlighting the place and role of management in achieving the performance and in the end, I extracted some conclusions about the major impact of managerial decisions in the implementation tourism performance.

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II. Literature review

Perfecting management requires, among other things, a continuous theoretical input from academia. Therefore, the literature contains important works that address this topic.

Cornescu Viorel et.al, (2001), highlights issues on management functions, construction of organizations and, in particular, the place and role of management in organizations.

Căprărescu Gheorghică, (2009), treats the concept of strategic management, strategic capability analysis of the tourism business and strategic global piloting.

Calotă Traian -Ovidiu, (2013), highlights the role of accounting as an information system and decision support management and the permanent biunique relationship between general management and accounting management.

Mintzberg Henry, (2006) takes a documented plea on the fact that effective management depends on the balance of three poles: the science, art and craft, and the necessity of adopting proper training managers.

Ghenea Marius, (2011) puts a great emphasis on business management development and on the main management "fatal" mistakes.

III. Scientific Contents

3.1. Considerations on Performance in Tourism

The term performance is defined as "a great achievement in a field of activity (DEX - 2012). In the economic activity of an organization, the law refers to performance by determination of accounting on the "publication and keeping information about the financial position, financial performance and cash flows [...]" (Art. 2 Para. (1) of the Law 82/1991, republished). But, to achieve financial performance in a tourism company is required performance at each level of the functional structure, so that the company as a whole to have the ability to withstand competition, in other words, to be competitive.

Hence, if we adopt an approach based on the five powers of competition identified by Michael Porter, namely, the power of suppliers, power of customers, threat of new entrants, rivalry between the existing ones and the threat of substitutes of products or services, largely discussed in detail in literature, we conclude that the correct answer to each of these require a judicious organization based on specific techniques (such as in tourism) of a complete and adequate quality of information. But, to fulfill this challenge, decisive in performance of tourism, it requires the mobilization of a large volume and a variety of human and material resources. It is

also mandatory to anticipate risks from internal and external environment and the correct measurement of performance, a process in which a significant part of it is knowing the actual values of workload of the company, the cash flow and, and last but not least, productivity and turnover.

We note that performance measurement involves a series of procedures for accounting competence, which then must be materialized through specific reports to senior management.

However, in fact, the effective achievement of performance is the most important thing in tourism. Thus, the pursuit of the central objective of the business (maximizing profit) with success in fighting the competition, are directly dependent on the workload growth, profitability, quality of services and / or products offered, the quality of personnel etc. Also, in our opinion, the performance depends to a large extent, on the quality of management, who is primarily responsible for achieving the goals of investors, aim that should ensure convergence of efforts of the entire personnel of the company.

Specifically, it's about the quality of services, of tourism products, infrastructure and, not least, the personnel. Also, from here, it will inevitably reach to the essential indicator for every tourist, i.e. the relation quality/ price (tariff), the governing law of supply and demand. But all these are not possible without the integrating and decisional factor which is management, a topic which, without being exhaustive, we develop further.

3.2. Management and Performance in Tourism

From the beginning, we mention that in tourism, management is actually accomplished by a managerial hierarchy, encumbered on the role and place of each component structure in the tourist organization, which ensures the continuity of the information chain and respectively the decisional chain, as well as the orientation of all personnel for the fulfillment of the established objectives.

In practice, management does this by carrying out its functions in close connection with the corresponding elements. Details in Fig.1.

We note that to achieve the function of prevision, management should have clear objectives, to know the current situation but also the past situation, and the resources available to achieve the objectives.

The organization function aims the intellectual and physical work processes, as well as the resources of all kinds (material, human, financial etc.).

Coordination involves decisional harmonization at all hierarchical levels (for tourism and the entire flow, from receiving tourists until the end of their stay). This

means preventing any actions that could lead to disturbances and disorganization with a negative impact on the business activity.

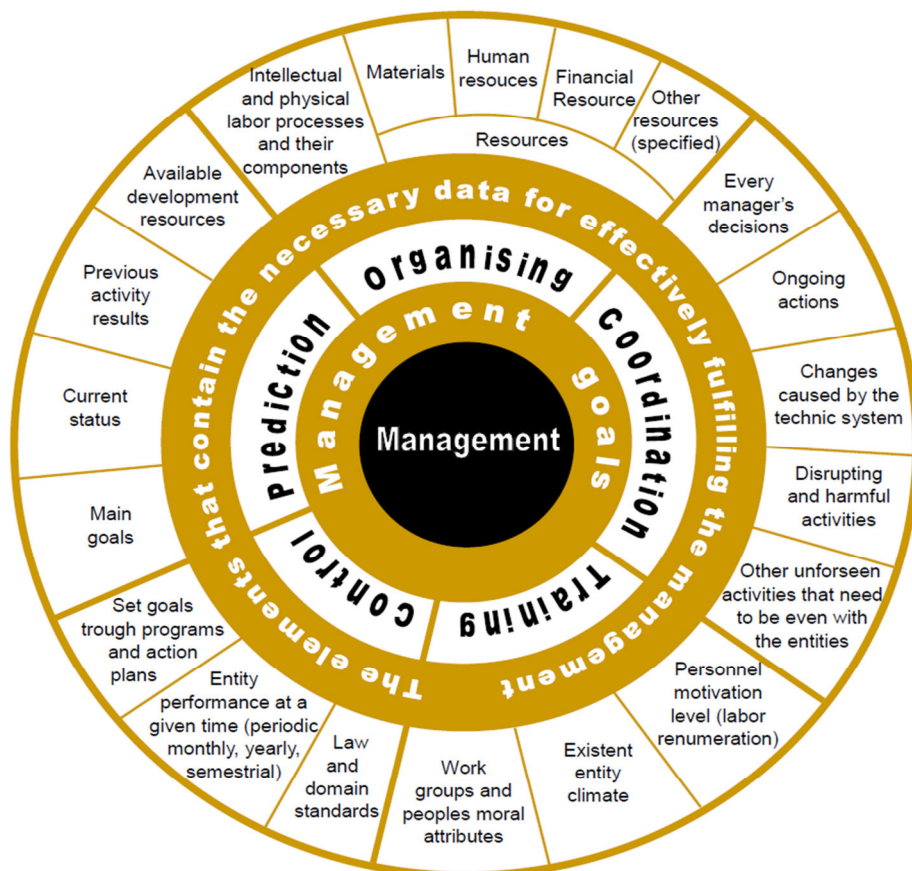


Fig.1 Synthetic scheme of management its functions and corresponding elements (after Calotă Traian Ovidiu, PhD. Thesis on "Accounting information for management in tourism, hospitality and leisure, Bucharest, 2010, page 49

Management must be an ongoing concern for the implementation of measures that contribute to the training and motivation of the entire personnel for meeting the quality objectives. Also, last but not least, the control on the basis of laws and regulations has a major role in monitoring the gradual implementation of (over the operating cycle) performance and meeting the targets.

Based on these considerations, we consider that a determining factor in the performance of management functions and objectives of the tourism entity is the information system, which must address three main issues: providing a full and

detailed documentation and providing all information necessary for the functioning of operational structures and those decisional.

On this basis, in Fig.2 we explained through a flowcharts version the place and role of management in achieving performance in the tourism company.

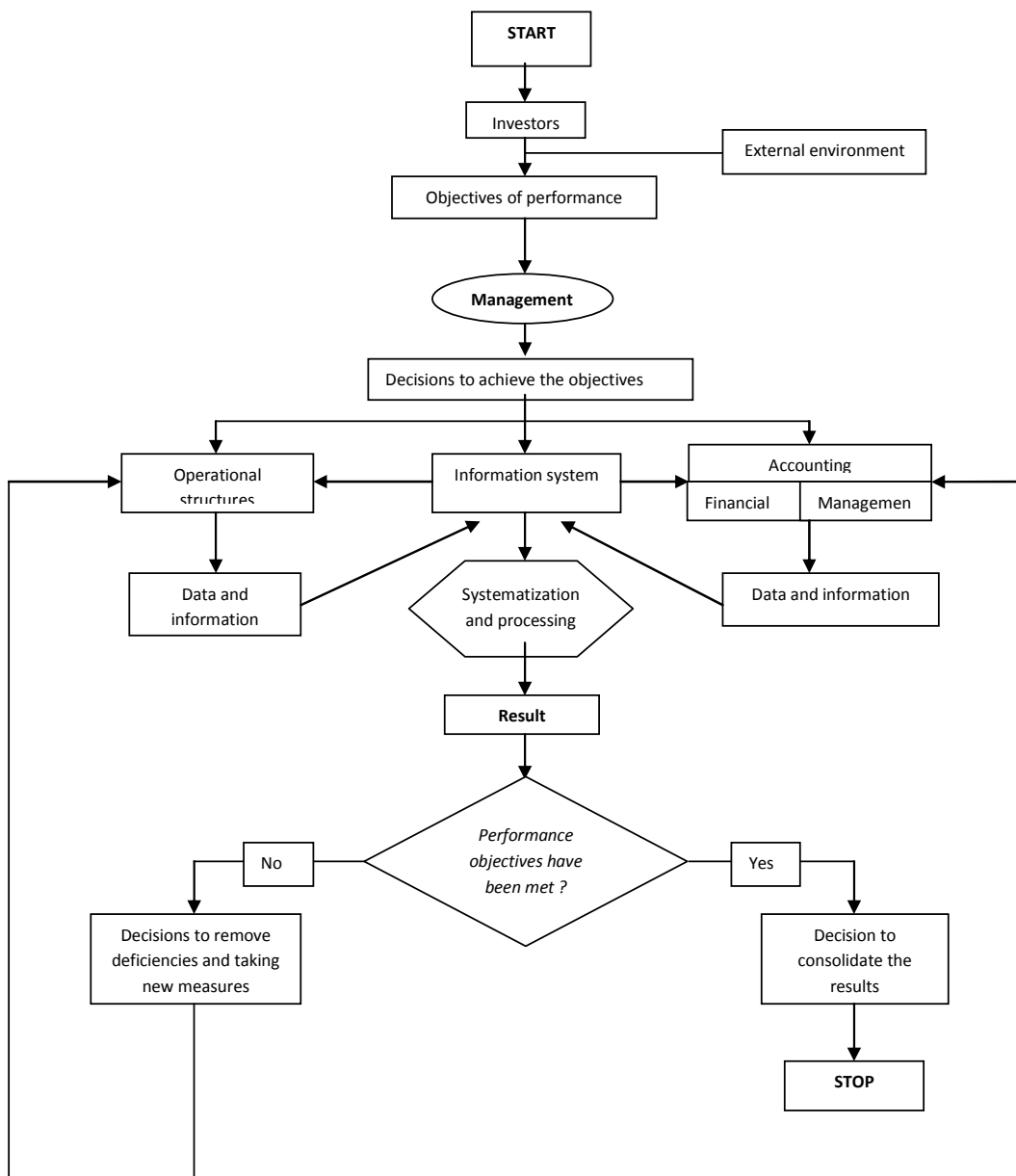


Fig. 2 Flowchart (version) of the place and role of management in achieving the tourism company performance

We note that, the goals set by investors and being also under the impact of information and external actions environment (authorities, competition etc.), the management elaborates, issues and delivers appropriate decisions to operational structures and accounting, including for the assurance of the functioning of the information system (and the Rules governing the functioning and organization, respectively Rules of internal procedures) by providing them data and information.

Systematization and data processing plays an essential role in providing the necessary elements to the analysis and configuration of the actual outcome of the exercise so that it can be properly assess the level of performance. Obviously, depending on the stage of achieving the objectives of performance, decisions will be appropriate to consolidate the results and / or eliminate deficiencies or further actions by the accounting and operational structures.

3.3. Conclusions and suggestions

From the results presented until now, ensues the place and the central role of management in achieving the performance. In tourism, this has a special significance because tourism products and services offered are subject to constant criticism from tourists, which are in a time of relaxation and recovery and they show maximum sensitivity. Therefore, management must be practically ubiquitous (by clear and precise procedures or permanent control). However, for this to be possible, the process described in Fig.2. has to be seen in its dynamic and permanent feature.

In practice, a tourism company, performance depends not only on the correct operation and permanent operation of its operational structures but, in large extend, it depends on the opportunity, fairness and firmness of decisions of the entire management hierarchy (starting from reception until the senior management). In particular, by these decisions is necessary to ensure that ambient so valued by tourists in top resorts, and so criticized in some resorts in Romania.

Based on all the above, it can be said that in tourism management decisions have a major impact on the completion of performance.

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LEGAL STATUS OF PROSTITUTION IN LATIN AMERICA

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Abstract:

The article studies the evolution of the prostitution phenomena and its regulation in the Latin America Area.

Keywords: prostitution, causes, motivation.

JEL Classification: E01, E20, Y90

The Latin America Area represents a region of tolerance for the prostitution phenomenon.

Mexico. The permissive laws, including rules concerning the development of prostitution practice includes this country within a Hispanic Area with an obvious tolerance, including along with Mexico: Spain, the states of the Continental Central America, Argentina, Columbia, Venezuela, Peru, Chile, Uruguay, Paraguay, Ecuador, Bolivia, and others. For children it is legally forbidden the practice of prostitution and also the use of prostitutes. The prostitution was decriminalized and regulated at the level of the federal states, both sex persons interested in this having the possibility to practice this activity, by fulfilling several conditions:

- to have reached the legal age of 18 years old;
- to be registered to the authorities of the public local administration;
- to perform the medical examinations, including the analysis concerning certain diseases with sexual transmission, examinations performed periodically;
- to have a health card, where it is specified the health state and the performed periodic examinations.

The activity of attracting clients cannot be performed in public, as a general regime the street prostitution being forbidden. The federal laws allow, based on the express provisions of the local autonomous administration, to establish certain local aspects concerning the manner of performing this activity, including the authorization on the existence of certain areas of prostitution tolerance, named “*Red Districts*”. The development of the activity is performed under certain authorized

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persons, and in some countries, the tolerance houses can be licensed by the local administration, by fulfilling certain requirements, similarly with the Swiss, Turkish and German models.

The acts of prostitution and traffic with people for sexual exploitation are punished with criminal imprisonment, remaining criminally unsanctioned only the authorized holding of a tolerance house, according to the local rules and transmission of the right of use on a real estate to a person that will perform prostitution activities. Thus, in many places from Mexico, the voluntary prostitution develops due to the tolerance of the legislation and local administration, but compliance with the sanitary and hygiene rules in the provincial cities is very poor. One of the best examples in this regard is the Tijuana City (capital of Baja California), city with a high number of practitioners of commercial sex (over 5.000 active prostitutes being registered over 8100 to a population of 1.483.992 inhabitants) "*where the local council adopted a resolution by which they are obliged to perform the monthly medical examination on sexually transmitted diseases. (...) But also the holders of the tolerance houses, under the sanction of losing their licence, are due to apply the sanitary rules. (...) Those who do not comply can be sanctioned by case, by fees or by cancelation of the functioning license.*"²

Among the reasons that determine the Mexican prostitution, can be found:

- cultural tolerance concerning the phenomenon, specific for Latin America;
- poorness, particularly in the federal states from the South Mexico;
- general corruption, leading often at the local level to the dissolution of the public authority;
- systematic consume of drugs and alcohol, by people with social deviances;
- sexual tourism that has become a widespread and old phenomena.

The main features of the social phenomena in Mexico are the followings:

"the practice is established in neighbourhoods established by the local administration, based on a special law;

- pandering, as a rule, is criminally sanctioned. An exception is the activity concerning the functioning of the tolerance houses, legally authorized in pre-established neighbourhoods (urban areas of tolerance);

*- trafficking women for exploitation is severely criminally punished, the state institutions offering temporary shelter for the women forced into prostitution";*³

*"the phenomena of children prostitution is frequently met, especially in Mexico City; Mexico is one of the main international destinations for sexual tourism that involves the children prostitution; " (along with Thailand, Cambodia, India, Kenya, Tanzania, and others);"*⁴

² James, McKinley Jr., **A New Law in Tijuana Regulates the Oldest Profession**, New York Times, Dec. 13, 2005.

³ Reuters Com, Elderly ex-prostitutes, pe
<http://www.reuters.com/article/idUSN2020179420070620>, 26 Oct. 2007.

-*"according to the Mexican federal police, Mexico is a very important destination country for trafficking women for sexual exploitation, these being brought from: Guatemala, Brasilia, Salvador, Nicaragua, Honduras, Costa Rica, Dominican Republic, Cuba, Ecuador, China, Taiwan, South Korea, India, Argentina, Russia and Ukraine; the trafficking is favoured by corruption, permissive laws on voluntary practice of prostitution and functioning of the houses of tolerance, complicity of the business environment that patrons the sex industry, and others.; according to the same source, Mexico is also the origin country for trafficking women for United States, Germany, and others,"*

-the severe corruption of the public administration system, public order, defence, justice and business environment.

A study performed in 2000 shows that in Mexico, over 16.000 children are involved in practicing prostitution in the urban area.⁵ Other studies from 2004⁶ and 2005⁷ assess that over 17.000 and respectively over 20.000 children practice prostitution in this country. From 13.000-14.000 children that live on the streets of Mexico City, around 95% had at least one sexual relation with an adult, for most cases, having sexual relations for money or other material advantages. The antisocial phenomena of children prostitution is based in Mexico on two ways of perpetuation:

- trafficking children for sexual exploitation from the poor Mexican villages towards the big cities and United States; the children are sold for 100-200 American dollars per person;

- the phenomena of migration into the big cities (Tijuana, Acapulco, Cancun and Guadalajara) and in United States.

Brazil. In this country from Latin America, the practice of prostitution by a person having a full capacity of exercise is allowed, without being any law to be against it. *"The incorporation and property on a tolerance house, the pandering and children prostitution are forbidden".*⁸ The research on the cases concerning the trafficking of women and children for sexual exploitation is under the jurisdiction of the Brazilian Federal Police, due to their complexity. In this country, the normal prostitution does not lead to the involvement of the public order structures, the Brazilian State not being able to stop a much severe phenomena, which is widespread also maybe in Africa, namely, the extremely high number of children in prostitution. The assessment of the prostitution phenomena is presented in the table below:

⁴ [Http://www.en.wikipedia.org/wiki/Boy_and_Girls_Sexual_Exploitation_in_Mexico](http://www.en.wikipedia.org/wiki/Boy_and_Girls_Sexual_Exploitation_in_Mexico)".

⁵ Inter Press Service, **Rights-Mexico: 16,000 Victims of Child Sexual Exploitation,** 20 Oct. 2009.

⁶ The Globe and Mail, **Gateways to exploitation,** "20 Oct. 2009.

⁷ Inter Press Service, **MEXICO: Key Video Evidence Blocked in Child Sex Ring Trial,** 20 Oct. 2009.

⁸ [Http://www.en.Wikipedia_Prostitution_in_Brazil](http://www.en.Wikipedia_Prostitution_in_Brazil).

| Year | Assessed numbers | Source |
|--|--|--|
| 1999-population over 160 million inhabitants | 1.000.000. prostitutes | International Encyclopaedia of Sexuality, Brazil |
| 2009- population of 191.972.000. inhabitants | Over 250.000. children that practice prostitution | Brazilian Federal Police ⁹ |
| 2009 | Between 250.000 and 500.000 children practice prostitution | Protection Project Report-Federal Government of Brazil ¹⁰ |
| 2009 | 1.000.000-2.000.000 children prostitutes | N.G.O. ¹¹ |
| 2009 | Over 2.000.000 prostitutes | Wikipedia ¹² |

Argentina. The Criminal Code of Republic of Argentina, adopted to the federal level, does not forbid the practice,¹³ but punishes the pandering and trafficking women for sexual exploitation. The vision of the Argentinean laws is one of tolerance, deriving from the spirit of the Constitution of the Republic of Argentina, which in art. 19 provides that “*personal activities of people that do not breach in any way the public order and morality, nor damage ay person, are subjected only to God, and are excepted from the authority of magistrates.*”

To the federal level, the prostitution is not sanctioned, but certain autonomous provinces instituted local sanctions, for the prostitution that determines public scandals. In Argentina, “*trafficking women for sexual exploitation reaches a high level, this country representing also a source and destination for traffickers.*”¹⁴ Equally severe is “*the increase of the number of children practicing prostitution.*”¹⁵

Another element frequently met is represented by the existence of the illegal houses of tolerance, the holders, although sanctioned by the federal criminal laws, benefiting of the “*tolerance of police, who often reaches understandings against perceiving protection taxes, very rarely the panderers being condemned with imprisonment.*”¹⁶

⁹ [Http://www.state.gov/g/drl/rls/hrrpt/2009/wha/136103.htm](http://www.state.gov/g/drl/rls/hrrpt/2009/wha/136103.htm).

¹⁰ [Http://www.libertadlatina.org/LA_Brazils_Child_Prostitution_Crisis.htm](http://www.libertadlatina.org/LA_Brazils_Child_Prostitution_Crisis.htm).

¹¹ [Http://www.libertadlatina.org/LA_Brazils_Child_Prostitution_Crisis.htm](http://www.libertadlatina.org/LA_Brazils_Child_Prostitution_Crisis.htm).

¹² Wikipedia_Prostitution_in_Brazil.

¹³ See Código Penal de la Nación Argentina, Part.III, Título III, Chap. II, Delictos contra la integridad sexual, Ley Nr.11.179/1984, art.118-138, published on <http://www.infoleg.gov.ar/infolegInternet/anexos/15000-19999/16546/tex>.

¹⁴ [Http://www.state.gov/2008_Human_Rights_Reports_Argentina](http://www.state.gov/2008_Human_Rights_Reports_Argentina).

¹⁵ International Report ECPAT,1999, on <http://gvnet.com/childprostitution/Argentina.htm>.

¹⁶ Reed, Lindsay, Argentinas prostitutes get militant, Observator, 25 Jan. 2004.

Columbia. This state accepts and regulates the practice of prostitution, similarly to most of the neighbourhood countries. The Columbian state chose to accept the practice of prostitution, in an organized manner, within certain “areas of tolerance” established locally. The prostitution phenomenon knows in this country an especially wide spread, amplified by the following causes:

- *"poverty in most areas of the country;*
- *internal travelling of population;*
- *lack of education in certain social areas;*
- *the intense and frequent social tensions, the widespread traffic and consume of drugs among the Columbian society led to the weakening of the society and family involvement in the social evolution of young women;*

- *sexual tourism practiced in the cities from the Columbian seaside cities, like Cartagena and Barranquilla;*

- *the internal conflicts between the Government and drug traffickers or left-wing radicals that control de facto certain geographic areas, and others".*¹⁷ These causes have led to an increase of the criminal acts of trafficking women for sexual exploitation, in particular (specific fact for this country) of trafficking children for sexual exploitation. It is assessed that “over 35.000-40.000 children practice prostitution in the whole country, among which 5.000-10.000 in Bogota”.¹⁸ Columbia is a source for trafficking women for sexual exploitation in Latin America, Caribbean, West Europe, Asia and North America (including the United States). Internally, the women and children are trafficked for commercial sexual exploitation from the rural areas in the urban areas.

Venezuela. The prostitution is legal and regulated in this country. “*The involvement of children and family members in prostitution is drastically sanctioned by the criminal laws of this South-American state. Forcing children to practice prostitution and their trafficking for this purpose are sanctioned by the Criminal Code of the Republic of Venezuela with imprisonment between 3 and 6 years. (..) Forcing the wife or another relative in practicing prostitution is punished with imprisonment from 4 to 6 years*”¹⁹.

Forcing a child in prostitution or using a child for this activity is punished with imprisonment between 3 and 18 months. The fact is more severe if the child used in prostitution is less than 12 years old, or if in forcing a child under 18 years old it was used the fraud, or if the use or determination are performed by a person that has the child under care or protection. In such cases, it is applied the punishment with imprisonment between 1 to 4 years. The pandering acts are illegal and severely

¹⁷ [Http://www.Factbook on Global Sexual Exploitation_Columbia](http://www.Factbook on Global Sexual Exploitation_Columbia).

¹⁸ [Http://www.Wikipedia_Prostitution_in_Colombia](http://www.Wikipedia_Prostitution_in_Colombia).

¹⁹ **United States Department of State, Venezuela - Country Report on Human Rights Practices, 2005".**

sanctioned. Organizing prostitution or having a profit due to it are punished with imprisonment from 3 to 6 years. There are criminally punished the determination, facilitation and organization of prostitution, sanctioned with imprisonment from 1 to 6 years.

The facts frequently associated with the prostitution phenomena in Venezuela represent the trafficking with women for sexual exploitation and trafficking children for the same purpose. *“Venezuela is a destination and an origin country for trafficking women and children for sexual exploitation purposes. The women and children are victims of this traffic, and they are from Brazil, Columbia, Peru, Ecuador, Dominican Republic and Popular Republic of China. The women are trafficked to Mexico, Dominican Republic, Spain, Germany, and others.”*²⁰ Committing this offence in the Venezuelan society is favoured mainly by the following factors:

- *“level of poverty and lack of education in the rural area of this country;*
- *Sexual tourism practiced in Caracas and other Venezuelan resorts;*
- *That the practice of prostitution is perceived by the members of urban collectives as a common fact, normal;*
- *the phenomena of corruption in the public district and the easiness of obtaining identity cards, passports, and others. In many cases, the traffickers are placing announces for models in the regional papers and then they attract many interested young women in Caracas, under the pretext of some false working places”*²¹.

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²⁰ [Http://www.state.gov/Venezuela](http://www.state.gov/Venezuela).

²¹ [Http://www.Wikipedia.en.prostitution_in_Venezuela](http://www.Wikipedia.en.prostitution_in_Venezuela).

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MATSURI
- ESSENCE OF JAPANESE SPIRITUALITY -

Angela Hondru

Abstract

Benefiting from the precious help of her advisor, Professor Shunsuke Okunishi at Osaka Gaidai, and from many fieldwork trips occasioned by the two generous Japan Foundation Fellowships (2000-2001 and 2005-2006), the author of this article was most fortunate to enjoy the lively rhythm of the Japanese traditional festivals as a witness. She voices her satisfaction in knowing that, despite modernity and influences from other countries, matsuri may still be found in abundance in Japan, standing for its genuine spirituality. The author illustrates the diversity of matsuri either through symbolical meanings or by outlining parades of portable shrines or floats, rituals specific of agricultural festivals, the traditional dances Japan has boasted about along the historical periods as seen in On-matsuri, or even Kyoto's history through the epochs.

Anybody knows that Japan is one of the most advanced nations in the world, but only few are likely to admit that it is spiritually very strong as well, since it has preserved the treasures of its particular culture in various marvelous ways. The segment of tradition I am going to focus upon is maybe less known, but at the same time less affected by the aggressive attack of cultural globalization. Though some people say that *matsuri* (“traditional festivals”) seem sometimes frayed at the edges, especially in big cities, they are deeply ingrained in the Japanese soul. To be unaware of their beauty is to be unaware of beauty itself. The growth and modernization of a city do not crowd out festivals. On the contrary, they become more elaborate, as for example *Sanno-matsuri* in Tokyo which displays traditional events for a week at the beginning of June every other year.

Japanese are able to live apart from the maddening traffic and from the crazy daily rhythm for a couple of hours so that they might revive images of portable shrines which triumphantly enter the realm of the *kami* (“deities”) they love and respect. They could realize they are really themselves only when in direct touch with their ancestors’ past, which defines the lasting element and shapes the survival of such festivals. In other words, their reverential attitude signifies the gratitude of the present towards the past. And why not of the future? One should not forget there is no future without past.

Besides the delightful entertainment the *matsuri* offer, they also enchant through becoming a moving stage on which the history of Japanese culture unfolds.

Each of them conveys a message related to the ancient history which pours forth into the precincts of the shrines and into the streets of the towns and villages. There are few people all over the world who can boast about such precious lore. Japan may be the single one among the advanced nations.

*

Going back to the early days of Shinto, before the advent of Buddhism in the 6th century, I would like to point out that it consisted of a bunch of animistic beliefs according to which there was a *kami* in everything that was animate or inanimate. Besides the deities in the Japanese pantheon, the spirit of the wind, of the storm, of rivers and mountains, etc. were all considered *kami*. An old tree, a small waterfall, a strangely shaped stone, a beautiful flower – all of them could fill the Japanese soul with respect and fear and became *kami*. Important alike were the national heroes, famous people, real and imaginary ancestors. Towards all this, the Japanese felt love and gratitude and the urge to soothe their souls.

Hence, the genuine traditional Japan is the country of the *kami* and of the festivals dedicated to them. *Matsuri* can be looked upon as the art through which the human – deity relationship is preserved lively and harmonious, their long tradition resulting in a unique cultural model.

It happens so because Japanese traditional communities feel like ritualizing their existence. I heartily admired the skill the Japanese show in substituting the religious ideal for the familial and, eventually, for the social one. The festivals performed at Shinto shrines are said to originate in winning over the goodwill of the eight millions deities – *kami* – by dint of prayers, thanks and offerings, in order to ensure the peaceful life of the individual and of the community. It seems to have been the aim, but the means it is achieved through are so numerous that one lifetime is not enough to cover them all. It would be altogether impossible as long as almost one hundred thousand Shinto shrines lie in the core of the Japanese spiritual life. Each of them hosts annually at least one festival dedicated to the guardian *kami* as well as to an agricultural event, while big shrines boast about by far more festivals (for instance, Izumo shrine is said to display seventy two). It is such traditional events that make one better understand the value of order regulated by ritual reiterations, the order that becomes the supporting pillar of tradition. And I dare say it is not a tradition fettered in any obsolete time-frame, but a living tradition to which each generation came to add a distinctive feature through intensely emotional participation. It no longer belongs to history, but to eternity, re-creating the past which becomes present.

I think it is easier to infer the meaning of the true Japanese spirituality through examples, and that is why I am choosing to illustrate it through one *matsuri* for each month of the calendar year, at the same time aiming for the emphasis upon their diversity.

On the 1st of January, the Japanese visit a Shinto shrine in order to thank the God of the Year or the Guardian God for the fulfilled dreams and to pray for good health and success in career. Many people buy *omikujii* (literally “sacred lot”). In fact, they are fortunetelling paper strips, randomly chosen from a box or from the rack. People hope for the resulting fortune to be good. However, if the prophecy is not good, they tie the *omikujii* to a branch of a tree in the precincts of the shrine with a view to getting rid of it. Then all the family (grandparents, parents, children, grandchildren) gather round the table and eat *osechi-ryōri* – consisting of food of good omen due to its shape, color, taste or name, each offering a specific meaning. For instance, the black beans urge one to be very careful about everything; the pile of caviar symbolizes fertility; the lobster with its curved back signifies long life; through the holes of the lotus root one can see the bright future; *konbu* (the brown seaweed) means happiness and wealth, etc.

On the first Sunday in February, the field fertility is combined with and encouraged by human fertility at Asukaimasu shrine in Nara. After staging the plowing ritual, there follows the miming of sexual intercourse. The ritual is called *taue-tsuke* (“the plant takes roots”). According to folk belief, the marriage between two divine beings brings about both fertility and abundant harvest. Though apparently very sober, *Onda-matsuri* is a parody that keeps rousing peals of laughter. The “fertility” on the stage is passed on to the public by throwing rice cakes and the pine twigs used at the ritual of nursery transplant. The ritual is called “spreading happiness”, the beneficiaries being the spectators as a result of the magic transfer.

Spring sends its echo through the vibrations of the cherry blossoms which, as a symbol of ephemeral life, blossom and helplessly fall down to the ground in only a couple of days. But as long as they are in full bloom, they possess the features of supreme beauty. Impressive alike is the spectacle of viewing them. People throng the precincts of the temples and shrines, as well as the streets flanked by cherry trees in order to enjoy to the full the wonderful scene.

Yasurai-matsuri that goes on at Imamiya shrine in Kyoto on the second Sunday of April opens the series of events which aim at preventing the awful epidemics that menace both harvest and people’s health. According to folk belief, music and dance are considered to soothe the restless petrels flying over Kyoto with cherry blossoms in their beaks, ready to spread epidemics. During the festival, men and children

dressed up like red and black demons jump and dance to the rhythm of drums and flutes in the precincts of the shrine and in the streets in order to drive away all evils.

Aoi-matsuri takes place in Kyoto throughout the month of May. It is said to date back to the reign of Emperor Yōmei (the years 586-587) when the country was ravaged by unusual drought and awful starvation. In order to pacify the violent spirits, the Emperor sent a delegation to the Kamo-shrines (Kamigamo and Shimogamo) to take to the guardian gods offerings of food and prayers for the rain. A couple of years later, devastating floods brought about severe damage. Other prayers could be heard, this time for the withdrawal of waters and for the placation of the God of Thunder. The priests of the two Kamo shrines initiated a procession within each shrine so that they might pacify the angry gods.

Among the rituals that precede the great procession on May 15th, *Mikage-matsuri* shows the descent of the deity to the place of celebration. Over one hundred priests dressed in special attire start from Shimogamo shrine to meet the sacred spirit at Mikage shrine, their procession being considered the oldest in Japan. Here, the deity is given offerings of food the spectators are not even allowed to look at during the religious ritual, but they partake of the offerings after the departure of the deity embodied in a *sakaki* twig (*sakaki* is considered to be the sacred tree). The divine spirit is taken to a temporary abode where he is entertained with songs and dances and then transferred to Tadasu forest in the precincts of the Shimogamo shrine, where he is moved on to the back of a white horse (looked upon as a messenger of the deity in ancient times). They both (deity and horse) watch, between the five-color curtains, the most ancient Japanese dance – *Azuma-asobi*.

For the spectators, the most impressive event is the procession on May 15th which extends up to one kilometer in length, displaying about five hundred persons dressed up in national costumes specific of the Heian era (794-1184). It starts with the Imperial Envoy, followed by an ox-drawn Imperial carriage, huge umbrellas decorated with big artificial flowers symbolizing richness, and ending with the retinue of Saio-dai, considered in olden times to be the deity's wife for one night.

The ox used for the ritual of plowing within *Taue-matsuri* at Sumiyoshi shrine in Osaka, on June 14th, is also adorned to look attractive. After the religious ritual at the shrine, one of the high-rank priests goes down to the sacred field, being followed by a long train of priests, musicians, dancers, little “warriors”, planters, etc. The spectacle at the shrine includes scenes from various historical periods.

The women engaged in nursery transplant sing songs while the men accompany them on drums and flutes. Meanwhile, the spectators can watch specific dances with a very old history, performed on the stage in the middle of the sacred paddy field.

In July, Kyoto impresses both through traditional rituals and opulence. *Gion-matsuri* dates back to 869 when, in order to put an end to devastating epidemics, 66 *boko* (“portable shrines”) were assembled in the precincts of Yasaka shrine. There was one *boko* for each of Japan’s provinces at that time. *Gion-matsuri* originated in the belief according to which revenging spirits and the God of Epidemics could be placated through rituals and entertainment.

Gion-matsuri starts on July 1st and ends on the 30th. The most impressive event is the procession of the floats on July 17th. The ones moving on wheels weigh from five to twelve tons, while the portable shrines carried on shoulders weigh about one ton and a half. They make their way through the streets of the former capital, offering a gorgeous sight. They display a large variety of both Japanese and foreign paintings and traditional tapestries, turning into a genuine movable museum.

In the afternoon, the portable shrines carrying the three Guardian Gods of Yasaka shrine are transferred to a temporary abode in the centre of the town so that the deities might commune with the parishioners for a week. On July 24th, on their way back to the permanent abode at Yasaka shrine, the guardian deities make a halt at the shrine within the Imperial Gardens where they are met with food offerings, music and dance. The religious ritual at Yasaka shrine at midnight, with no light around, is really impressive. Finally, they take their places in the permanent abode waiting for the next *matsuri*.

O-Bon, the festival of the dead, namely ancestors’ worship, takes place from August 13th through 16th. It starts with lighting candles or kindling fires in front of the gates or at cemeteries, the light playing both the role of purifying the place and of guiding the souls to find their way home more easily.

On the 14th and the 15th priests officiate individual ceremonies at home and cemeteries, and collective rituals at Buddhist temples. The souls of the dead are then entertained, the best known event being *Bon-odori* (“Bon dance”). Platforms are set up in parks, public squares or on the banks of the rivers, being surrounded by lighted lanterns. Men, women and children dance around them following the model of the professional dancers on the platforms.

The most famous dance in Japan is *Awa-odori* in Tokushima (in Shikoku Island). Here, almost each group of dancers has its own musicians. The comeliness of the dancing hands is specific of the Japanese.

Besides the professional dancers, there are women, men, and children dressed in short kimonos, called *hapi*. Their dances are more dynamic. After the parade of the dancers in front of the stands, the echo of the festival moves on to the streets, gathering young and old around the professional dancers and all of them do their best to keep to the rhythm of the dance.

On the last day of the festival, the souls of the dead are guided back to their world with light.

A festival that kept me in the streets for six evenings running – from August 2nd through the 7th – was *Neputa-matsuri* in Hirosaki (in Aomori prefecture). It takes place before harvesting and it originally aimed at getting over drowsiness lest it should affect agricultural activities. According to another theory, it originates in a huge lantern carried by itinerant musicians in order to entertain people so that they may put up more easily with the almost unbearable hot summer. In the beginning, the lanterns were carried on shoulders, but the competition between towns resulted in larger and larger lanterns which came to be carried on wheels. Nowadays they are lit inside and reach the height of eight meters and the width of fifteen meters in Hirosaki, and the height of twenty two meters in Goshogawara, near Hirosaki. The parade of the floats offers an impressive spectacle until late at night. The paintings on the walls of the floats – real works of art – feature mythological animals, legendary heroes, portraits of well-known actors.

Danjiri-matsuri in Kishiwada – Osaka, on September 14th, is an eye-arresting festival due to the intricate carvings on the outer walls of the *danjiri* (“parade floats”) which feature past fighting scenes and heroes, as well as animals. The *danjiri* weigh about four tons and reach up to almost four meters in height. The thick pulling rope is of about two hundred meters long and the pulling team is made of around one thousand people. The hauling through the town asks for strenuous effort and each person involved has his own responsibility, especially at turning corners. The sacred wands, *gohei*, at the top of the *danjiri*, which are considered to be channels for deities to use in order to come down and to participate in the festival, seem to keep a watch over the whole event.

Danjiri-matsuri starts at 6 o'clock in the morning with prayers for the safety observance of the festive event officiated at three important shrines in Kishiwada, and then the floats head for the central square of the town. Here there are prepared two thousand and eight hundred seats for the spectators, being considered the best place to see the procession of the floats. Done quickly to the beat of drums and shouts of the pulling team, corner turning is one of the most impressive elements of the festival. Inside each *danjiri* there are drummers, flutists, and personalities belonging to the respective parish.

The first parade through the town starts at 9:30 a.m. with the procession of children. From 1 to 5 there is another parade through Kishiwada. Afterwards, each *danjiri* makes for its own parish in order to be decked with about two hundred lanterns. At 7 o'clock in the evening all the lanterns are lit and the *danjiri* move

through the town again, at a lower pace, displaying their beauty against the dark sky.

On September 15th at 9 o'clock a.m. the floats enter one of the shrines, where they are purified, and then taken back to their permanent abode to wait for the following year's *danjiri-matsuri*.

The most famous agricultural festival is *Kanname-sai* at Ise-jingu. Ise shrine is made up of two compounds: Naiku, which dates back to the 3rd century, being dedicated to Amaterasu, the Sun Goddess, and Geku, which dates back to the 5th century, being dedicated to Toyoukehime, the Goddess of Cereals. It is forbidden to take photos of both the main pavilions and of the rituals, except for very few of them. For instance, the chest carrying the sacred rice from the storehouse to the place of offering rituals can be photographed only from the side, without including the priests in the long procession. The rules of the shrine are very strict.

The rice given as an offering to Amaterasu is grown in special paddy fields, under the direct supervision of the priests and of the staff employed on purpose. Vegetables are also cultivated on plots laid out on purpose. The plates and bowls are burnt in the kilns of the shrine and used only once. The *sake* is brewed of a special kind of rice. The food is prepared according to ancient methods over a fire kindled by rubbing two sticks against each other.

Kanname-sai starts on October 15th in the centre of Ise. The procession of floats advances slowly and quietly as if they didn't want to disturb the souls of the two goddesses waiting for the food offerings. After the purification of the spectators and the rituals of food offering given to the Sun Goddess, the bales of rice straw symbolizing the whole year's crop are carried into the precincts of the shrine and purified by a priest.

On October 22nd, at *Jidai-matsuri* ("the Festival of the Epochs"), Kyoto's history unfolds in the streets of the former capital in reversed order, namely starting with the Meiji Restoration in 1868, back to the Heian Epoch (794-1184), considered to be the most glorious period of Japanese culture. Over two thousand participants in the procession that reaches almost two kilometers in length display costumes, hair styles and accessories reminding of important events and personalities – such as shoguns, samurai, famous aristocrats, the forerunner of the *Kabuki* Theatre, as well as Murasaki Shikibu – the author of the first novel of the world, *Genji Monogatari*, that came out at the very beginning of the 11th century.

Kannazuki-sai ("the month without *kami*"), known at Izumo shrine as *Kamiari-sai* ("the month with all *kami* around"), celebrates in mid-November the gathering of the *kami* all over the country in order to decide upon the fate of marriageable young people. As the guardian deity at Izumo is Okuninushi, who is said to watch over

marriage partners, he must be taken advice of in this essential rite of passage. The rituals of sending the deities to Izumo are very impressive and they can't have lost their significance as long as there are still young people who visit their local shrines in order to pray to the guardian *kami* and to ask him to approach Okuninushi-no-mikoto for their destiny. Some of the minor *kami*, such as household guardians, are said not to go to Izumo since they are supposed to keep protecting the hearth, the garden tools, etc.

There are nineteen rooms in the precincts of Izumo shrine dedicated to traveling deities. As with any other traditional festival, *Kamiari-sai* starts with rituals of purification, goes on with lots of religious rituals, the meeting of the deities included, and ends with sending *kami* back to their permanent abodes.

On-matsuri at Kasuga shrine in Nara has been performed uninterruptedly since 1136. It is a festival which keeps unaltered all the Shinto rituals, songs and dances belonging to the historical periods it has covered.

It starts on December 15th, at the large temporary abode in the centre of the town laid out on purpose for the purification of the priests and the spectators one day before the descent of the deity among the parishioners. The purification is carried out with bamboo leaves dipped into boiling water. There follow the dances of the *miko* ("shrine girls") who shake the bells and the sleeves of their kimono in order to invite the *kami* down among the parishioners.

A procession of priests makes for the temporary abode in order to purify the way and to prepare the transfer of the deity from his permanent abode, where, meanwhile, the rituals of food offerings reveal mastery of gestures. The following day, there are other food, music and dance offerings till midnight, when the deity is transferred to his temporary abode in a thrilling atmosphere of mystery. At the light of the moon and of the log that has been kindled in advance in order to purify the way, the priests clad in white carry through the woods the sacred spirit covered with white cloth. After a night's rest, the deity and the spectators are entertained with all the traditional dances Japan has witnessed along the historical periods. Then, the sacred spirit is taken back to his permanent abode in the same mysterious atmosphere.

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There are hundreds of other stories that could speak about the lively rhythms of *matsuri*, about such heartbeats of the Country of the Rising Sun, which could fill up several volumes. The space being limited here, I can only point out again that the cultural model brought forth by the long tradition of folk beliefs is as fresh as ever. It

does not place Japanese spirituality in an obsolete past, but transfers it into new coordinates – actual and present – and renders conspicuous Japan’s cultural identity.

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**TOWARDS REFLECTIVE COMPARISON
—POLITICAL AND RELIGIOUS MOVEMENTS
IN JAPAN AND ROMANIA —**

Mitsuhiro Shimmen*

1.Introduction:Two mountain villages towards comparison

I have been occupied with the study of **Romanian Society and Culture** for just 30 years .I visited Romania for the first time in 1983 and have been many times in Romania.But it was in 1995 that I made first long fieldwork in village in Romania. In pararell, I have been occupied with studies in comparing various societies or countries from the political and religious point of view. I did not know at that time,but there must have been the reason why I had consciously or unconsciously chosen this village as the filedwork place.

As the factors which influenced my choice,I should point out the enviroment where I had spent in youth.I was born in a small mountain village in **Okayama** prefecture in West part of Japan. This village had mild and rich natural environment,but it was not a rich village.It belonged to the administrative unit which had 5000 population and is based on agriculture, commuting labor and so on. Main Religion in this village was Buddhism(Shingon Sect¹ and Souka Gakkai² as a secular group of Nichiren Sect³). Remarkable social problems are flux of population, people's aging ,lack of work places for young people and lack of solidarity as anywhere in coutryside of Japan. Especially,in my village religious division between established religions (Shingon sect and Shintoism)and new religion(Souka Gakkai) was influential. Soukagakkai was born in 1930's and especially came into law classes after the second world war.It also entered into my village and influenced some families and forced them to deny traditional customs around village shrine.

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¹ Shingon Buddhism is one of the mainstream major schools of Japanese Buddhism and one of the few surviving Esoteric Buddhist.

² Soka Gakkai (Japanese: 創価学会) is a Japanese lay Nichiren Buddhist movement. The movement was founded by educators Tsunesaburō Makiguchi and Jōsei Toda in 1930 as a lay organization belonging to the Nichiren Shōshū Buddhist denomination. Further expansion of the movement was led by its third president Daisaku Ikeda. While Ikeda has been remarkably successful in moving the group towards mainstream acceptance in some areas, the organization is still widely viewed with suspicion in Japan as a cult of personality centered around Ikeda.

³ Nichiren Buddhism is a branch of Buddhism based on the teachings of the 13th century Japanese monk Nichiren (1222–1282).

Because of this personal condition ,I might have chosen a small village in **Maramureş** in Northwest part of Romania as a anthropological fieldwork place in 1995. This village belonged to the community which had about 3000 population and of which the Industry was Agriculture, commuting labor and so on. Villagers' religions were Greek Catholic⁴, Orthodox, and some sects. Social Problems were also here poverty, flux of population, people's aging, lack of work places and various conflicts,especially religious conflicts.

Through my personal experiences, at first it seemed to be easy to understand the situation in village,but in fact there remained a lot of things difficult to understand because of the social and cultural differences between two countries.

I focused on religious phenomenon in my study several years since then and tried to explain the reason of conflicts of people in villages in relation to Romanian society,because conflicts among religious groups became obvious in Romania after the 1989 democratic revolution. For example, relations between the Romanian Orthodox Church and the Greek Catholic Church are strained. Leaders in both Churches are involved, as are believers in villages where both churches are present. This conflict has strained the collectivity of many villages and has divided communities into opposing groups. In addition, the number of sect followers has increased since the revolution, and this also a threat to the traditional collectivity of village communities.Through my study about Romanian villages, I reached the conclusion that the religious conflicts in village occured in the social conditions influenced by the politics and people's economic strategy.

Moreover, I found that religions and society in Romania had the deep interactive relations and the people's mentality which support religions was a important factor.It was necessary to realize this relationship and their mentality for the comprehension of Romanian culture and history. With these recognitions, I became more interested in the relation between Religions and Politics and the people itself. At last, it led me to compare Legionary movement with Ketsumeidan movement from political and religious point of view.

2.Comparison of political and religious movements in Japan and Romania

2.1.Historical similarities of two countries:Japan & Romania

The history of Japan and Romania has some similarities.Firstly, Meiji restoration in Japan was in 1868 and the unification of Wallachia and Moldova of

⁴ Or Eastern Catholic Churches are autonomous, self-governing particular churches in full communion with the Pope. Together with the Latin Church, they make up the entire Catholic Church. They preserve many centuries-old Eastern liturgical, devotional, and theological traditions.

Romania was in 1859. It means that starting point as the modern nation is approximative at the same time. Secondly, both countries experienced wars which responded the modern condition. Japan experienced Sino-Japanese war in 1894, the Russo-Japanese war in 1904 and 1st World War from 1914 to 1918. Romania experienced the Balkan war, and the 1st World War from 1914 to 1918 resulting the Unio of Transylvania with Romania in 1918. Thirdly, both were occupied by other countrie after the 2nd World War. Japan was occupeid by USA in 1945 and Romania was occupied by Soviet Army in 1945.

As for the modernization of two countries, the starting point of Japan was Meiji Restoration in 1868 (known as the Revolution, Reform or Renewal), a chain of events that restored imperial rule to Japan in 1868 under Emperor Meiji. Turning point was Defeat in Second World War in 1945 (known as the Pacific War), which brought transformation into a democratic state with a revised democratic Constitution of Japan, after the collapse of the Empire of Japan. Meiji Restoration accelerated industrialization in Japan and led to its rise as a military power by the year 1905, under the slogan of "Enrich the country, strengthen the military". Japan experienced three big wars, the Sino-Japanese war the Russo-Japanese war and 1st World War .

Democracy and Social crises lead Japan to Fascism. During the 1910s and 1920s, Japan progressed towards democracy movements known a 'Taishō Democracy'. Parliamentary government was not rooted deeply enough to withstand the economic and political pressures of the late 1920s and 1930s during the depression period. State became increasingly militarized, due to the increasing powers of military leaders. Anyone who has formed an association with altering the kokutai (Imperial regime), or the system of private property, and anyone who has joined such an association with full knowledge of its object, shall be liable to imprisonment with or without hard labor, for a term not exceeding ten years.

Political incidents lead to the loss of the liberty of speech and discourse. In the assassination plot in Japan 1932, wealthy businessmen and liberal politicians were targeted. The group chose 20 victims but succeeded in killing only two, former Finance Minister and head of the Rikken Minseito, Junnosuke Inoue, and Director-General of Mitsui Holding Company, Dan Takuma. The arrest of the assassins led to the discovery of the existence of a civilian ultranationalist group led by Buddhist priest, Nissho Inoue. The May 15 Incident 1932 (Goichigo Jiken or 5-15 Incident) was an attempted coup d'état on May 15, 1932 which brought the end of Parliamentary politics by assassinations. The February 26 Incident 1936 (Niniroku Jiken or the 2-26 Incident) was an attempted coup d'état on February 26, 1936 which caused Martial law.

Modernization in Romania had begun in middle of the 19th century. Heavily taxed and badly administered under the Ottoman Empire, in 1859, people's representatives in both Moldavia and Wallachia elected the same "Domnitor" (ruling Prince of the Romanians) : Alexandru Ioan Cuza. In an 1866 coup d'état, Cuza was exiled and replaced by Prince Karl of Hohenzollern-Sigmaringen, who became known as Prince Carol of Romania. In the 1878 Treaty of Berlin, Romania was finally officially recognized as an independent state by the Great Powers. In 1916, Romania entered World War I on the Entente side, after the Entente agreed to recognize Romanian rights over Transylvania, which was part of Austria-Hungary until that time. In May 1918, Romania did not try to continue the war, and negotiated a peace treaty with Germany. In October 1918, Romania joined the war again and by the end of the war, the Austro-Hungarian and Russian empires had disintegrated.

Governing bodies created by the Romanians of Transylvania, Bessarabia and Bukovina chose union with the Kingdom of Romania, resulting in Greater Romania. The Union of 1918 united most regions with clear Romanian majorities into the boundaries of a single state. However, it also led to the inclusion of various sizable minorities, including Magyars (ethnic Hungarians), Germans, Jews, Ukrainians, Bulgarians, etc., for a total of about 28% of the population (Magyars mostly in Transylvania; Germans in Transylvania, Bukovina, and Banat; Ukrainians in part of Bessarabia and Bukovina, Bulgarians in Dobrudja).

Two periods can be identified in Romania between the two World Wars. From 1918 to 1938, Romania was a liberal constitutional monarchy, but one facing the rise of the nationalist, anti-Semitic parties, particularly Iron Guard, which won about 15% of the votes in the general elections of 1937. From 1938 to 1944, Romania was a dictatorship. The first dictator was King Carol II, who abolished the parliamentary regime and ruled with his camarilla.

2.2. Points of view for comparison of two movements

Two representative political movements in Japan and Romania was Ketsumeidan movement and Legionary movement. The period of Ketsumeidan movement was from 1924 to 1932. The highlight of this movement was the assassination plot executed in 1932. Extremists targeted wealthy businessmen and liberal politicians. The arrest of the assassins led to the discovery of the existence of a civilian ultranationalist group led by Buddhist priest, Nissho Inoue.

On the other hand, the period of Legionary Movement was from 1927 to 1938. Originally founded by Corneliu Zelea Codreanu, in 1927, as the Legion of the Archangel Michael and was led by him until his assassination in 1938. Adherents to

the movement continued various changes of the (intermittently banned) organization's name until the collapse of the group by the attack of the general Ion Antonescu, Leader of Legionary nation.

Points of view for the comparison that I want to insist are (1) Historical significance of the movements, (2) Leaders' characters and inclination, (3) Leaders' mythical experiences, (4) Religious collaborators, (5) Organization, (6) Process of movements, (7) Social backgrounds, (8) Intellectuals around the movements, (9) Reasons of the breakdown of the movements, (10) Supporters' mentality. Among them, what I want to compare especially are (3) Mythical experiences (Nissho Inoue and Ion Codreanu), (4) Religious collaborators, (8) Intellectuals around the movements (Nichirenism network in Japan and Nae Ionescu, Mircea Eliade, Emil Cioran, Constantin Noica, Iugen Ionesco etc. in Romania), (10) Supporters' mentality. These themes came from the interests in my study until now.

I will discuss each point briefly following the works about Ketsumeidan of Ootani [Ootani 2001, 2010] and the works about Legionary Movments of Sumiya and Fujishima [Sumiya 1994, Fujishima 2012]

Firstly, I discuss about the leaders' mythical experiences. The leader of Legionary movement, Codreanu was imprisoned on October 8 in 1923 because of the plot of assassination. The thought of Codreanu (Legionarism) was inspired in this prison. Codreanu was awakened by the mythical experience, Appearance of Angel Michael. It has symbolic meaning in the Christian world. Statue of Michael was sometimes put on the mountain or building because of the image of defender.

The political activities of Codreanu fighting against Jews which was brought by his mythical experience became more religious-oriented and entered into the new steps. He was occupied with the new task to elaborate the Romanian ethnic morality and spirituality as well as to overcome the politicians' corruption. Such a spiritual and serious aspiration for new man attracted the intelligentsia like Eliade, etc.. Codreanu prayed every morning in the chapel of prison and took the Icon of Archangel Michael as the symbol of his activity. Besides, he founded the cross brother group and did various activities through this group.

The leader of Ketsumeidan, Nisshou Inoue, went to China for searching the meaning of life. But he came back from China in vain and found the hatred against the contemporary Japanese society. He went home to dissolve the agony which he had had since his childhood through the meditation in the small cabin from 1922. His hardship did not disappear and grew much more. At last, he remembered the dream during his stay in China and began to repeat loudly *Nammyouhourengekyou* (Buddhist prayer). He continued this saying everyday with the fear of madness. But

he had the decisive experience finally. He cried Nisshou with no intention. His body was filled with the extreme joy and lightening. He found that every problem was dissolved at that moment.

Both mythical experience had the different religious customs and practices according to Christianity and Buddhism, but seems to be the same character as the shamanic transformation brought by the trans experience. Miracles were seen in the Legionary movement and supernatural things were told in the Ketsumeidan movement. Nissho was said to have healed many people. The differences between them is that the case of Codreanu is the type of prophet in the tradition of Juda-Christianism and that the case of Nissho is the converted experience seen in the founder of Japanese new religions.

The most important colleague for Codreanu who had the mythical experience was Mota. He was born in 1902 and became a leader of student movement at university in Cluj. In Legionary movement, he led the Orthodoxy and anti-Judaism. He was known for the translation of Old Testament and participated the Legionary volunteers of General Cantacuzino in Spanish civil war. But he died in war. His death redirected the policy of Legionary movement from the parliamentarism into the religious-oriented movement. A lot of people were influenced by him and joined the Legionary movement. Among them there were many orthodox priests who hesitated to join before his death.

As for the religious tendency of Ketsumeidan, the man whose name was Furuuchi and who got contact with Nissho first and became subleader showed the religiosity. He was a man who had agony, too. He was born in 1901 and graduated the educational school and became a teacher at elementary school. He asked himself why he was born and what is the purpose of life. He became sick until 1928. During his effort to recovery, he was impressed with the personality of Nichiren and dogma of Hokke kyo. Besides, he read the book of Chigaku Tanaka (1861-1939) and found the light of Life. He continued reading and became believer of Nichiren.

The personality of Codreanu attracted many intellectuals including Nae Ionescu, professor of Bucharest university and Eliade. One of the group admiring Codreanu was the people who gathered at the journal Axa including Vasile Marin, Radu Gill. Codreanu became friend with them and was influenced by them. As a result, Legionaries became a sophisticated political group. Another group Criterion was found by Mircea Eliade, Mircea Vulcanescu, Mihail Sebastian, Dan Botta, Constantin Noica. Both groups had common features that they are anti-semitism, right wing, irrational philosophy, disciples of Nae Ionescu who supported Legionaries by his death. His influence was extremely strong on elites in Bucharest in relation to Legionary movement.

In Japan, it was the Nichirenism⁵ by Chogyu Takayama (1871~1902) and Nichirenism network by intellectuals that contributed the spreading of Nichirenism in Japanese society at that time when Nisho's movement developed. The thought of Takayama who was influenced by Chigaku Tanaka was summarized in the book by Masaharu Anesaki (1873~1949) and became first step for spreading of Nichirenism from Meiji era. Honda found the society to study the book of Nichiren. There were Chigaku, Ryouzan, Anesaki, and so on. The number of members was 49 and was increased into 120 next year. Their profession included bureaucrats, officers, prosecutors, educators, doctors, journalists, businessman, artists, writers. Nissho Honda (1867–1931) organized them into the network. Nichirenism network and Nichirenism association became the social basement of spreading the Nichirenism.

Finally, I discuss the people's mentality. It is related to the social background of the movements. Both movements are based on the naive villagers mainly. But in fact intellectuals were the group who had done political activities. From the social point of view, villagers were the conservative existence politically, but it connected intellectuals' emotion and political movements. Intellectuals had the illusion that they could save the poor miserable villagers. But villagers did not understand what intellectuals preached to them.

3. Conclusion: Towards reflective comparison

Finally, I try to summarize the meaning of the comparison which I tried in this paper. I follow the discussion of some anthropologists [Deguchi 2006, Kurita 2006].

Comparison as a method of anthropology is specific to the social sciences in 19th century. But, of course, comparison has been the universal and general attitude in the intellectual activity of human being.

Among them, anthropology assumed commonality of human cultures (identity of human mentality). Besides, anthropology in 19th century divided culture into various elements and tried to compare each element. On the contrary, anthropology in 20th century criticized this method as elementalism and evaluated the systemicity of culture and clarified the relation among cultural elements.

Methodologically, comparison is operation which deals differences on the assumption that common parts can be found in objects by comparison. The possibility of controlling the factors for comparison is believed, but limiting the

⁵ Nichirenism is the term invented by Chigaku Tanaka who belongs to the Kokucyukai in 1901. It is the modern nationalistic and comprehensive Buddhism thought which came from the traditional Nichiren Buddhism reinterpreted and reedited. The idea or dogma of Nichirenism spread in Japanese society by Chigaku Tanaka and Nissei Honda. It influenced on intellectuals, students, women, officers, and people in middle class. [大谷2010]

foactors is criticised because it ignores the each cultural and social context. On the contrary, if the factors are limited according to the area, it is criticised as just a area study.

Next choice of dealing differences is reductionism, which try to understand the difference with the similarities. But it is criticized as ignoring the originality of cultures. On the other hand, relativism, which try to understand the difference with the difference is criticized as totology or lacking of scientific correctness. That comparison is lacking the method is not changeable since 19th century to 20th century.

Nevertheless, we try to understand other cultures according to the cultural categories that we have. The famous sociologist Max Weber who studied the methodology very deeply tried to realize the differences between western world and non western world by using the concept of ideal types. He thought the ideal types is not the concrete entity, but the manipulating concept. If we follow his discussion, comparison is work to find new things in the ordinary objects which can be thought as easy to understand. The important thing is not saying similar or unsimilar, but finding the unexpected things in other cultures by reserving the consciousness of limit of understanding.

Another problem is the attitude of observers who compare the cultures. Comparison is a way of understanding the Others and, at the same time, is the trial of finding something new in the objects that we deal with, as we discussed. Originally, the task of anthropologists is interpreting the Other Cultures. It means that they tried to understand the other cultures and translate the Cultural phenomenon by using the framework of their own cultural categories. So, for anthropologists, comparison is necessity at any time. But comparison is the arbitrary operation because it need selection of factors to compare. There must be the intuition or the interest before selection of the factors for comparison. The intuition or the interest came from the observers' total personality or experiences who are trying to compare the objects. As a result, the observers have to know their tendency or bias to compare cultures before or through comparison.

Discussion come back to political movements in Japan and Romania. Anybody can notices the similarities between Ketsumeidan and Legionary movement as I pointed out. But just similarities can not tell the meaning of both movements. Before anything, we have to fix the point of view and verify our sense of value. So, when we try to compare, we have to be keenly conscious of our intentions and motivations. By limiting the purpose of comparison, we could get the meaningful results.

In my paper, I tried to follow the reason why both countries had taken the road to the fascism. In history, relation of causes and results is not so clear. Some kinds of events brought the affairs into reality by chance. One can not find the

decisive cause of affairs, but we have to search the factors which bring realization of event for the explanation according to our intention.

Summary

The experiences of fieldwork in Romania and the experiences in my childhood led me the comparison of mountain villages in Romania and Japan. The further recognition of the reality about Romanian society made me to study politics and religions in two countries.

Ketsumeidan in Japan and Legionary Movement in Romania represents the radical right wing political and religious movements in interwar period in both countries. Ketsumeidan led by Nishho Inoue assassinated politician and businessman and was dissolution. Legionaries led by Ion Codreanu did assassination at first, but later developed parliamentary activities in vain.

Comparison of leaders' personality, religious tendency of members, intellectuals around the movements and the mentality of people are very attractive themes for me because of my interest in my study.

Comparison could be sometimes seen as arbitrary. Because one can compare what he wants to compare, the expected conclusion is fixed before comparison. So, we have to limit the factors to compare and reflect observers' prejudices when we compare. We have to discover something new instead of saying similar or not similar.

In the case of my trial, we can find the limit of the choices of political direction in interwar period for any countries influenced by the modernity.

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SŌSHOKU(KEI) DANSHI: THE (UN)GENDERED QUESTIONS ON CONTEMPORARY JAPAN

Raluca Nicolae*

Abstract

Japanese civilization has been challenged by social, economic and cultural upheavals that caused the young men to question the patriarchal roles they had to play in society.

The nowadays generations are slowly losing their sense of masculinity or trying to get rid of the heavy, ostentatious maleness. Consequently, new types of gendered identities have been assumed in the past years: femi-otoko-kun (the smooth skinned, slim, feminine boy who displays growing aesthetic tendencies) in 2000, Akiba-kei (the otaku boys in Akihabara district in Tokyo with a strong interest in fantasy world, anime, manga, idols and games as part of a techno-subculture) in 2005 and the relatively recent sōshoku(kei) danshi (herbivore men/grass eating men) in 2010. The term was first coined by Maki Fukasawa in a series of articles in the Nikkei Business online website in October 2006, but it was not until 2009 that the term really took root. The sōshoku(kei) danshi is a young man (in his 20s of 30s) who earns little, takes a keen interest in fashion and appearance and believes in platonic relations among men and women. This phenomenon is regarded by the Japanese government as a possible cause in the nation's declining birth rate, motivating the government to provide incentives for couples that have children, including payouts and free health care. Whereas in other foreign countries men might become frustrated or even antisocial, the sōshoku(kei) danshi is the Japanese response to the tremendous social pressures: he chooses not be bothered by romantic relations or work responsibilities, he is not assertive or goal-orientated and carrier is not among his top priorities. In other words, the old archetype of puer aeternus is now restored in the psyche of young Japanese generation.

“Don't grow up. It's a trap” are Pater Pan's words that invoke the juvenile psychology, warning us of the dangers of becoming an adult and thus, being trapped in the clockwork of society, with full responsibilities, dull duties and rigid roles to fulfill. But the “trap” of adulthood can sometimes be avoided, or, at least, delayed and the longer the postponement, the greater the carefree joys of everlasting games, non-commitment and relief.

The reluctance of growing up has been defined by the psychologists as the *puer aeternus* paradigm for selfhood. In *Metamorphoses*, Ovid addresses the child-god Iacchus as *puer aeternus*, praising him for his role in the Eleusinian mysteries. Later on,

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the child-god was identified with Dionysus, god of wine, vegetation and resurrection or with Tammuz, Attis and Adonis, the oriental gods of divine youth. *Puer aeternus* stands for eternal youth and in psychology points to a person who remains too long in the adolescent stage and is afraid to be bound to anything, to be pinned down or to be caught in a situation from which it may be impossible to slip. This feeling primarily touches on the fear of entering time and space completely. Manifesting a rather strong mother complex, the *puer aeternus* longs for the maternal woman who will satisfy his every need, but the girlfriend is never quite the right woman: she is nice, but –. There is always a “but” which prevents marriage or any kind of definite commitment. (von Franz, 2000, pp. 7-8).

In his paper *An Aspect of the Historical Psychological Present*, James Hillman identifies two polarities: *puer* (young age) and *senex* (old age); *puer* is potential and *senex* is experience, or the wisdom that should accompany experience (Hillman 2005, p. 35). At society level, *puer* is the element of chance and the embrace of change while *senex* is the accumulated wisdom of culture as embodied in its institutions and laws (Jensen, 2009, p. 6).

In the Yasujirō Ozu’s film *Tokyo Story* (1953) two old friends, the protagonist, Shukichi Hirayama (starring Chishū Ryū), and Sanpei Numata (starring Eijirō Tōno), meet in a bar and take up the *senex* roles. They talk about the young generation, openly, expressing their disappointment with the fabricated success of their sons. Their high expectations for the younger generation forecast the winds of change that are to come.

Sanpei Numata: I’m afraid we expect too much of our children. They lack spirit. They lack ambition. I’ve told that to my son. He said that there are too many people in Tokyo. That it’s hard to get ahead. What do you think?

Shukichi Hirayama: But Numata...

Sanpei Numata: You don’t agree with me? You’re satisfied?

Shukichi Hirayama: Of course not, but -

Sanpei Numata: You see? Even you’re not satisfied. I feel so sad. [...]

Shukichi Hirayama: However, until I came up to Tokyo, I was under the impression that my son was doing better. But I’ve found that he is only a small neighbourhood doctor. I know how you feel. I’m as dissatisfied as you are. But we can’t expect too much from our children. Times have changed. We have to face it.

Indeed, times have changed. Kenneth Henshall highlights the sense of lost masculinity in the younger generation by contrasting it to the post-war hardworking type, perceived as a latter-day samurai:

Though younger males in Japan may not be in decline numerically, they are in serious decline spiritually in the view of many older Japanese males. The disciplined hardworking types in the immediate postwar period, the supposed latter-day samurai whose selfless efforts helped Japan rise to superpower status, despair that they are being succeeded by a generation of weak and selfish wimp. Women for their part, seem to send mixed signals to the new male. (Henshall, 1999, p. 2)

In the meantime, a whole range of masculinities emerged to challenge the patriarchal values of the past. For instance, the *femi-otoko-kun* phenomenon heralds the particular type of “in-between” sexuality that seems to appeal to a certain feminine audience. The word derives from the English loan word “feminine” combined with the Japanese word for man (*otoko*) and *-kun* (Mr.), the respectful title used when addressing to a man, and it can be roughly translated as Mr. Feminine Boy. *Femi-otoko-kun* refers to boys with smooth skin rather than hairy males, kind boys rather than hard or strong men, slim boys rather than muscular men (Castro-Vasquez, 2007, p. 61). Furthermore, young men gradually realized that the male way of living in the labour market was more monotonous and oppressing than the female way of living as human rapport and kindness were about to be discarded from male culture (Itō, 2010, p. 177).

Another “in-between gendered term” is *bishōnen*, meaning “beautiful teenager”¹ in Japanese; it refers to a style of depiction of male characters in *manga* for adolescent girls. The character *bi* means “beauty” and can be found in a series of phrases such as *bijin* (beautiful woman), *bichūnen* (beautiful middle aged man), *biseinen* (beautiful young men)² and *bishota* (a beautiful, pre-pubescent male child). *Bishōnen* are slim, with huge eyes and features recognizably male, but nearly as delicate and beautiful as a female character, their unparalleled beauty transcending the boundaries of gender or sexual orientation. Although the term has deeper roots in the Japanese culture, it gained popularity in 1970 due to the androgynous rock bands, a strong manifestation of Japanese pop culture. In 1848, the writer Bakin used the word in a title of a book about the young, effeminate partners in the homosexual romances in the Edo literature, but by that time the term was in common usage because of the Yoshitsune³'s roles in Kabuki theatre often played by *onnagata* (male actor of female robes). In 1954, Tezuka Osamu began the serialization of *Ribon no kishi* [Princess Knight] in which the heroine, princess Sapphire, had both a male and a female heart

¹ Boys under 18 years old (middle and high school age)

² Men who are of age, including those who have entered or completed higher education

³ Minamoto no Yoshitsune (1159-1189) was a general of the Minamoto clan in the late Heian and Kamakura period. A brave and skilled swordsman, he was also famous for his slender almost feminine beauty and his military leadership.

and was prepared to fight and dress like a man if the situation required (Buckley, 2002, pp. 45-46).

In 1980s another slang term referring to a certain type of Japanese masculinity, Akiba-kei, (Akihabara⁴ style) started to be used. The Akiba-kei exploits another feature of *puer aeternus*: the eternal fascination with games and sports and it refers to men who have a keen interest in video gaming industry, *anime*, *manga* or electronics. Many of the shops in Akihabara are run by Akiba-kei in *cosplay* and offer a wide variety of goods and services: from ornamental weaponry to unconventional or innovative foodstuffs.

The word *otomen* is a pun made of the Japanese word *otome* (young lady, mistress) combined with the English word “men”. The “history” of *Otomen* officially began in 2006, when the *manga* artist Aya Kanno designed a romantic comedy *manga* called *Bessatsu Hana to Yume*, which concluded in 2012. The main character, Asuka, is a *otomen* who excels in *judo* and *karate*, but tries to hide his love of sweets, cute things, cooking, *shōjo manga* and sewing, that might reveal his *anima* side. The series have been later adapted into a live action TV drama that puts forward a funny protagonist with feminine hobbies (cooking, sewing and cute things).

Femi-otoko-kun, *bishōnen*, Akiba-kei or *otomen* could be considered several possible cultural antecedents that led to the emergence of *sōshoku(-kei) danshi* (the herbivore man/grass-eating man). The word was first coined by Maki Fukasawa in an article called *U35 Danshi Māketingu Zukan* [U 35 men Marketing – An Illustrated Guide]⁵ posted on the online magazine *Nikkei Business* in October 2006, but it was not until 2009 that the term really took root and began to be used widely. In December of 2009 it made the top ten list of nominees for the “Buzzword of the Year” contest sponsored by U-CAN and has changed the way people look at young men (Morioka, 2013, p. 1). *Sōshoku danshi* are young men who are not assertive in relationships (although they do care about romance and sex) and are not aggressive in their romantic conquest (which does not mean that they are unpopular with women). They could spend a night with a woman without having engaged in any sexual activity. In the TV interview *Imadoki no wakamono wa uchimuki de sōshoku na no*

⁴ Akihabara is a major shopping center for household electronic goods in Tokyo, considered to be the techno-cultural center for people interested in video games, *anime*, *manga* and computer goods. In early 2008, a project was undertaken to merge some aspects of Akiba-kei culture with Shibuya-kei (Shibuya style), Japan’s chic internationalist music, fashion and design movement that began in Japan in the 1990s. The result was a bold combination between the highest technology and the latest fashion trends. (<http://en.wikipedia.org/wiki/Akiba-kei> retrieved on 10.06.2014)

⁵ <http://business.nikkeibp.co.jp/article/skillup/20061005/111136/?rt=ncnt> retrieved on 12.06.2014

ka [Are the nowadays young men introverts and herbivore?]⁶, Maki Fukasawa explained that she coined the word *sōshoku danshi* because she associated it with the dietary practices of the Buddhist monks who refrained from eating meat and that the word was primarily intended to express the idea of high spirituality (*seishinsei ga takai*).

Various terms have arisen to define consumers by what they eat. A herbivore (*herba*, meaning plant in Latin and *vora*, from *vorare*, meaning to eat, to devour) is an animal adapted to eating plants therefore it has a lower rank in the food chain because it finds food almost without effort and it does not have to hunt and kill its prey. The food is within grasp. The metaphor of *sōshoku(-kei) danshi* refers to a placid, non-assertive person with low-survival instincts who has almost no interest in fleshly desires (including sexual intercourse). The *Story of Ferdinand*, written by Munro Leaf and adapted by Walt Disney into a short animated film called *Ferdinand the Bull* (1938, Academy Award for Best Short Subjects, Cartoons) depicts a bull that would rather sit and smell flowers than fight, giving prominence to the delicate relationship between placidity, tranquility and happiness.

Yet the world is not always for the happy-go-lucky people, the peaceful grass-eaters, motivated by few, modest desires and needs. In Tim Burton's *Sweeney Todd, The Demon Barber* (2007), Sweeney Todd (starring Johnny Depp) kills his first victim, Pirelli – the barber who recognized him under his guise – and then muses about the way of the world while chatting with Mrs. Lovett (starring Helena Bonham Carter), a genius of recycling.

Sweeney Todd: For what's the sound of the world out there?

Mrs. Lovett: What, Mr. Todd, what, Mr. Todd, what is that sound?

Sweeney Todd: Those crunching noises pervading the air?

Mrs. Lovett: Yes, Mr. Todd, yes, Mr. Todd, yes, all around.

Sweeney Todd: It's man devouring man, my dear, And who are we to deny it in here?

⁶ Fukasawa Maki, Interview *Imadoki no wakamono wa uchimuki de sōshoku na no ka? 01*, "Business Breakthrough Ch. Business Breakthrough Inc.", 12/09/2012. <http://bb.bbt757.com/about/>; <http://www.bbt757.com/svIBOS/user/airsearch?query=%E3%82%A4%E3%83%9E%E3%83%89%E3%82%AD%E3%81%AE%E8%8B%A5%E8%80%85%E3%81%AF>; retrieved on 26.05.2014

⁷ "All the other bulls who had grown up with him in the same pasture would fight each other all day. They would butt each other and stick each other with their horns. What they wanted most of all was to be picked to fight at the bull fights in Madrid. But not Ferdinand- he still liked to sit just quietly under the cork tree and smell the flowers". (Munro Leaf, *The Story of Ferdinand*, New York, Puffin Books, 2011)

Sweeney makes quite clear that we live in a “man devouring world”, ruled by a predator-prey dynamic, where *homo homini lupus* is the only law that applies. Both the way of the world and the *sōshoku(-kei) danshi* are defined by metaphors involving eating and consuming, but their vectors seem to move in opposite directions.

Scholars working on the issues of consumption have noted the close linkage between consumption and morality. “Almost every aspect of consumption is laden with moral value and meaning, so that attitudes and values towards consumption are shaped by moral and often religious values. Eating as a metaphor puts the human at the center, with the impersonal forces of the economy and nature providing the fuel and carting away the waste” (Wilk, 2004, pp. 11-12). Revealing unexpected similarities with their referent, the eating metaphors actually gave birth to many other classifications, applying to the plural masculinities within Japanese society⁸:

- ***nikushoku danshi* (carnivorous men)** refer to men who are active in seducing women. Young Japanese women are said to be attracted to this type of guy whom they find strong and reliable.
- ***sōshoku danshi* (herbivore men)** are passive types who are shy about relationships. Many do not have a girlfriend and are content just to be friends.
- ***gyoshoku danshi* (fish-eating men)** are not as aggressive as *nikushoku danshi*. They tend to be very patient and will wait until the woman they are attracted to starts to love them. They are usually smart and calm. There are various sub-categories for *gyoshoku danshi*, men who have bit of a wild streak are called the “grilled fish with salt type”; men who think of themselves as all-knowing are the “*teriyaki* type”; men who are patient are the “boiled fish type”; while the narcissists are the “Meuniere type”
- ***rōru kyabetsu danshi* (rolled cabbage men)** look like *sōshoku danshi* and have a low-key fashion style and appearance (they like to wear cardigans and sneakers). However, their personality is actually *nikushoku danshi*, like a

⁸ Besides the eating references encompassed in the expressions referring to Japanese men, there are further categories such as: ***rikei danshi* (science men)** think things out logically like scientists; ***biyō danshi* (beauty men)** are fastidious about their hairstyle and skin; ***karucha danshi* (culture men)** are defined as bookworms, like indie films and minor things, they are not good in public, and care about their individuality; ***fashon danshi* (fashion men)** are narcissistic and love brand new trends and rare items; ***ryōri danshi* (cooking men)** are defined as perfectionists, and love to cook meals or prepare *bentō* (boxed lunches); ***auto doa danshi* (outdoor men)** are fond of outdoor activities and being in touch with nature; ***otaku danshi* (geek men)** are maniacs about their hobbies and pay little attention to their appearance; ***otomekei danshi* (girly type men)** have a neutral appearance, are mild-mannered and love sweets and pretty things, just like a girl. (<http://www.japantoday.com/category/lifestyle/view/from-carnivores-to-herbivores-how-men-are-defined-in-japan> retrieved on 14.06. 2014)

hamburger in a cabbage roll. When women get close to them and they go out for a drink together, the men turn into *nikushoku danshi*

- ***kurīmu danshi* (creamy men)** have a sweet smile, beautiful skin and mainly black hair. They are hard workers, care about a woman's feelings. They are good listeners and give good responses. Though their appearance is soft and sweet, they have a masculine personality also, so they can be relied upon to support women if something happens. They “heal” women like sweets, hence the term *kurīmu danshi*⁹.

The act of eating could be rather ambiguous because it draws a thin line between necessity and luxury, the needs-driven, and the wants-driven. It is a biological activity, triggered by hunger, as well as an act of volition, cultivating our tastes to the status of an art. In eating we must all face the boundary between nature and culture, and recognize that we have both basic needs and aesthetic pleasures in the same activity (Wilk, 2004, p. 23).

Another Japanese scholar who took up the issue of *sōshoku danshi* was Masahiro Morioka who published a book entitled *Sōshoku-kei danshi no ren'aigaku* [Lessons in Love for Herbivore Men] (2008). Designed by Inio Asano, the cover picture, representing a skinny young man wearing black-rimmed glasses and a loose-fitting shirt with horizontal stripes ended up in influencing the image of *sōshoku danshi* in general. The aim of the book was to provide guidance to kind-hearted young men who are late bloomers when it comes to love (Morioka, 2013, p. 5). Actually, the first features of the herbivore men were chiefly connected with their love life. In a later paper published in 2013, Morioka enumerated the advantages and disadvantages of becoming romantically involved with herbivore men: 1) herbivore men place a low priority on sex and thus will not use a woman for her body, 2) they are interested in the human qualities of a woman such as how pleasant and interesting she is, and 3) when it comes to romantic relationships they desire stability; the disadvantages are 1) romantic relationships develop slowly, 2) the standards they use when choosing a female partner are difficult to understand, and 3) you cannot expect a dramatic, passionate romance (Morioka, 2013, pp. 3-4).

At the end of 2008, the Japanese magazine *DIME*¹⁰ interviewed Megumi Ushikubo, a marketing researcher, and Masahiro Morioka on *sōshokukei danshi*. At the

⁹ *From Carnivores to Herbivores: How Men are Defined in Japan*, “Japan Today”, 16/02/2012 <http://www.japantoday.com/category/lifestyle/view/from-carnivores-to-herbivores-how-men-are-defined-in-japan> retrieved on 14.06. 2014

¹⁰ *Hyottoshite anata mo!?* *Chūmoku sareru shinjinshu* <*sōshokukei danshi*> *ga fueteru tte honto!?* (1), “DIME”, 23/2008 <http://xbrand.yahoo.co.jp/category/lifestyle/2035/1.html> retrieved on 20.05.2014

beginning of the article, the readers could determine their own “herbivore level”, by checking a few typical features of *sōshokukei danshi*:

- ✓ don't understand the appeal of combative sports
- ✓ when drinking out with friends / colleagues they often drink *oolong* tea instead of alcohol
- ✓ when someone confessed their feeling to them, they would definitely seek advice in that matter
- ✓ enjoy reading comics for young women
- ✓ even when staying at a woman's place (or vice versa) they do not necessarily initiate anything sexual
- ✓ always check for new items at the *konbini* (convenience store)
- ✓ have a reserve of sweets at work
- ✓ talk to their parents at least once a week

As the concept gained popularity, the media tried to explain and categorize the *sōshokukei danshi*. In 2009 *Yomiuri Shinbun*¹¹ wrote a report, generalizing the features of the *sōshoku danshi*. Their image came to encompass their approach to love and relationships, money and ecology, their looks and taste in food, drink and literature. Therefore, a herbivore man

- prefers his favorite drink over a beer
- is slim and does not eat much
- loves sweets
- is fashion conscious
- is enthusiastic about ecology
- has a good relationship with parents
- is inseparable from its mobile
- splits expenses even for hotels .

In 2010 *Sōshoku-kei danshi* movie was released in pair with another one, *Nikushoku-kei joshi* [Carnivore Women]. The name of the protagonist (starring Hiromi Sakimoto), a sensitive 23 year old web designer, was carefully selected to suggest, from the very beginning, a herbivore man: 草野羊一 Kusano Yōichi [Grassfield One-sheep]. The trailer presents Yōichi in several hilarious life situations, each of them tagged with a brief conclusion. First, he is being interviewed in a park while walking with a girl and he answers in a reassuring voice: “we are not together; we are just friends”. Another scene is set in his bedroom where he prepares to sleep on the floor while a girl sits up in the bed nearby, looking puzzled as he replies:

¹¹ <http://archive.today/Qw65W> retrieved on 30.05.2014

“don’t forget to switch off the light before going to bed”. The scene is tagged: “a man who does not do anything inappropriate even if he spends the night with a girl”. In another situation he answers promptly when his advice is required on a matter of dieting. The scene is labeled: “a man who seldom turns down the women’s invitation to drink together”. Moreover, in a bar he is the only one who toasts with orange juice, while his mates are drinking beer. The cut scene is tagged consequently: “a man who orders orange juice”. After work, he declines the invitation of several colleagues to a night club because he feels uncomfortable in such a place. The label reads accordingly: “a man who is ill at ease in a *kyabakura*¹²”. Another situation shows Yōichi engaged in a lively conversation about sweets, enumerating all sorts of fancy deserts, but his female conversational partner seems to have no idea what he is talking about. The brief conclusion to the scene is: “a man who knows everything about sweets”. One sunny day he explains his friend how to sort out medicine in a pill box, leading to the conclusion: “a man who always has his portable pill box”. He is also very thorough, packing the sewing set, the dental care set, underwear etc. He is, therefore, “a man who has a lot of luggage”, as the label puts it. Some other day, Yōichi is engrossed in reading a magazine, while next to him a young girl, produces an undergarment, crying out: “brassiere!”. Yet he does not wince and keeps on reading. The scene is summarized: “a man with an unbelievable power of concentration when absorbed in something”. Another funny scene presents Yōichi shouting his lungs out on the top of his bed, as a young woman points at an invisible insect. The tag comments ruthlessly: “a man who cannot stand bugs”. Yōichi is also a saver because he collects coins in a daily ritual. The scene is tagged: “a man who knows how to save 500 yen coins”. Actually, all the above-mentioned tags summarize ironically the general opinion on *sōshoku-kei danshi* as a tenderhearted, shy, thrifty, young man who has a sweet tooth and who is not very pro-active about romancing and sex.

Sadly enough, the romantic relationships are apparently stalled for people in their 20s or 30s and falling in love with each other seems increasingly difficult for young Japanese. In a BBC interview¹³ in January 2012 a young Japanese man confesses that building a relationship takes too much effort. “To get her to like me or me to like her, I’d have to give up everything I do, for her. I don’t want to do that”. Nevertheless, one of the main reasons for not engaging in a romantic relationship might be the inborn shyness of the herbivore man, as well as his lack of self-esteem. Over centuries modesty and humbleness were common Japanese virtues, but now they seem to have somehow subverted the self-confidence in younger generation.

¹² A combination of cabaret and club (host and hostesses clubs).

¹³ <http://www.bbc.co.uk/news/world-16500768> retrieved on 11.06.2014

Generally speaking, the discourse around herbivore men have centered around two main polarities: on one hand, their lack of concern about romantic relationships and consequently, married life and, on the other hand, not caring about full-time employment and career. The hegemonic ideal, placing the man as husband, father and provider to his family, embodied in the term *daikoku-bashira* (lit. the central supporting pillar of the house) is no longer functional (Deacon, 2013, p. 146). Borrowing Tom Gills¹⁴ words the two pillars of Japanese social and economic stability – marriage and work – have started to evaporate.

Marriages rates in Japan are in decline, while alternative relationship structures (such as cohabitation without marriage) and singledom in middle-age are on the rise. Such ‘alternative’ relationships and bachelorhood are often heavily criticized, however. For man, the pressure to marry from their superiors in their workplace and from their families can be strong. As a result, younger people who have opted for such lifestyles sometimes hide this fact from their co-workers or even family members. (Deacon, 2013, p. 163)

In his book *Society Without the Father: A Contribution to Social Psychology*, written in 1963, Alexander Mitscherlich made a bleak prediction about a “fatherless society” in which real fathers or other structures that stand for paternal authority (secular and religious institutions) are going to be gradually ineffectual. It is perfectly true that his forecasting at that time referred to the Western world, but, nevertheless, it can be also extended to the Japanese society that started blaming the *sōshokukei danshi* for the declining birth rate, as a consequence of their reluctance to marry. In 2013, Japan recorded only 1.03 million births and it may lose one-third of its current population of 127 million by 2060, said the National Institute of Population and Social Security Research. By 2110, Japan is expected to have a population of only 42.9 million, which would be lower than the 50 million the country had in 1912¹⁵. Therefore, the “herbivorization” phenomenon motivated the government to provide incentives for couples that have children, including payouts and free health care¹⁶.

On the other hand, marriage and work are very much related in the Japanese society. Anne Allison puts it bluntly that a husband who does not work has no meaning in Japan (Allison 1994, p. 91). The transition from student to *shakaijin* (adult

¹⁴ Tom Gill, *When Pillars Evaporate. Structuring Masculinities on the Japanese Margin*, “Man and Masculinities in Contemporary Japan”, (ed. James Robertson, Nobue Suzuki), London, Routledge, 2005, pp. 144-161

¹⁵ <http://www.ibtimes.com/japan-encourages-young-people-date-mate-reverse-birth-rate-plunge-it-may-be-too-late-1562867> retrieved on 11.06.2014

¹⁶ <http://www.bbc.co.uk/news/world-16500768> retrieved on 11.06.2014

member of society) does not take place at his twentieth anniversary marked by the coming of age ceremony, but rather in his first day of full-time job (Deacon, 2013, p. 145). During the bubble period in the late 1980s large companies recruited from the high school leavers and university graduates, but the smooth transition from education to work was disrupted in the 1990s, when schools or universities could no longer provide job offers for their students. After the bubble burst in the early 1990s, the *salaryman*¹⁷ model crumbled and the features associated with this model, such as permanent employment and seniority-based promotions, became less appealing. The word *freeter*, coined in the late 1980s, referred to people who were not permanent employees and instead engaged in part-time or temporary work (Deacon, 2013, pp. 159-160). Affected by the economic downturn, most of the herbivore men became *freeters*, who declined any kind of duty to stick to rigid, traditional norms: “I have dreams”; “I do not want a job with lots of overtime”; “I do not want to drink with colleagues after work”; “I do not want to be a *salaryman*”. Instead they preferred more individualistic jobs such as hairdresser, yoga instructor, café waiter or clothing shop assistant (Deacon, 2013, pp. 136-137).

Another minor criticism of the herbivore men was their keen interest in their own appearance and their dislike in making expensive purchases, in other words, beautification and consumption. Herbivore men pay as much attention to their appearance as women and also make use of the accessories (rings, earrings, hair dye, barettes, oil-removal sheets etc.) (Morioka, 2013, p. 6). Laura Miller perceives the male beauty practices as part of the women’s validation of the opposite sex.

I believe that men’s beauty consumption is linked to two intertwined forces: it is informed by female desire, while it concurrently symbolizes resistance to the ‘*salaryman*’ folk model. The model of masculinity being opposed is age-graded, and is associated with an older generation of *oyaji* (‘old men’) de-eroticized by a corporate culture that emphasized a ‘productivity ideology of standardization, order, control, rationality and impersonality’. *Oyaji*-rejection also surfaces in women’s popular media, where we find expressions of derision and dismissal for old-style *salaryman* types. An emphasis on male appearance counters the *salaryman* reification of men as workers, while women appreciate these new styles because they are aesthetically pleasing and erotically charged. (Miller, 2005, p. 38)

Moreover, in 1999 young women answered several questions, ranking the most obnoxious things about the male body (*Rankingu Daisuki* 1999). The first five most detestable attributes, in descending order, were: 1) chest hair; 2) body hair; 3) leg hair;

¹⁷ A person whose income is based on a regular salary.

4) beards 5) fat body. (Miller, 2005, p. 42). Hence, “the masculine beauty contests” became, more or less, a prerequisite for getting women’s attention.

As a counterattack, older male commentators on TV made their move and expressed their concern for the future of Japan that had to face the emergence of herbivore men who were “too sissy to be considered real men” (Morioka, 2013, p. 6) and who lead selfish lifestyles rather than living for the sake of a company or a family. This is how, little by little, *sōshokukei danshi* have acquired pejorative connotations and started to be blamed for impacting the economy negatively because they rather concentrate on smaller, aesthetic treatments and items, thus the poor consumption rate. Indeed, herbivore men could not afford a car, in contrast with their fathers’ generation whose *status quo* was determined by the fact of owning a car, *maikā* (my car). In 2008 the sales of cars dropped in Japan, and both the media and industry representatives were in the need of a scapegoat. They blamed the new generation of *sōshokukei danshi* for the low sales; and shortly after that, the decreasing sales of alcohol and other goods became their fault too, as a result of their frugal lifestyle. Maki Fukasawa explains that young men are now spending their money on more practical things, such as rice cookers, while their fathers’ generation purchased “show-off products” (*mie shōhi*), just to display their social status¹⁸.

A large proportion of what we now understand as the *sōshokukei danshi* is actually a media construct. Framed in sensationalist contexts by a range of newspapers, magazines and television shows, some features of *sōshokukei danshi* gradually shifted away from Fukasawa’s main ideas concerning the lifestyle and values of the new generation. It comes to no surprise that the media would focus only on the spectacular aspects of this social phenomenon, reporting new fashion trends as men’s bras¹⁹, men’s skirts²⁰, young men’s new-found fondness for desserts²¹ or

¹⁸ Fukasawa Maki, Interview *Imadoki no wakamono wa uchimuki de sōshoku na no ka? 01*, “Business Breakthrough Ch. Business Breakthrough Inc.”, 12/09/2012. <http://bb.bbt757.com/about/> ; <http://www.bbt757.com/svIBOS/user/airsearch?query=%E3%82%A4%E3%83%9E%E3%83%89%E3%82%AD%E3%81%AE%E8%8B%A5%E8%80%85%E3%81%AF> retrieved on 26.05.2014

¹⁹ Maeda Toshi, *Bra for the boys an online bestseller in Japan*, “Reuters”, 21.11.2008, <http://www.reuters.com/article/2008/11/21/us-men-bra-idUSTRE4AK20620081121> retrieved on 16.06.2014

²⁰ Maya Kaneko, *Some men swapping pants for dresses*, “The Japan Times” 24/05/ 2010, <http://www.japantimes.co.jp/news/2010/03/24/national/some-men-swapping-pants-for-dresses/> retrieved 16.06.2014

²¹ Louisa Lim, *In Japan, 'Herbivore' Boys Subvert Ideas Of Manhood*, “NPR” 25/11/2009, <http://www.npr.org/templates/story/story.php?storyId=120696816> retrieved on 16.06.2014

Japanese men sitting down on the toilet to urinate²². While the importance of such news is blown out of proportion, it shows the underlying trend to focus on things that would make the *sōshoku(kei) danshi* look “unmanly” by associating their behaviour with typically feminine traits, while also comparing them to the more traditional masculinity of the *salaryman* (Nemeth, 2014, p. 52, 55)

The need to challenge the cultural construction of masculinity has been an imperative of gender-sensitive research as well as of cultural studies. In his book *Masculinities and culture*, John Beynon differentiates between the discourses of maleness, centered on the physiological differences and those of masculinity, perceived as a complex set of cultural constructions (Beynon, 2002, p. viii). Masculinity is therefore shaped by factors such as class, ethnicity, age or sexuality. Within the matrix of masculinity, we should make further distinctions between ‘masculinity-as-experienced’, ‘masculinity-as-enacted’ and ‘**masculinity-as-represented**’, the latter referring to depictions of what it is to be a man in media texts (such as films, literature, magazines, advertisements and television) (Beynon, 2002, p. ix), as in the case of *sōshoku(kei) danshi*. According to this approach, the so-called ‘crisis in masculinity’ is a concept partly untenable since we cannot speak of a fixed, single and unified masculinity, but of plural masculinities. At the beginning of the 20th century, George Simmel noted that the identities will be more fragmentary the more the individuals will be included in different social circles. A century after Simmel’s insights, a series of concepts came to the surface, pointing to the transformation of contemporary social identities: liquid (Bauman 2004), fragmented (Craib 1998), reflexive (Giddens 1991), contingent (Dubar 2000) or patchwork-based (Beck 2000). (Abonim, 2010, p. 1). If individualities are fragmented and pluralistic, then masculinities should follow the same pattern.

“*Sōshoku(kei) danshi* always existed”, said columnist Maki Fukasawa, “but the bursting of the bubble and the collapse of lifetime employment contributed to their increase”²³. Japanese have always tended to turn more inward, therefore the herbivore phenomenon might embody a silent protest against the older generations, patriarchal values and devouring consumerism. The herbivore men do not feel the constant “hunger” that makes them climb the walls of society higher and higher. The affluent society, even though partly troubled, has annihilated their predator instincts. The metaphorical triad of hunger-desire-ambition has little power over the *sōshoku(kei)*

²² Justin McCurry, *Wayward aiming Japanese men take a seat in smallest room*, “The Guardian” 13/12/2007, <http://www.theguardian.com/world/2007/dec/13/japan.justinmccurry> retrieved on 16.06.2014

²³ <http://www.reuters.com/article/2009/07/27/us-japan-herbivores-idUSTRE56Q0C220090727> retrieved 3.06.2014

danshi: their sexual desire is kept at bay by their inborn shyness and their career-driven ambition is moderate. They do not want to be burdened with responsibilities and hate the emotional pain of hurting or being hurt. Through their black-rimmed glasses they are looking back on a centuries-old archetype. Nowadays *puer* is renewed in Peter Pan syndrome, a psychological concept of a socially immature adult, usually male. This very syndrome is now haunting the psyche of young Japanese generation, producing new mutations with gendered overtones: *bishōnen*, *otomen*, *Akiba-kei*, herbivore men or ...

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A JAPANESE AUTHOR UNDER ROMANIAN LENSES - KAZUO ISHIGURO

Andreea Raluca Constantin

Abstract:

*Kazuo Ishiguro is a well-known Japanese author, whose books have been highly awarded. His first novel, *A Pale View of Hills* (1982) received the Winifred Holtby Memorial Prize of the Royal Society of Literature, *The Remains of the Day* (1989) is a Booker Prize-winning novel which was also dramatised in an Oscar movie, and *An Artist of the Floating World* brought Ishiguro the Whitbread Book of the Year in 1986, to mention just a few of his achievements.*

This paper aims to discuss, from postcolonial, psychoanalytical and feminist perspectives, the opposition between the traditional Japanese culture, and the new, modern lifestyle promoted by the Anglo-American model, opposition characterising Ishiguro's life and which he also borrows to his fiction.

Born in Japan in 1954 and educated in Great Britain since the age of five, Kazuo Ishiguro uses his fiction as “a mirror to reflect obliquely the characteristics of his two nationalities” (Rennison, 2005, p.91). Included “among the most successful of contemporary literary novelists writing in Britain” (Wormald, 2003, p.226), Ishiguro has created 7 novels (the latest- forthcoming in 2015), 2 short-stories collections and 2 plays for television, which also brought him international recognition: the Booker Prize-winning novel *The Remains of the Day* (1989), *A Pale View of Hills* (1982), awarded the Winifred Holtby Memorial Prize of the Royal Society of Literature and *An Artist of the Floating World*, which was the 1986 Whitbread Book of the Year. Ishiguro is a widely acclaimed author, translated into over forty languages, for instance in Romania, Polirom Publishing House having already translated 6 of his books. We should also mention the film adaptations of his novels, the famous Oscar-winning *The Remains of the Day*, casting Emma Thompson and Anthony Hopkins (1993) and *Never Let Me Go* (2010) with Keira Knightley, Carey Mulligan and Andrew Garfield.

He is at home in neither place but his novels seem to describe a “fictive nation” (to use Roland Barthes's words), trying to determine the extent of its Japaneseness, or depicting “imaginary homelands” (in Salman Rushdie's phrase).

Regarding his novel *A Pale View of Hills*, the critique was positive, praising “a distinguished first novel” (*The Guardian*), “a macabre and faultlessly worked enigma” (*The Sunday Times*). This paper aims to analyse the novel from several different critical perspectives: the postcolonial, the psychoanalytical, and the feminist approach, relying on text analysis.

The main theme of *A Pale View of Hills* seems to be the opposition between the traditional way, i.e. the Japanese culture, and the new, modern lifestyle promoted by the American/ English model, the Orient versus the Occident, opposition which also characterises Ishiguro's life. According to the post-colonial theory, the concept:

involves discussion about experience of various kinds: migration, slavery, suppression, resistance, representation, difference, race, gender, place, and responses to the influential master discourses of imperial Europe such as history, philosophy and linguistics, and the fundamental experiences of speaking and writing by which all these come into being. (Ashcroft et al. 2003, p.2)

From the very beginning, my attention was drawn by the constant dichotomy Japanese/ American, even if some of the characters are presented as living in England at a certain moment of the plot, which is not at all culturally represented. In terms of its "representational faithfulness", Ishiguro's Japan cannot be identified, as "it is a world in itself" (Lewis, 2000, p.26). However, we should not be falsely misled into interpreting Japan as a colony only because we are using postcolonial tools and we should also realise that Ishiguro resorts to his imagination and indirect access to information about the historical periods some of his novels describe (Wormald, 2003, p.227).

The author narrates the story of several characters after the bombing of Nagasaki and ends some decades later, mentioning the terrible disaster only three times, evasively enough to confirm Roland Barthes' idea of Japan being a "fictive nation". Repression and denial are the key words that summarise both the lack of information about the war and the characters' development along the plot.

America is the perpetual enemy, always present just as a vague impulse to remember Hiroshima and Nagasaki, and when mentioned by the old ones who had witnessed the disaster, the contradiction Japan/ America is even more enhanced.

The Americans, they never understood the way things were in Japan. Not for one moment have they understood. Their ways may be fine for Americans, but in Japan things are different, very different ... Discipline, loyalty, such things held Japan together once. That may sound fanciful, but it's true. People were bound by a sense of duty. Towards one's family, towards superiors, towards the country. But now instead there's all this talk of democracy. You hear it whenever people want to be selfish, whenever they want to forget their obligations. (Ishiguro, 1991, p.65)

This is one of the moments when Ogata-San, one of the secondary characters of the book, expresses his opinions about the present as compared to the past, Japan

as compared to America. What is really interesting is that we never find out Jiro's opinion, his son and the first husband of Etsuko, the narrator of the novel. He works for an electronics firm, expecting to be promoted quite soon, has continental habits, such as reading the newspaper and turns in early, exhausted after work. He is a man of the new world but in the relation with his wife the traditional borders of superior to inferior still exist. Etsuko is an obedient wife, doing the household chores and taking care of both husband and father-in-law, even though she is pregnant. She refrains from expressing her opinion on serious matters, "just as [I] had done on previous occasions" because she knows that her "husband would have considered it no business of [mine] to comment on such a matter" (Ishiguro, 1991, p.126). After an important business meeting, Jiro comes home and tells his father about it, without giving too many details. At a certain moment he notices Etsuko, listening in the doorway and addresses her quite violently: "Why are you standing there like that? ... I wouldn't mind some tea, you know" (Ishiguro, 1991, p.154).

Ishiguro uses a very useful tool in his novel, the first person narrative, in order to offer the reader the inner perspective of Etsuko, who is telling her story. Not only does Etsuko react promptly to her husband's "orders", but she also goes on with the story, without even reacting to the incident, as if she was not even aware of the heavy words.

What is unbelievable for Ogata-San is young women's disrespect towards their husbands, marked by the two spouses having different political views during the elections:

Husband and wife voting for different parties. It's a sad state of affairs when a wife can't be relied on in such matters any more ... A wife these days feels no sense of loyalty towards the household. She just does what she pleases, votes for a different party if the whim takes her. That's so typical of the way things have gone in Japan. All in the name of democracy people abandon obligations. (Ishiguro, 1991, p.65)

For the Westerner this seems a clear misunderstanding of the concepts of democracy and gender equality that will be discussed below employing feminist theory. It is a reiteration of the patriarchal values and this time, the two worlds are no longer separated, as in terms of women's submission by the men Japan and America share the same values.

Technology is another issue debated upon by the two generations. Spending money to buy a washing machine or replacing the traditional kimono demonstrate the abolition of a closed national culture in theory only: "Young women these days are all so headstrong. And forever talking about washing-machines and American

dresses ... Spending all that money, when you had two good hands to work with” (Ishiguro, 1991, p.152).

In spite of all these, the reader knows that the story is told years later, when the perspective over the facts is changed and when memory is no longer reliable. By the end of the novel Etsuko realises that events might not correspond to the reality as “memory ... can be an unreliable thing; often it is heavily coloured by the circumstances in which one remembers” (Ishiguro, 1991, p.156). The effects of all the years of suffering, denial, repression are seen later in the overlapping of characters and events, in the slippage of memory. Fascinated with memory, Ishiguro resorts to the same device in *An Artist of the Floating World* and *The Remains of the Day*, “because it’s foggy and obscure”, provides “opportunities for self-deception” and the inner thoughts of the characters about the events rather than the actual events (interview with Ishiguro qtd. in Rennison, 2005, p.92). The writer resorts to this literary device in good faith, the characters genuinely admitting the flaws of the human mind. Both Masuji Ono, the famous painter who also undergoes a journey into the past in *An Artist of the Floating World* and Mr. Stevens, the butler of Darlington Hall in *The Remains of the Day* question themselves the truthfulness of their exact words from the past as compared to the present recollection.

For the elderly the new Japan after the war is unrecognisable. In fact, parents and children, old and young never discuss openly about the changes in their lives. The old ones comment about them, but are no longer sure of the validity of their values, the young ones seem to have appropriated the American/English way but they cannot neglect their Japanese background. Hybridity describes best the state of affairs, i.e. “the mingling of once separate and discrete ways of living” but also “the recognition of the fact that all culture is an arena of struggle” (Smith, 2004, p.251, 252) and brings about the following concepts: equality, mutual respect, openmindedness, and multiculturalism. Big words for the country that survived the American bombing, and whose image, before the war, used to be associated with “geishas, cherry trees, swimming carps, temples” (Ishiguro, 1986, p.69) in the foreigners’ fantasies!

Even if both America and England clearly oppose Japanese traditions, there are differences between the two that cannot be omitted. The American dream of prosperity and success in the “*brave new world*”, the colonists’ hope for a better life, are to be encountered in Sachiko’s destiny and her plans for her daughter’s future. Sachiko used to be a rich woman but war reduced her to vagrancy. She has an American lover who keeps leaving her and coming back again (persistently echoing Giacomo Puccini’s *Madame Butterfly*, as suggested by Barry Lewis). Despite the times

when she seems to vibrate with true love for her lover, Sachiko's plan is very simple: she must get to America to offer her daughter a better life:

And Mariko would be happier there. America is a far better place for a young girl to grow up. Out there, she could do all kinds of things with her life. She could become a business girl. Or she could study painting at college and become an artist. All these things are much easier in America, Etsuko. Japan is no place for a girl. What can she look forward to here?
(Ishiguro, 1991, p.170)

On the other hand, England is mentioned as the place where Etsuko found her happiness, where her family lived until her husband died but where Keiko, her Japanese-born elder daughter committed suicide. For Sachiko, America is the symbol of life, while for Etsuko, England is the opposite, the symbol of death and estrangement from family. In retrospect, Etsuko confesses to Niki, her British-born daughter that she had assumed that her Keiko would not fit the new world and the only vague explanation that Ishiguro seems to give us is that she could not adapt to the English life, as she was a genuine Japanese, whose grandfather, Ogata-San had brought up and had taught the traditional values. Moreover, Etsuko regrets the fact that she now lives on her own in a big house in the idyllic and quiet countryside, while her only daughter lives away in London, a fact Etsuko does not fully agree with, even if she had always lived away from her parents.

He, himself caught between nations, Kazuo Ishiguro searches his personal identity by means of his characters. The loss of fix identity is exemplified by the shift from Japan to America and to England: Japanese heroes are inspired by the American lifestyle and values but live in England, in the countryside, where "it's so truly like England out here" (Ishiguro, 1991, p.182). The power of imagination is great, but I wonder how much Japanese really know about the English landscape, as Etsuko affirms she had found the house of her dreams. "When your father first brought me down here, Niki, I remember thinking how truly like England everything looked. All these fields, and the house too. It was just the way I always imagined England would be and I was so pleased" (Ishiguro, 1991, p.182). Born and raised in Nagasaki, Etsuko re-marries another man, who we can only assume was British, although the mystery is kept about the destiny of the first husband. The England she likes is the England she had imagined, filtered through her Japanese lenses.

This takes us back to the same Ogata-San, the traditional teacher, who, unexpectedly, used to agree with young couples' living away from their parents' home, even when Jiro and Etsuko were still married in Nagasaki:

I expect they'd [Jiro's sister and brother-in-law] like some place like this, Etsuko, an apartment like this just to themselves. It's no bad thing, young couples living away from the parents. More and more couples do it now. Young people don't want overbearing old men ruling over them for ever. (Ishiguro, 1991, p.134-5)

Niki reiterates this attitude, not only by living on her own (or presumably with a boyfriend), but also by her very western attitude towards the women's role in society, life, husband, and children. "So many women', she said, 'get stuck with kids and lousy husbands and they're just miserable. But they can't pluck up the courage to do a thing about it. They'll just go on like that for the rest of their lives'" (Ishiguro, 1991, p.89-90), "Why should I get married? What's the point of that?" (Ishiguro, 1991, p.179). However, the American dream that Sachiko had for her daughter, either to become a business woman or an artist, has not clearly come true for Niki in London, because, although independent, she does not seem to have or at least prepare for any career. We can only make further assumptions that she indirectly portrays Betty Friedan's "happy housewife heroine" (Friedan, 1983, p.28), probably bound to relive her mother's initial destiny in Japan, still echoing the Nazi decree "*Kinder, Küche, Kirche*" (Friedan, 1983, p.32).

An attentive psychoanalytic approach discloses an essential element in Ishiguro's novel: there are no obvious complexes such as Jung's mother-figure complex, father-figure complex or Freud's Oedipus complex, mainly because the families are split and one parent raises the children. Jiro's mother is never mentioned, he does not identify himself with his father either, therefore there is no "prototype of an object-choice on the anaclitic model" (Freud, 1998, p.93), no competition with the parent of the same gender for the affection of the parent of the opposite gender. The father is perceived rather as an obstacle to Jiro's becoming a true modern man. Ogata-san is still his link to a background that he cannot ignore, thus becoming the Mandarin that anyone, at a certain moment, dreams of killing "by a mere act of will" (Weber, 1997, p.103). Weber mentions Freud's *Timely Thoughts on War and Death* which ends with the fictional story of the Mandarin, "a fantasy as old as modernity itself: that of freeing oneself from the burden of the past, from the traditions of forefathers and fathers, in order to reign without restriction" (Weber, 1997, p.104). In my opinion, the above quote perfectly matches Jiro's dilemma, being trapped between two civilisations, the only relation to the Japanese culture being his father.

The father-son relationship is distinct from what I imagined a Japanese family might be like. Several issues are discussed, during Ogata-San's visit to Nagasaki, such as voting, education in the past and at present. When they tackle the topic of education, they relate it to the article written by Shigeo Matsuda, Jiro's former class-

mate and friend and Ogata-San's former student. The article criticises the traditional system of education and its teachers, implicitly, which for Ogata-San is an offence that his son should make amends. Apparently, Jiro disagrees with his father, agreeing thus with Shigeo, but he is not willing to express his point of view, but just a passing remark: "But surely there were some faults in the old system, in schools as much as anywhere" (Ishiguro, 1991, p.66). Obviously, this leads to a new dichotomy: old versus new, traditional versus modern, Japanese versus American between father and son.

In psychoanalytical terms, Jiro makes use of several defenses, i.e. "unconscious desire not to recognize or change [our] destructive behaviour" (Tyson, 1999, p.17) in order to keep the repressed repressed. Selective perception is obvious when Jiro pretends reading the newspaper, denial of any conflicts with his father and displacement of his anger on to his wife. Based on these, we have one single clue why Jiro and Etsuko finally separate (or are they separated by the war?), probably because of his refusal to solve conflicts. "I can see now, with hindsight, how typical this was of the way Jiro faced potential awkward confrontation. Had he not, years later, faced another crisis in much the same manner, it may be that I would never have left Nagasaki" (Ishiguro, 1991, p.126).

On the other hand, Etsuko is extremely linked to her father-in-law, as if it was her own father, her parents being not mentioned either. Sachiko also raises Mariko, her daughter alone, as later on Etsuko will do with two daughters from different marriages. The problems their daughters share, Keiko commits suicide, and Mariko is a misfit, are caused by the "intensification of [the girl's] identification with her mother" (Freud, 1998, p.94). As far as Mariko is concerned, she rejects authority, as her mother does not represent an authorial figure for her; she runs away from home to play on the banks of the river, climbs trees, eats spiders, refuses to speak when she gets bored. But there is an explanation to her behaviour: when Mariko was almost six, she witnessed by chance, a woman drowning a baby, image that still haunts her. Mariko does not mention the incident for more than a month, and as she does not react to it promptly, it turns into a trauma, later on Mariko being not able to identify reality from illusion. She sees as well her mother drowning her beloved kittens which leads to the every ambiguous end of Etsuko's memories of her one-summer friendship with Sachiko and Mariko.

But the most important Freudian concept that extends over the lines of the novel is death drive or *thanatos*. Freud attempted to explain this biological drive, by accounting for the self-destructive behaviour in individuals and in whole nations. In relation to the rest of our psychological experience, death is an integral part. Thinking of their own death, people fear being abandoned, as when we die we each

die our own private death. Freud had wondered before at the cruelties of the First World War, at the “enormously increased perfection of weapons of attack and defense” (Freud qtd. in Weber, 1997, p.86), therefore, the bombing of Hiroshima and Nagasaki would have been above his imagination. That is why in telling her story Etsuko denies the existence of such a trauma. The initial response to the atrocities of war was not adequate after the tragic events and in time, her memories are distorted. The first mention of the disaster is made in relation to the new neighbourhood that had been built and where she lived with Jiro. The second mention occurs in Chapter 8, when Etsuko takes her father-in-law to visit the peace memorial in the city centre park. However, there is a third mention of the bomb, not specified by Barry Lewis in his critique, intended to draw our attention on Etsuko’s deliberate repression of her memories about the chaos and pain caused by the attack. “You wouldn’t think anything had ever happened here, would you? Everything looks so full of life. But all that area down there – ‘I waved my hand at the view below us’ – all that area was so badly hit when the bomb fell. But look at it now” (Ishiguro, 1991, p.110-11). According to Freud in *Totem and Taboo*, we mourn the deaths of the loved ones, which reminds that each of us dies, but “we also rejoice in the death of loved ones, for they were in part still others, and as others, they appear to confirm by their disappearance the persistence and survival of the self” (Weber, 1997, p.98).

The death drive also characterises Mariko, even if she is just a child. The repressed memories of the events she had witnessed, her living in isolation and in an inappropriate milieu mark her destiny. Keiko’s suicide seems to be the continuation of her mother’s fate, the consequence of her mother’s actions (added to the explanations given above).

To conclude with, I would like to remark that “Things are different (now)” seems to be the leitmotif of the novel. Used by several characters (Etsuko, Ogata-San, Yasuko-San, Shigeo Matsuda), at different moments of the plot, it either expresses a remark on the state of affairs or disenchantment with a world that has turned upside down. Attempting a conclusion, we can notice that at the end none of the characters is at peace with himself or herself, none finds his/her identity (I would even state that Ishiguro does not find his own identity either), they still consider themselves migrants, outsiders who can no longer find their origins. Traumas are not solved, destinies are not followed to the end, and atrocities are not remembered. What results is an enigma, a work of subtlety, a “poetic stud[y] of individual Japanese trying to come to terms with the realities of the nation’s recent past” (Rennison, 2005, p.91), this is *A Pale View of Hills!*

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**PERSPECTIVAL OPPOSITIONS, AMBIVALENCE
AND THE CONVERTED “COLONIZER”
IN JAMES CLAVELL’S *SHŌGUN***

Alexandra Mărginean

Abstract:

This paper is based on an analysis of the visions on life, the existence and role of the individual in the world and identity, as they appear projected by characters in the novel – the main character, Blackthorne, the Japanese woman he falls in love with, Mariko, and the Japanese community as an identity group. We demonstrate that the protagonist suffers a radical transformation in his outlook on all the above, the result being his “becoming”, a new man. We are interested in pinpointing the double nature of the characters and, to this end, we will reveal the aspects in which ambivalence is detected.

1. Initial Assumptions

John Blackthorne is the captain of the crew aboard the *Erasmus*, leaving England to go through Magellan’s Straits, and is bound to accost on Japanese territory as a result of a hurricane. The members of the crew are taken prisoners, locked in a few square meters in the dark, left for days hungry and teeming with their own secretions, humiliated and intentionally traumatized in the mentally eroding situation they are in. They are asked to choose one to sacrifice so that the rest could live and, although one is severely ill with yellow fever and scurvy and is unlikely to make it through the next days anyway, the only solution they can think of is draw sticks and let chance decide. Two of them are killed in a cruel manner by the Japanese, and Blackthorne is humiliated on purpose (a samurai urinates on his back) and blackmailed to withstand this shame with no retaliation in exchange for the life of his crew. He also has to accept living with a samurai in his home, adopting the Japanese dress and habits – so renouncing his identity – and does so to protect the others.

The main opposition that is being created in the first pages by the context above is that between the Europeans as a group as the “good” and the Japanese as the “bad”. The former are civilized, respectful of human life and humane, refusing to kill the physically weakest among them just based on the fact that he will not survive anyway. They support each other in a brotherly, Christian manner. By opposition, the Japanese are cruel, careless of individual life, enjoying torture, as they boil a

European – Pieterzoon – and let him scream for a day in agony in the cauldron before he finally dies, and as they let one of the Japanese who has fallen in the pit where they keep the prisoners take his own life. After he tries to kill himself by drowning in the bucket used as latrine by the others and refuses to drink any water, making Blackthorne ask how long he could hold out, Jan Roper's answer sums up their opinions of the Japanese: "Forever. [...] They're animals. They're not human." (Clavell, 2009, p. 303). The Japanese confiscate and unload all the cannons, treasures and documents that they find on Erasmus as if these were war prey or spoils, appearing as not only warriors but also thieves. Since they take into account, interpret and avenge every little gesture of resistance from the others, they appear as spiteful, malicious and eager to punish and harm other human beings out of sheer pleasure. This perspective is obviously the Europeans' and ours as readers at the beginning.

However, there is another perspective subtly emerging from the dialogues taking place between the Japanese. They wonder at the heartiness and fierceness with which the European Christians hold on to their lives while to them these seem insignificant. Also, to their awe, life matters more to the white people than honour, a reason for which they despise Blackthorne and his crew. Why they think like that is revealed in a different light than cruelty and lack of spirituality later in the novel, when the reader changes his perspective completely, along with Blackthorne, to the opposite pole. The outlook we initially share – the Europeans' – disgusted by Pieterzoon's shrieks of pain and inhumanity of the Japanese – is progressively blurred as we are made to understand the Japanese ways. We slowly and progressively feel unclear about the firm convictions we have started with. It is the process Blackthorne undergoes himself.

The Japanese also appear as overtly sexual and unembarrassed to talk about their sexuality – which, from Blackthorne's initial point of view, is not open-mindedness but rather shamelessness, opposing his Christian, orthodox background and mentality. He may appear as possessing common sense, whereas the Japanese lack it – at least this is the understanding that we get on the reader's first impression (assuming the implied, generic reader is part of a Eurocentric, western, white community).

2. Ambivalences, Crossings and Blurrings of the Lines

If we think about setting and context in the novel, we cannot help but notice that there are a few activities that come to the fore obsessively. The first would be trade – taking place between the Europeans and the Americas, within the Oriental world between the Japanese and the Chinese etc. Close to it comes translation –

Blackthorne needs translators to be able to talk with the Japanese. Then, thirdly, there is negotiation, which is emphasized as a *sine qua non* part of any encounter, not only between the main character and his hosts, but also within the Japanese world at all levels – between lords and vassals, in war, within couples, in the realm of pleasures, to set the price for a courtesan, in haikus, or even in simple, apparently inconsequential conversations. The common feature of all these activities is that they involve hermeneutics, decoding and negotiation, and it is my contention that hermeneutics, by reuniting by its very definition two opposites, is in fact a key to the reading of meaning in the novel. It is also the illustration of the notions of ambiguity or ambivalence, whose manifestations we analyze in what follows.

Blackthorne is a European, but European identity is not unitary, but torn by conflicts as well. He is an Englishman, meaning that the Spanish and the Portuguese are his enemies or at least opposites, due to both their common Catholic religion (as opposed to English Protestantism) and their enmity with the English at sea as traders and seekers of supremacy. The Elizabethan age of triumph over the Catholic Spanish Armada (1588) associates with an ardent Protestantism, and the victory of the British traders has been interpreted as God's grace towards and love for Protestants. Moreover, Blackthorne is the only Englishman on a Dutch ship, which again particularizes him further even when among friends or people belonging to the same side. Nevertheless, he speaks Portuguese fluently, just as Mariko, and in this respect such knowledge may be understood as an infiltration in the enemy's mind, as obeying the imperative of knowing one's enemy and perhaps as a subversive method to defeat it with its own weapons. As a Protestant Englishman, he does not trust Catholics, but has to make do with needing them. On the one hand, Jesuits translate for him in his encounters with the Japanese, which is ironical enough, as he gets to depend on the people he considers his opponents. His words are literally passed through this enemy's filter and it is only through this filter that they can be heard by the Other, which has to make Blackthorne bear a considerable amount of frustration. On the other hand, by being the language that Blackthorne and Mariko have in common, Portuguese functions as a catalyst that brings them closer together, in their ultimately romantic relationship, and therefore a friendly, fostering "environment" while still remaining a defining characteristic of the enemy, part of its identity and hence something to be rejected/abhorred. Catholicism paradoxically has a similar function, as, since Mariko has learnt about it and even declares herself a Catholic, it helps her understand some of his European religious feelings and mentality better.

Subversiveness is, by its very nature, linked with ambivalence, presupposing not only confrontation in the open, but also an indirect, undisclosed one, a hidden

face and intentions. A second feature that points to Blackthorne's ambivalence is his adopted Japanese name and status. He is not only John Blackthorne, the English captain and the European, but also Anjin-san (the Japanese counterpart of Pilot-san), a samurai and a *batamoto*, which is the highest vassal rank to the sovereign Japanese Toranaga. The secret agenda in his mind, with which he takes up this new identity, is revenge for all the humiliations he suffers, including being sold from one Japanese lord to another and the demise and victimization of some members of his crew. Revenge refers to the attack of, victory over and finally exodus of the Japanese, which he intends to carry out after they allow him to return to England and come back with reinforcements to, so he says, plunder another ship for their mutual benefit – a pretext and a sham. The very existence of this agenda adds to his double nature. Even though his Japanese identity is at first assumed only as a cover, performed and masqueraded with no conviction, it gradually becomes Blackthorne, who will come to identify with it more than with his old one.

His agenda functions as a subversion of his Japanese identity first and foremost, as his ploy is to undermine the Nippon people. He begins from a position in which he is untrue to these Others, scheming to get revenge against them for the humiliation of his crew. He sees them as barbaric, and himself as civilized, starting from zero empathy and understanding of their ways. His evolution is towards not only empathy with their logic in things, but also identification with Japanese identity, which becomes his. In this way, he comes to subvert English-European identity as well, just as completely as he did the Japanese one at the beginning, to which he was derisive and apparently immune. His coming full circle makes the attribution of the roles of "barbarian" and "civilized" difficult. These characterizations are ambiguous when used in reference to the two identity groups in the novel: "the gradual acceptance of Japanese culture by the hero Blackthorne bears the clear implication that the West has something to learn from Japan [...] the initial image of the Japanese as 'barbarians' was a foil for the hero's eventual understanding that Japan is not only civilized, but maybe even more civilized than the West" (Smith, 1980, p. 11). He ends up envisaging his previous self as in a mirror in the humorous description offered by David Plath "BEM: a backward European male" (Plath, 1980, p. 24) or a member of the class of "bug-eyed monsters that populate science fiction" (23).

As far as his status in the English society is concerned, Blackthorne's position proves contradictory in some respects as well. As a pilot, despite his advanced skills in his occupation, he would not have had access to the gentry; he is neither a gentleman, nor a peasant (though not much above one in status); his grim dirty household appears as a modest one; his foul language sends to the same idea.

Paradoxically for his low status, he is fluent in several languages, which, given his being a pilot at sea is not as unusual as his knowledge of Latin, though – a point made by Sandra Piercey as well (Piercey, 1980, p. 37). He also claims to be the descendant of a knight, which is incongruent with the rest of his “biography”. Consequently, his real English status and identity remain ambiguous.

As the book *Learning from Shōgun* has stated, *Shōgun* definitely has a didactic purpose of increasing intercultural awareness. Its historical value is uncontested as one can get a real image of the Japanese culture from it, learning about cultural realities such as the samurai caste, their code of honor, the tea ceremony, *geisha* etc. Nevertheless, the Japan depicted in the novel is not one hundred percent accurate historical truth. For instance, Blackthorne could not have become a real samurai as he was never a warrior, not to mention a *hatamoto*; his access to and love affair with a dame of the high society such as Mariko would have been at best highly unlikely – and the list of discrepancies may continue. Along this line of argumentation, the Japan we are reading about is both a land with documentary value and a fictional construct, bearing compensatory value as a mythical place where core problems of the modern man, such as the fear of death and the need for a liberated sexuality, are addressed, given a solution somehow – hence, the realm’s appeal. That is the argument given by David Plath, who sees the Japan described in *Shōgun* as rather the land of imagination, calling it “Jawpen”, a “place of which so many Westerners have *jawed* and *penned*. [...] made up of traditional Japanese parts, but [...] invented and assembled here in the West for domestic consumption.” (Plath, 1980, p. 20) Its status is that of a space formed as partly genuine, partly an Eurocentric self-serving utopist construct.

Although the Spanish and the Portuguese share the same religion (Catholic), a similar language and leaders, the former has conquered the latter, so the relationship is rather one of subservience. Also, they fight over whose control Japan really is under and over the best ways to assimilate Japan. Whether Japan should be dominated religiously, by either the Counter-Reformation Jesuits’ or the Franciscans’ world views (which are dissimilar), or be under the military and commercial control of the Portuguese is unsettled. The Jesuits often diverge in their outlooks and teachings as well. In a conversation with Blackthorne, the Jesuit priest Sebastio reveals his point of view on the identity of the Portuguese and the Spanish: “‘But Portugal and Spain are the same country now,’ Blackthorne said, taunting. ‘You’ve the same king.’ ‘We’re a separate country. We’re a different people. We have been forever. We fly our own flag. Our overseas possessions are separate, yes, separate. King Philip agreed when he stole my country.’ [...] ‘He took my country by force of arms twenty years ago! His soldiers and that devil-spawned Spaniard tyrant, the Duke

of Alva, they crushed our real king. *Que va!* Now Philip's son rules but he's not our real king either. Soon we'll have our own king back again." (Clavell, 2009, pp. 75-6). Blackthorne's answer comes promptly, betraying his contempt for the lack of courage and spine of the Portuguese: "Alva was a plague in the Netherlands, but he never conquered them. They're still free. Always will be. But in Portugal he smashed one small army and the whole country gave in. No courage. You could throw the Spaniard out if you wanted to, but you'll never do it. No honor. No *cojones*. Except to burn innocents in the name of God." (76).

Within the Oriental world, there was no uniformity either. The Japanese and Chinese ideologies clashed. China had been prohibited from entering commercial relations with Japan in the 16th century, as the latter was considered a threat to morality by being a land of opportunists and thieves, "the home of pirates and marauders" (Toby, 1980, p. 44). Under the Ming dynasty, China was interested in becoming an ideological power rather than an economic one, in being viewed as the "Central Kingdom," where others would come as "tributaries" that acknowledge the moral superiority and power of the kingdom (44). Even though other countries around, such as Vietnam or Korea had accepted this supremacy of China, Japan could not have adopted the same position, as the Japanese considered their country as descending from gods – the "Land of the Gods" (Clavell, 2009, p. 1242) (Toby, 1980, p. 44). Until 1547 the Japanese penetrated Chinese lands for commercial purpose using "tallies" (licenses), and in the second part of the 16th century by pirating with "*wako*"s or corsairs sometimes hired by Chinese factionists prone to overturn their own emperor's rule in China (44-5). To point further to the judgmental attitudes existing not only between the European and the Oriental world, but also among the Oriental nations themselves, we refer to a conversation taking place between Mariko and Rodrigues: "Do all Portuguese call us monkeys? And Jappos? Behind our backs?' Rodrigues pulled at the earring he wore. 'Don't you call us barbarians? Even to our face? We're civilized, at least we think so, senhora. In India, the land of Buddha, they call Japanese 'Eastern Devils' and won't allow any to land if they're armed. You call Indians 'Blacks' and nonhuman. What do the Chinese call Japanese? What do you call the Chinese? What do you call the Koreans? Garlic Eaters, neh?'" (Clavell, 2009, pp. 1241-2).

The Japanese are masters of deceit. Almost every single individual plots against somebody, but at the same time artfully hides his feelings. Hence, we cannot contradict Henry Smith's observation that, according to the Western stereotype, they are "inscrutable" and, generally, that one of their chief characteristics is "*duplicity*" (Smith, 1980, p. 52). The emphasis laid on honor comes as a logical "corollary" (53) against the background of a society fragmented by conflict for power. Then again,

protecting one's *daimyo* comes as a necessity – if the vassal lost his master, he was instantly deprived of his possessions – so, if we look at it in this light, where honoring one's lord finished and a self-preservation instinct began was unclear (90).

Nevertheless, to do them justice, Smith goes on to say that, to their merit, the society is governed by “the prevalence of law and order” (53). Pointing to the paradoxes of samurai behavior, Smith notices: “We see samurai who can be vicious sadists and yet refined masters of poetry and the tea ceremony. And we see samurai who habitually act on sudden, unthinking impulse and yet who seem to be constantly calculating every future move.” (86) Smith's explanation for these is firstly that we, as Europeans/Westerners, have in our mind a lifeless ideal pattern of the samurai, which does not fit Clavell's characters since these are living, breathing human beings with their own struggles and flaws – Clavell's merit being precisely his ability to “*humanize*” them (87). A second reason for the samurais' ambivalences would be that the 1600 samurai held a pivotal worldview, trapped with one foot in a past of civil wars and treachery and with the other already on the brink of a new era of stability, peace and order (87).

Toranaga is the typical Japanese at his core, part of the aristocracy and thus entitled to rule more than his opponent, Taikō, seen as a peasant, a man of no respectable descent and therefore less suitable for a leader. Although a proud Japanese, viewed as truly so and typical due precisely to his background, Toranaga proves a hybrid of Japanese and Western cultures in his thinking, as he, unlike others, is open to alterity and ready to embrace some foreign elements that may determine other, more nationalistic Japanese, see him as “less than”, or even a traitor of his Japanese identity. These foreign elements are aspects concerning war strategy and weaponry: “Toranaga uses their relationship [his with Blackthorne] to strengthen his foothold as Japan's rightful leader, arming his men with guns and using western trickery to subdue his enemies” (*The Chicago Writer*). He is a combination of patience, intelligence and deceit while still managing well his noble aura, visible in the character's nickname of a “raccoon dog”: “clever and devious—yet generally likeable” (Smith, 1980, p. 59) – a walking paradox. Toranaga's hawking techniques hint at his manipulative nature (59). Moreover, they show the again ambivalent cruelty and loving nature that coexist in him, the equally puzzling and double admiration and despise he manifests for predators – which may point to awareness of his own nature, and to potential self-loathing as well. He realizes the frailty of beings fighting for survival employing tactics and strategies, which he manages to ultimately see and honor as their greatest strength. He manipulates the she-hawk but is fair to her in a sense in the end, giving her her freedom.

Mariko is first and foremost a Japanese samurai, and this to the end – if we may say so, both literally and figuratively. She is extremely devoted to Toranaga and gives up a potentially happy life with Blackthorne to fulfill the mission of serving her lord and his ends of supremacy in a way that involves the ultimate sacrifice. She is the one that comes up with a master plan that will bring Toranaga closer to his shogunate, and pursues it unfalteringly. She bravely puts herself in danger in a foreign land, at Taikō's court, confronting this leader and willingly making a demonstration and show of her defiance and potentially imminent *seppuku* only to prove a point. She manages to dodge death at this point, but not for long.

Although the fulfillment of her Japanese samurai identity obviously goes all the way, Mariko is a woman of multiple contrasts herself. She is Christian Catholic as well, bearing the name Maria, and in her mind there is no contradiction between serving her earthly lord, Toranaga, and God. Sacrifice of human life is explained by her as honorably performing one's duty and knowing one's place, having no vain pride. Arguments that she is really neither a true Christian nor an honorable Japanese wife could obviously be raised. Her truthfulness may also be questioned in relation to her love affair to Blackthorne, as she is betraying her husband, Buntaro. On the other hand, we may deny that the concept of betrayal applies in her situation, since Buntaro is a rude and violent husband, who has paid prostituted from her own money while the love between them has vanished. She stays with Buntaro out of a sense of duty and is apparently his slave.

Women seem to have a subordinate position in relation to men, which is nevertheless subverted by some of Mariko's actions and attitudes. Buntaro seems to be subjugated by her and respect her in his own way (let us remember the tea he prepares for his wife). Also, Mariko's reasoning is often hinted at being superior to men's, in both her political and battlefield strategy suggestions to Toranaga and in her witticism in comparison to his, to which he yields and before which he declares himself inferior (in their haiku contest). Moreover, her outstanding courage far surpasses any of the other male characters' as well.

As we implied earlier, sexuality is one of the issues tackled in the novel whose prominence draws the reader's attention. What strikes Blackthorne (and perhaps us) at the beginning as shamelessness regarding sexuality on the part of the Japanese turns out to be open-mindedness. This perspective is gained as Blackthorne's closed mind becomes progressively open. He shifts perspectives, reaching a point where he sees their approach to sexual matters as healthy and logical, coming to embrace their habits. However, aspects such as zoophilia or pedophilia may raise ethical issues and block our perception of the Japanese as merely open-minded instead of depraved. It

is these issues that maintain ambiguity as far as characterizing them one way or another. Blackthorne may remain in this light the moral Christian and the epitome of normality, just as he may well be the frustrated, ignorant barbarian. The latter vision would be helped by taking into account his water/washing phobia and preconception that water brings diseases (at the beginning of the novel).

Not only characters are made ambiguous in the depiction of sexual habits, but Japanese sexuality itself. What we look at now is the double quality of Japanese sexuality in the novel. On the one hand, it sends to sensuousness and strictly pleasing the body. This is, however, only the surface of matters, as we are progressively made to understand that seeking pleasure in this sense is connected with a *carpe diem* attitude caused by dire awareness of one's fleeting nature in a world torn by conflict, war and natural disasters such as earthquakes and tsunamis. In this way, the attention granted to sexuality is transformed into a manifestation of spirituality, as it means celebrating the miracle of life. Life is viewed as a gift, whose constant reenactment resembles a thanking prayer for merely being alive. It is a manifestation of respect and acknowledgement of the gift.

Although the Japanese seem casual and relaxed in referring to sexual matters, which may create the impression of shamelessness, ambiguity on whether this feature really characterizes them is kept by the delicacy with which they avoid calling sexual body parts or encounters by their name, using euphemisms instead. This fact sometimes triggers puns and dialogues that are particularly comical. A man's phallus is called a "Peerless Pestle" (Clavell, 2009, p. 274), a deft lady of the Willow World a "Lady of the Night of the Screams" (273), the climax is touching the "Clouds and the Rain" (280), "Cloudburst" (1982) or the "Fire and the Torrent", sex is referred to as "matters of the pillow" (934) or "pillowing". It is perhaps a paradox that they emphasize politeness while the very fact of bringing up the subject and discussing it openly and directly may be considered rude.

In relation to the notion of freedom, the concept of karma displays an intriguing ambivalence. On the one hand, the existence of karma may lead to the idea that one is the master of one's destiny. All one does and only what one does is considered the decisive factor in the pleasantness of his/her destiny. Bad deeds lead to sorrow and misery, whereas good deeds lead to joy. The reverse of this type of thinking is that one's destiny is preordained, things are meant to be and, consequently, one can do nothing to change some of the events (s)he will be facing in life, as these have already been set as a result of past choices. These two aspects are noticed by LaFleur (LaFleur, 1980, p. 78).

Bun and *bu* – the cult of artistry and warriorship – is a *coincidentia oppositorum* that gets reflected in the personality of the samurai – a double, ambiguous one, since these values voice what (s)he is, and they are a marriage of antagonisms. The aestheticism of the carved details on the sword comes in stark contrast with it being an instrument of killing – see the testing of its sharpness on corpses (Smith, 1980, p. 91). As Smith notices, sadism and sensitivity are united in the personality of the samurai (91-2). Moreover, Smith points out the paradox of the samurai who needed to blend harmoniously in his/her attitude the “heart” and the “head”, namely *makoto* (sincerity), or innocence of motive, and administrative talents over their domains (93).

Finally, the philosophy that life is but a dream is not part of the Oriental world exclusively. It is present in Western and European culture and ideology as well, for instance as part of the mindset of European thinkers. Let us remember the words of the narrator in Shakespeare’s *The Tempest*: “We are such stuff/As dreams are made on; and our little life/Is rounded with a sleep” (Shakespeare, 1994, p. 23). Later it came to be a feature present in Romanticism and Modernism and the *weltanschauung* of their representatives.

3. Conclusions

Shōgun is primarily very resourceful for intercultural awareness and the study of alterity, providing, despite some historical inaccuracies, a comprehensive picture of the Japanese customs and mentality of the time. Also, the protagonist’s conversion or coming full circle invites introspection. What we have analyzed above, namely the marked ambivalence of characters and situations, represents an in-depth understanding of the angles at which they can be considered. Ambivalence urges reconsiderations of binary and stereotypical thinking, and awareness that the gap between cultures is neither always that wide nor insurmountable if one is willing to see beyond appearances.

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REPRESENTATIONS OF THE JAPANESE GARDEN IN WESTERN LITERATURE AND ARTS

Ana Mihaela Istrate*

The result of the Western transposition of the Japanese garden is able to create more of a material harmony than a spiritual one, losing part of its initial effect, that of an *axis mundi*, of the sacred communion between Heaven and Earth. In literature and arts the hyperbolized garden, endowed with fantastic features is able to create the state of reverie.

Western garden, decorated with grottos, Japanese bridges, pavilions and pagodas, with the direct scope of facilitating the coupe meeting and reverie, becomes a reflection of the states of mind, and taste of an entire period, dominated by megalomania.

The comparison between the Japanese and Western culture is based on the iconological analysis of the literary text and the visual elements. The transmitter and the receiver of the influences are not related directly, being mainly separated by the linguistic barrier, but the intermediaries assume the role of mediation and promotion of the specific Japanese cultural elements, unknown before in Europe. Thus we can assume that the experience of the Oriental travels and of the journals inspired by these approaches had the capacity to circulate the forms of expression specific to very different cultural environments.

Is there any connection between the way we interpret the common elements of the visual and literary text? More specifically, can we interpret a certain theme, such as Romantic exoticism, through the system of symbols, common to the two arts? Beginning with Aristotel, who considers both poetry and painting as imitation arts, continuing with the Horatian aphorism, *ut pictura poesis*, visual arts and literature have continuously been seen as *sister arts* (Vrânceanu: 2002, p.24)

In poetry and painting the characters, scenes and events are organized in a semantic unit, ensuring characteristics such as decency or veracity. Poetry allows reader to imagine the scenario, while in painting; the effort is merely that of decoding the information, in order to reach the meanings of the narrative. When reading the image, the effort is that of interpretation, of decoding the visual message, and interception of the details.

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Beginning with the Romantic period (1780-1840), garden arrangements become tributaries of the exotic garden. We can talk about plants belonging to distant realms, reaching Europe on the commercial routes between the East and the West, or we can present gardens where the vegetation is arranged in terraces, as in the case of Japanese gardens, which became extremely fashionable in Western Europe, during this period.

We should mention the fact that, before Charles Darwin's book, *The Origin of Species*, Romantic man felt the need of a clarification, regarding the different species of plants, so that later on, they should become an important source of inspiration for literature. Literature was inspired by nature, and it was also nature as a source of inspiration for painting, so that at the end of the Romantic period, the artist could acquire a complex landscape, tributary to the notion of exoticism, but extremely original.

19th century is marked by the appearance of a new type of garden, where the element of novelty perfectly combines with tradition, exoticism with modernism, opulence with simplicity. Gardens, similar to those of antiquity, become a pasteboard, reflecting the social status of its owner. Once the new social class of bankers, industrialists and manufacturers appeared, the so called *nouveau riche*, garden art becomes more and more specialized, under the impact of the touristic and exploratory trips to exotic destinations. Rare plants, new methods of cultivation and obviously the development of new technologies, all play now an important part in the appearance of a typical Japanese or Chinese garden, in a park in England or France.

As a result of the appearance of a number of specialized publications, such as *Garden magazine* (1826), *Gardens Chronicle* (1841), *Ladies Magazine of Gardening* (1841), the interest of the public opinion is shifted towards the art of gardening and that of garden and park decoration, according to the rules of the exotic garden.

Once the notion of exoticism is introduced in Western vocabulary, nature is more and more idealized; nature is understood as man, feelings, emotions, euphoria, ecstasy, nature becomes a landmark for the understanding of the surrounding world, making us aware of the limitations of our consciousness.

Gardens start being represented in literature and painting, but not earlier than the 16th century, when Joachim du Bellay speaks about natural beauty in one of his sonnets, published in 1549.

William Chambers, author of the study *Dissertation on Oriental Gardening* visited twice East Asia before publishing his book in 1772, anticipating Romantic taste for the elements of exoticism, thus bringing some changes to the environment at Kew

Gardens, by introducing a pagoda and a pavilion with panels, decorated with scenes from Confucius' life. Yet, the French and the British lose very quickly their interest in East Asian garden, after the French Revolution and a rebirth of classicism.

From Japan and China the Europeans have taken less the landscape architecture, but more of the exotic plants, which have been adapted to the climate conditions of the continent, thus leading to the appearance of green gardens with glass walls, for the protection of plants in winter time. The three types of garden that Chambers mentions are: *the pleasing, the terrible and the surprising*.

“Acclimation is the great discovery of the 19th century, even if it is not an invention of this century. Plants such as glycine, chrysanthemum, peony, anemone, gardenia, jasmine of camellia, honeysuckle, yellow bells or numerous varieties of decorative trees, such as cherry tree, *sakura*, prune tree, etc.

Literary critics consider that the poem *Kubla Khan*, by Samuel Coleridge was inspired by the descriptions of Japanese gardens, that he probably had the chance to read in British magazines of the time, where the pleasing aspect of the Japanese garden is key: with hedgerows, shrubs, blossoming trees, river channels, with arched bridges, pavilions, etc.

*So twice five miles of fertile ground
With walls and towers were girdled round:
And there were gardens bright with sinuous rills,
Where blossomed many an incense-bearing tree;
And here were forests ancient as the hills,
Enfolding sunny spots of greenery.*

Nigel Leask considers that the first thirty-six rhymes of the poem *Kubla Khan*, make reference to a landscape garden, an artificial scenery, result of the poetic imagination, being inspired by the reality of the English parks. Unlike the palace gardens of Kubla Khan, as they appear in the travel stories of Marco Polo, in Coleridge's poem they are very close to the European Orientalist theoretical thinking of the 18th century (Leask: 2006, p.184).

With the help of alliteration and assonance, Coleridge is able to create a real incantation of a world of dreams, a terrestrial Paradise comparable to a fantasy garden, surrounded by high walls that make us think of the garden architecture of the East Asian region. Still the poem makes reference to Xanadu, the summer residence of Kubla Khan, placed in central Mongolia, a magical realm that Marco Polo had the chance to visit in 1275, and which the explorer characterizes as opulent and full of grandeur.

Nigel Leask reviews the most important literary texts where Japanese gardens appear. He mentions Sir William Temple, Joseph Addison, Horace Walpole and Oliver Goldsmith, important writers of the 18th century, who are considered a landmark in oriental studies in Europe.

In literature, and even in certain religious texts, the garden is hyperbolized, endowed with fantastic features, able to enhance the mystery, creating the state of Romantic reverie, dominated by exoticism. Laila leads Thalaba in such a garden, in Southey's poem:

*She took him by the hand,
And through the porch they pass'd.
Over the garden and the grove,
The fountain streams of fire
Pour'd a broad light like noon;
A broad unnatural light,
Which made the rose's blish of beauty pale,
And dimm'd the rich geranium's scarlet blaze
Pious verdure of the grove
Now wore one undistinguishable grey,
Chequered with blacker shade* (Southey: 1814, p.136 (XIV))

Although literature had the tendency of exaggerating the elements of the described garden, real gardens were endowed with unusual elements, belonging to the sphere of fantasy, in order to offer them a unit for their hyperbolization.

Nature is also endowed with a special power, that of opening the gates of total love; being the silent witness of secret meetings of the young lovers, and having the function of concealment and secrecy of the forbidden couple relationship, attending the beauty ritual and becoming synonymous with feminine sensuality.

Opulent, extravagantly decorated, based on a strictly geometrical structure, the garden arrangement at Stourhead is a source of inspiration for William Turner's painting *Rise of the River Stour at Stourhead* (c.1824). Stourhead was the perfect embodiment of 18th century desire to rediscover the Vergilian Arcadia. Stourhead Park was created in a rampant valley, which was turned by Flitcroft into a lake, surrounded by secret pathways, able to offer an original perspective, with temples, statues, grottos, which all integrate the strata of a visual, literary and even a personal allusion (Trachtenberg and Hyman: 1986, p.403-4).



Stourhead Park

Turner's landscapes, reproducing British parks and gardens, resemble those of Poussin and Claude Lorrain, through heroism. They transpose the reader of the visual text into an imaginary world, populated with titanic characters. There is such a force of rendering, which was never equaled by any Romantic artist, especially because most of these park and castle representations are accomplished in watercolor technique. In Turner's case we can speak about such a mastery of the technique, without any chance of returning on the surface, the transparency and subtlety of the color variations being able to create an atmosphere, pretty gloomy at the beginning, but monumental at the same time.

Romantic gardens were decorated with ornamental structures, the so called *fabriques*, most of the time acquired from the Egyptian antiquity and having Masonic connotations. The obelisk, as a solar symbol, the pyramid, with mortuary connotations, the temple as a sacred place for meditation, the sphinx with protective role, Isis, as a symbol of the individual's regeneration, are all mythological symbols, but also components of an illuminating philosophy, centered on meditation and melancholy.

"All these *fabriques* – grottos, Japanese ponds, pagodas, kiosks, Roman or Gothic ruins, pyramids, obelisks, little temples – were used in accordance with their structure, as meeting points or meditation rooms, retreat houses or exotic greenhouses" (Humbert: 2006, p.191).

The garden becomes a reflection of the tastes of mind and of the tastes of an entire generation marked by grandeur and importance, totally indifferent to the social problems, political conflicts and spiritual disintegration.

Symbols such as the obelisk, the pyramid or the Sphinx, suggest an exoticism exclusively targeted at the initiated. The obelisk at Stourhead dates from 1746, being

erected by William Privet, ordered by Henry Hoare II, who wanted a garden as perfect as that of Arcadia.

Humbert observed the use of the expression *Et in Arcadia Ego* with regard to the British garden architecture, as a combination of symbols related to happiness, love and death, which had been "celebrated by the previous century architecture, with Gian Francesco Barbieri Guercino or Nicolas Poussin" (Humbert: 2006, p.195).



William Turner *View of the Bolton Abbey*

The entire Romantic period is dominated by artificiality in landscape painting. Although we can speak about a natural raw material, the plants are organized in an artificial way, mimicking the natural. The result of this garden is an unreal one, but the geometry of shapes, the separation into four or eight quadrants, suggests more of a material harmony, than a spiritual one. Very often the fountain, placed at the center of this quadrant, as the central point of the entire garden, represents an *axis mundi* and a symbol of the sacred communion between Heaven and Earth" (Hankiss: 2004, p.105).

We should also observe an interesting detail related to the different structure between the East and the West, with regard to garden arrangements, more specifically the climatic criterion. It is obvious that the Western man started to copy the Eastern model of exotic garden, but it was almost impossible to adapt it perfectly to the climate conditions of the northern regions of the continent. The gardens of Sintra Palace, Portugal, the most exquisite example of Portuguese Romantic architecture, is built on the exotic model, capturing solar light on a vertical line, with ponds built in the shadow of the perennial trees, brought from East Asia, Australia or America (*ginkgo biloba*, *sequoia sempervirens*, *thuja plicata*, *cupressus lusitanica*, *camelia sasanqua*).

English parks, during the Romantic period, are seen in a horizontal light, allowing the propagation of the sunlight on Earth level. Thus we can explain the beauty of the English lawn. "The wet atmosphere of England creates an exaggerated aerial perspective, allowing hills from apart to lose distance, as the water layers in a watercolor. (So it is not surprising that English tradition of watercolor painting and the landscape garden are in a strong connection: watercolor artists have painted idealized landscapes, which had previously been built by gardeners and finally being put on canvas by the artists)"(Moore, Itchell, Turnbull: 1993, p.9).

What delineates Japanese mentality from the Western one is our impossibility to perceive the emotional intensity of the environment, because we cannot detect deep feelings, romantic love or feminine beauty.

For us, Japanese world appears more like an encoded theatre, which we are unable to decipher with our feelings intoxicated with modernity.

Wolfram Eberhard's *Dictionary of Symbols* speaks about the *Manual of Beauty*, written by the Chinese aesthetician Li Yu, imposed in the Western world during the 17th century, where the feminine beauty is in consensus with nature. Thus: the eyebrows need to be curved as the willow leaves; the lips should resemble the cherries, while the teeth are like the fruit seeds, the body as slender and thin as the bamboo in the shadow of the wind.

The feminine portrait should be built according to the *ornamental principle*, in other words, the ornament is able to complete the feminine portrait. Very often, the external details assign hierarchies as follows: the headpiece is a sign of membership to a royal family, while the fan, worn in a specific position makes the difference between an imperial concubine and the future empress.

A good example of man's confrontation with nature in Japanese arts is in the case of the paper walls painting, made by Hasegawa Sotaku (c. 1650).

The composition is made up of parallel horizontal bands, which the artist accomplishes starting from top to bottom, using approximately the same dimensional scale.

Starting from the Confucian philosophy, and continuing with the Shinto's way of thinking, man is placed at the center of the cosmogony, and that is why he needs to be *measured*, so that the social status could be delimited. Measurement, based on numbers, referred to the philosophical system made up of the five primary elements in life.

That is why painting prefers groups made up of two or three elements, the delimitation of the composition being present in the painting, where the artist concentrates the signification, offering in fact a key for the decoding of the visual message.

The isolation of the figures, in groups placed on lateral panel, on the right side, has the purpose of creating a wide space for the unfolding of the activity of the main characters, which are unusually placed on the left panel: the Empress and her servant with the umbrella. But isolation here means the hierarchical situation of the characters.



Hasegawa Sotaku (c. 1650)

The horizontality of the silk, the surface of the painting, does not offer any depth, thus the action unfolds on lateral panels, offering the feeling of an aerated space. The only qualities of the canvas that offers a decorative effect is the double dimension, the relationship between surfaces, the artificial color and repetition of motifs, reaching a stylization, able to suggest plasticity.

The space is plain, because in Japan we are in a world of shadows, floating in the void. If the artist had introduced the third dimension, people and things would have distanced, reaching the so called *world exteriority*, which is total disagreement with man's confrontation with the world and nature. The vanishing point of the painting, where the imaginary perspective lines merge, and which create the feeling of space, is positioned in the top part of the painting, on the dividing line between the top characters and the bottom ones. We can observe here the stacking of the characters, because by drawing a larger number of lines, and setting of the vanishing point, Japanese art is able to create space in a bi-dimensional space.

By contrast, Thomas Gainsborough's feminine portraits are strong due to the women's look portrayed, becoming the focus point of the painting in most of the cases, while the head's position, the blue, orange or green dress, represent *pictorial impressions*, as Mayoux calls them, but not the rendering of nature. Everything in the painting suggests freedom of thought and of the paintbrush.



Hasegawa Tōhaku (1539-1610)

Gainsborough painted mainly portraits, searching for the ideal feminine perfection. They are a proof of the change of style of an entire generation, influenced by Van Dyck, reinforcing the sense of vibration of the colored fabric, be it silk, veil or sky. By studying these portraits we can observe the evolution of the models, starting from indifferent faces, up to the autonomous, strong characters, in the final part, who fit the environment, and whose characters are strengthened by the surrounding nature.

Mrs. Sheridan and *Mrs. Graham*, the two works that I have chosen for display, are among the most representative of Gainsborough's career. They belong to the 1770-1780 period, when the artist was painting in Bath, in a fashionable, frivolous environment, answering the requests of the most exigent, stylish and noble members of the British society.

Human body is able to offer a series of nodal points, full of poetry, and only because of the position of the head, body, chin, etc. in the case of *Mrs. Sheridan*, the composition is based on the counterpoint between the hands clasped in her lap with the palms in an outward position, and the straight head, with the chin, pushed up slightly. This opposition, between the exposure and reservation represent the antithetic key of the central character. What the limbs do for the body, does the face for the head. Tension is the general characteristic of the painting: legs folded over each other, hands clasped, the chin slightly pushed up, the long neck that fully reveals itself, all these make us believe that the model posing for the painting is in a state of abeyance, full of tension, the only missing element being the heartbeats.



Thomas Gainsborough, *Mrs. Sheridan* (1783),
Washington, National Gallery

If earlier before we mentioned the fact that Japanese painting lacked the three dimensions, here it is absolutely obvious that it exists. In the case of Mrs. Sheridan the depth of the painting surpasses the flat character of the canvas, and this is partly due to the character's look.

Mrs. Sheridan (1783) – a work of maturity; the painter carefully studies the states of mind of his character, who looks as if she was tormented by the feeling of love. The orange color of the dress is in tune with the decomposing autumnal nature, with the warm sunset in the back.

Besides the symbolism of color, an important role is played by the tree – a symbol denoting cosmic life – consistency, evolution, perceived as a process of regeneration, turns the tree into a symbol of inexhaustibility, of eternal life.

If we are to draw a comparison with the Japanese world, here the tree is a symbol of longevity and fertility, being always associated with the flower – especially the cherry flower. This is obvious in the Hasegawa School paintings, in the floral motifs of the feminine characters' clothing. In Japanese culture the following elements are very symbolic: the bamboo, the cherry tree, the pine, they are called the *three friends*, become most of the time they are associated in the artistic representations.

We can observe an abundance of *chiaroscuro*, uncertain tonalities, contrasts between light and darkness, all these inciting effects of the individual sensitivity, endowing the work of art with a restless element. The character of mobility

animating this painting, from the Bath period, is supported by the contrasts between light and darkness, an assembly of fluid, curved and *brisée* lines.

The gowns of the two feminine characters of Thomas Gainsborough are an indication of a specific social class that they belong to. Very often arts tended towards an agreement with fashion, which sometimes was bizarre, but other times very traditional.

Once time passed and an obvious maturation of the artistic style appeared, Gainsborough accomplishes more and more sophisticated feminine portraits, as in the case of Mrs. *Graham* and Mrs. *Sheridan*, where the two women become real goddesses. The eroticism caused by the sight of a beautiful, sensual woman, will be translated on the canvas into a detailed presentation of the ornate dress, of the delicate lines of the neck, or simply by drawing a smile.

The women portrayed by Gainsborough are the real nature goddesses, because they are always placed in the middle of the nature, surrounded by an aura of mystery, or hidden behind the darkness of a room, in the neighborhood of a Doric column, in a state of ecstasy or reverie.



Thomas Gainsborough, Mrs. Graham, 1775-1777

The pleasure of senses, offered by Gainsborough's paintings allows us to affirm that they belong to the category of the *Sublime beauty*, which is beyond the natural limits, through transcendent contemplation, towards the area of visual and tactile effects.

Although from a technical point of view there are huge differences between the two cultural environments, determined mainly by the artistic taste of each society, but also as a result of the cultural canon, the representations are almost the same: the woman and the world around her. Social hierarchies are those imposing restrictions and limitations, the result being the representation of the woman belonging to the higher strata of the society, where she is naturally represented, as a result of the social status that she inherited from her ancestors.

Colored ink technique, specific to the Japanese world, represents a fluid technique, where the color penetrates the paper and colors it, while oil painting simply covers the canvas, not being absorbed by the work support. Ink technique is more subtle and spontaneous, because once unveiled, the artist cannot make any more changes. It represents a final work, being a proof of the Asian perfectionism.

Asia, and Japan in our case, remains tributaries of this technique, and this is due to an exaggerated sense of traditionalism, and as a result of the fact that paste was the discovery of the Van Eyck brothers, during the 15th century in Europe.

Oil painting has the capacity to bring light, even in the darkest corners of the painting. This unique technique is *the oil*, which can be found between the chromatic pigment particles. The oil offers depth, while watercolors lack this profoundness, darkness being almost invisible in this technique.

Colors are in accordance with the states of mind, while the significance of colors is universal. Thus, the orange of Gainsborough's painting is a distinctive symbol, while the pink of *Mrs. Graham's* dress is a symbol of elegance, freshness, but also a symbol of feminine weakness.

Delacroix considers colors *music of the eyes*. Color is the cause and factor of all emotional reactions of the individual, but it can also determine shape. It is the unifying element, completing human vision of the surrounding world.

The Western diversity of themes has as a direct result representation of love, joy, sadness, fury or courage, and generally, these states of the mind have a maximum intensity. In Japan, no matter how strong emotions are, they are not represented, because decency is the guiding attitude in life. Thus, emotions of the Western world are replaced in the East with dispositions, feelings of a lower intensity. Western painters made appeal to poetic, allegorical and romantic associations, in order to offer an illusion of the evasive and elusive of the states of mind. Japanese art had the vocation of the superior harmonies, of the natural world reverberations, while the allusions abundantly inserted, are use to encode the visual or the literary text.

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SHREKSPEARE OR SHAKESPEARE GONE MANGA

Iulia Drăghici*

Although the reading of manga in Japan is not exclusively reserved to youth culture, manga exports from Japan, as well as manga produced in the European and American markets, are especially appealing to young people as a means of going against the established values of high culture. A very good and novel example of this is the “adoption” of Shakespeare by manga artists who thus provide a totally unique “interplay between two cultural systems—high and pop culture—that operate in parallel realms, two bodies of reference, sets of cultural institutions, canons of aesthetic standards, modes of constructing cultural authority”¹.

Long before globalization was coined as term and multidimensional phenomenon, about half a millennium ago, people were beginning to live in a global village where everybody knew... Shakespeare. When the Bard of Avon was only 7 the world was already shrinking. Not just because trade was bringing the continents closer every day, but also due to the cultural exchanges that were multiplying between Europe, the Americas and even Asia. English was taking its first steps towards getting the *lingua franca* status it has today. So the word got out and Great Will gained wide notoriety on all populated continents: moreover, starting in his own lifetime, Hamlet began to speak French and a number of other European vernaculars. Somebody was really *shaking the spear* globally!

We now live in a world gone globalized economically, but fragmented culturally. However, there is a huge renewal of interest for cultural and civilizational identities going on. And apparently Shakespeare himself went Manga in the process. Manga has emerged as one of the newest and most fashionable ways to remake Shakespeare for popular culture. The graphic reworkings of Shakespeare’s volumes provide a translation that keeps this “interplay between two cultural systems” dynamic and available for the reader.

Therefore, *Manga Shakespeare* represents a new interpretive challenge that makes the great poet of the Western literary canon get transposed into a popular modern Japanese graphic art form. *As you like it*, if you please. In Manga Shakespeare, specialists read an annulment of distinction between high culture and

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¹ Lanier, Douglas (2002) *Shakespeare and Modern Popular Culture*, Oxford: Oxford UP, p. 137

consumer culture, a contest of authority and the tendency to resist the established values of high culture². The king is dead, long live... *Shakespeare!*?

The UK-based Manga Shakespeare series³ manages the commercial interests of youth culture alongside the academic investment of high culture, setting these two “Shakespeares” side by side on the page. Although the British Manga Shakespeare is not the only graphic adaptation of Shakespeare’s plays, it is definitely one of the most artistically interesting and has gained tremendous financial success as a published graphic series. Since its beginning in 2007, it has proudly produced fourteen volumes of abridged manga versions of Shakespeare’s plays.

The Manga Shakespeare collection aims at engaging a segment of the readership market that might not be normally interested in Shakespeare. Therefore, this graphic “reinvention” of Shakespeare is seen by many educators, parents and students as the ideal way to help struggling young readers “get Shakespeare.”

Reviewers of Manga Shakespeare have emphasized the medium as notably appropriate for the adaptation of Shakespeare. A reviewer in *The Observer* writes, “This ‘manga Shakespeare’ hybrid is unlikely – but makes absolute sense . . . [it] shares similarities with Shakespeare’s theatre, relying heavily on recurring image and highly expressive gestures.”

One critic in the *Financial Times* even puts forward that “A cartoon version of Shakespeare is in some ways truer to the original than reading the text alone; the visual element was always supposed to be part of the experience.”

The *Independent on Sunday* measures the success of Manga Shakespeare with the innovative adaptation of *Romeo and Juliet* by Baz Luhrmann: “This new series does in book form what film director Baz Luhrmann did on screen – make Shakespeare cool and accessible to a younger generation... [the] artists use the dynamic flow of manga to give Shakespeare’s plots an addictive page turning energy.”

But it seems that, above all, critics have highlighted the emotional appeal of Manga Shakespeare as being among the most exhilarating characteristics of this pop-culture adaptation. A reviewer in *The Times* acknowledges “how vividly manga techniques and pacing can convey motion and emotion”; and yet another reviewer of Manga Shakespeare comments that “manga is a dynamic, emotional and cinematic medium easily absorbed by the eye. Its attractive art and simple storytelling methods

² Ibid.

³ Hulbert, Jennifer, Kevin J. Wetmore, Jr., and Robert L. York, eds. (2006), *Dude, Where’s My Bard? Reducing, Translating, and Referencing Shakespeare for Youth: An Introduction. Shakespeare and Youth Culture*. New York: Palgrave Macmillan, p.1–41.

enthusie readers to approach Shakespeare's work in the way he intended – as entertainment.”⁴

In conclusion to our survey of Manga Shakespeare it would seem that manga is a very suitable medium for depicting characters as popular as Shakespeare's characters. What is intriguing in the Manga Shakespeare volumes is the way we are drawn towards emotional participation in the story, by the characters' faces and by the other signals of expressiveness, at the same time as we are drawn away from that participation through the appearance on the page of Shakespeare's lines, the language and formal elements of the text, now “mangafied.”⁵ In reading Manga Shakespeare, one can come across a lively interchange between high and pop culture that captivates the reader, brightening up the sometimes equivocal cultural site of meaning that we call Shakespeare.

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TRADE AND POLITICS IN THE PACIFIC AREA: TRENDS IN MULTILATERAL TRADE NEGOTIATIONS

Florin Bonciu *

Abstract

The paper analyzes the ongoing multilateral trade negotiations from the Asia – Pacific area in the larger context of the shift of the economic center of the world economy from the Atlantic to the Pacific area. The high economic dynamism of the region has been accompanied in the past two decades by the establishment of a large number of bilateral and multilateral free trade agreements that included in many cases regulations on investments and other topics. In the wake of the Doha Round of negotiations failure, two more or less competing large multilateral trade negotiations (Trans Pacific Partnership and Regional Comprehensive Economic Cooperation) are presented in the context of the rise of the economic and political power of China in the region and of the interest of USA to maintain its decades long influence in the Pacific area. The conclusion is that given the strong economic interactions among the countries of the region, regional interests will prevail and the existing and new agreements will, in fact, pave the way first to a comprehensive regional trade and investment agreement and then to a global one.

Key words: Asia – Pacific region, free trade agreements, APEC, TPP, RCEP, Pacific Charter

JEL classification: F02, F13, F15, F53.

Regional and global economic dimension of Asia – Pacific area in a historical context

The Asia – Pacific area has been in the last two decades the most dynamic region of the world economy from the point of view of economic growth as well as from the point of view of increasing its share in the world trade and investment flows. These trends correlated with the share of the region in the world population determined the justified question whether the 21st century would be “the Asian century” or even “the Pacific century” (Clinton, 2011), in the same way as the 19th century was the British century and the 20th century was the American century.

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Given these global dynamics, from the perspective of 2014 one can note that the world economy is characterized by the existence of two large areas:

- **The Atlantic area** which is mainly bipolar (USA – European Union). Anyway, in this case one of the members of the bipole, European Union, is a non-homogenous entity, being in fact an organization reuniting 28 member countries which are rather diverse. If we are to describe the Atlantic area as a bipole in a true scientifically consistent way, then the two participating entities would be NAFTA (North American Free Trade Area) and European Union. But because United States is such a prominent center of economic, political and military power, NAFTA is left in a shadow cone.
- **The Pacific area** which is intrinsically multipolar and having as main participating entities: China, Japan, India, Korea, Taiwan, ASEAN (particularly Indonesia, Vietnam, Philippine, Thailand, Malaysia, Singapore), Australia, Russian Federation, Canada, Mexico and USA. One important observation is that in the Pacific area there are the first three economies of the world: USA, China and Japan.

As we note from the above, the Pacific area has intrinsically more economic potential as among its members there are notably USA, Canada, China, Japan, India, Australia, Russian Federation. The existence of this potential as well as its ever increasing capitalization generated during the past two decades several results that fully justifies the title of “most dynamic region of the world economy” for Asia – Pacific area. In this respect, a research on 49 Asian economies¹ (Asian Development Bank, 2011, p.12) pointed out that for that group of countries:

- The GDP/habitant during 2001 – 2010 increased by 9,4 % per year;
- The yearly investment rates were of 35 %;
- The yearly export growth rates were of 11,4 %;
- The foreign investment flows in the region were of about 83 billion dollars per year.

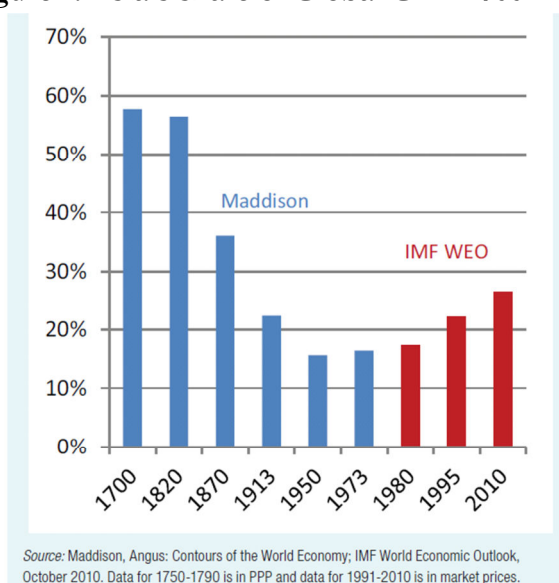
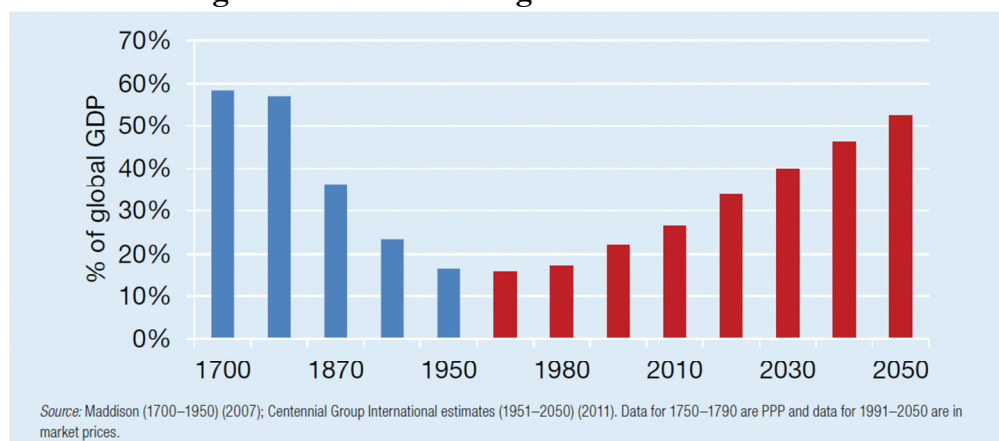
¹ The 49 economies included in the mentioned study were: Afghanistan; Armenia; Azerbaijan; Bangladesh; Bhutan; Brunei Darussalam; Cambodia; People’s Republic of China (PRC); Cook Islands; Democratic People’s Republic of Korea; Fiji; Georgia; Hong Kong, China; India; Indonesia; Iran; Japan; Kazakhstan; Kiribati; Republic of Korea; Kyrgyz Republic; Lao PDR; Macau, China; Malaysia; Maldives; Marshall Islands; Federated States of Micronesia; Mongolia; Myanmar; Nauru; Nepal; Pakistan; Palau; Papua New Guinea; Philippines; Samoa; Singapore; Solomon Islands; Sri Lanka; Taipei, China; Thailand; Tajikistan; Timor-Leste; Tonga; Turkmenistan; Tuvalu; Uzbekistan; Vanuatu; and Viet Nam.

For the non-specialists the rise of Asia – Pacific is “a miracle” or a phenomenon specific to the end of 20th century and the beginning of the 21st century. Many people have taken note of this phenomenon mostly in relation to news mentioning the immediacy of the moment (possibly even 2014) when China will become the first economy in the world (Samuelson, 2014), at least from the point of view of total Gross Domestic Products expressed in PPP (Purchasing Power Parity) terms.

But for those devoted to the study of history or economic history the picture is quite different. Because the 49 Asian economies mentioned above represented 58 % of Gross World Product before the First Industrial Revolution, by mid 18th century. From that peak level the region declined for about two and a half centuries to about 15 % in 1950 (Maddison, 2007, p.117). After 1950 the spectacular economic growth of Japan has opened the way to a return of the Asia – Pacific pre-eminence in the world economy. Japan was followed in the economic race by a first wave of countries formed of Hong Kong, Republic of Korea, Singapore and Taiwan, and then a second wave in the 1980s formed of Malaysia, Thailand, China, India, Indonesia and Vietnam. In 2010 the 49 Asian economies represented 27 % of global output.

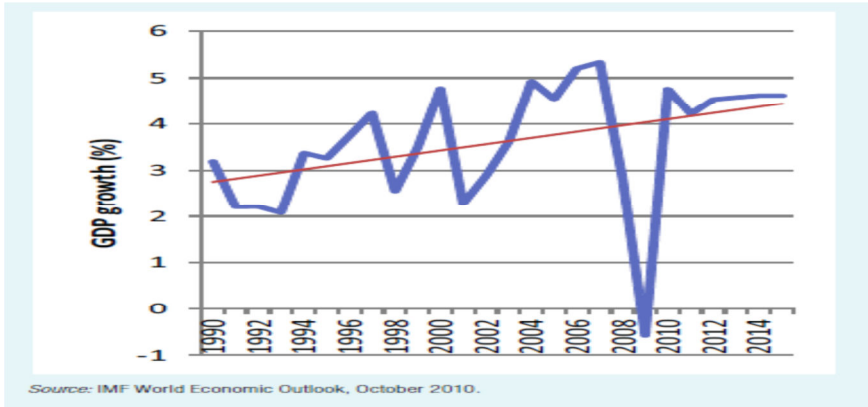
In case these current trends continue, and this is not just a speculation as the multi-year economic outlook point in this direction, the region will double its share in the global GDP from about 27 % in 2010 to about 51 % in 2050. In such a scenario the GDP/habitant in the 49 Asian economies will increase 6 times from 2010 levels to 2050 levels and will become comparable to European GDP/habitant of 2010. More significantly this will imply that over 3 billion people in the area will become members of the middle class (Asian Development Bank, 2011, p.23). One confirmation of these trends is represented by the fact that in 2009 the middle class was located in a proportion of 54 % in North America and Europe while Asia – Pacific had only 28 %. In just a decade, till 2020, the middle class will be located in a proportion of 53 % in Asia – Pacific and only 32 % in North America and Europe (Mahbubani, p.26)

Therefore if one extrapolate the current trends of the Asia – Pacific area to 2050 the result is in fact a “return” of the Asia – Pacific to the place that characterized it for centuries before the beginning of the First Industrial Revolution. The two graphs below illustrate clearly and impressively this historical pendulum that took Asia – Pacific area from a maximum to a minimum and back (Asian Development Bank, 2011, p.25)

Figure 1. Asia's share of Global GDP 1700 - 2010**Figure 2. Asia's share of global GDP 1700 – 2050**

The multi-decade impressive economic results for Asia – Pacific countries determine the interest for explaining the causes and factors that contributed to such a steady growth.

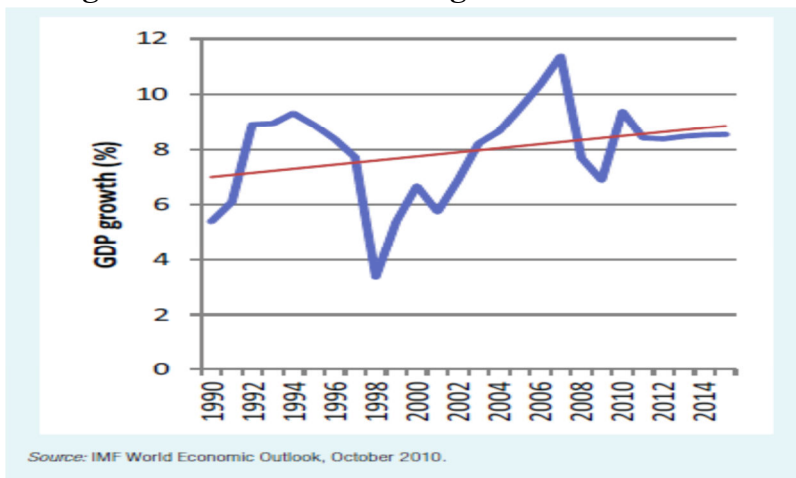
A first observation is that the “return” in a leading position within the world economy of the Asia – Pacific is the result of a long period of higher economic growth rates in the region as compared to the rest of the world. This is particularly evident if we refer to the recent crisis period after 2008. This statement can be easily proved by the next two graphs based on data originating from International Monetary Fund.

Figure 3. Global GDP growth rate 1990 - 2015

Comparing data from Figure 3 and 4 we note that at the world economy level the GDP growth rate between 1990 and 2015 varied in a band between 2 % and 5 % with a single and notable exception in 2009 when a less than 1 % negative rate was recorded.

For the same time interval 1990 – 2015 (as Figure 4 shows) the Asia – Pacific GDP growth rate varied in a band between 4 % and almost 12 % without a single year with negative rate, even in 2009 when a small decline was recorded at a global level.

This period of 25 years of significant higher economic growth rates in the Asia – Pacific led to a “return” on a pre-eminence position and also to a number of changes in the world balance of economic and political power.

Figure 4. Asia – Pacific GDP growth rate 1990 - 2015

Regional cooperation in the Asia – Pacific area

Based on this long perspective background we analyze the regional cooperation in the Asia – Pacific area. The high economic growth has been mirrored by a symmetrical growth of trade and investment flows within the region as well as between the region and the rest of the world, which fact, in turn, has led to the existence of a multitude of (economic and not only) cooperation organizations. Among these organizations one can note:

- **ASEAN** (Association of Southeast Asian Nations), established in 1967, which includes a Free Trade Area (AFTA);
- **APEC** (Asia Pacific Economic Forum), established in 1989, which has in view the creation of a Free Trade Area Asia Pacific – FTAAP;
- **RCEP** (Regional Comprehensive Economic Partnership);
- **TPP** (Trans Pacific Partnership) which aims to be much more than a free trade area.

Besides these multilateral forums and organizations, by 2012 there were about 180 bilateral trade agreements in the area (Kirk, 2011, p.4).

In order to determine the scope, content but also the political implications of the existing large discussion forums and trade agreements in the region as well as of those currently under negotiations we are going to present the main aspects characterizing APEC, RCEP and TPP. We are not going to focus on ASEAN because this is a well establish and truly regional organization and as such it is not one of the global actors interested in gaining or maintaining influence in the area. Anyway, the role and importance of ASEAN in the impressive development of Asia – Pacific region have been very significant and contributed to an unprecedented multilateralism in the area.

Regional and economic cooperation in Asia – Pacific area

Asia Pacific Economic Forum – APEC

APEC reunites 21 economies located on 4 continents which represent about 40 % of world population, 56 % of world GDP, 47 % of world trade (StatsAPEC, 2014). APEC is a rather flexible and large discussion forum which allows the debate on a variety of topics, many of which are also present in the ongoing negotiations of multilateral economic cooperation agreements such as TPP (Trans Pacific Partnership) or RCEP (Regional Comprehensive Economic Partnership).

Therefore, as far as APEC is concerned, this is not a competing organization with TPP and RCEP but rather a complement to them which may help in the clarification of certain positions of the participants or in finding new or middle-of-the-road solutions to divergences.

APEC has been established in 1989 as a regional response to the growing regional interdependence in the wider context of the globalization process. Other factors that gave an impulse to the establishment of this forum were represented by: the economic integration that took place in Europe (European Union) and North America (NAFTA), the interest of the member countries for the establishment of a regional market for agricultural products and raw materials, as well as the preoccupation of many countries in the region for the avoidance of allowing Japan to obtain a dominant market position.

APEC is characterized by some interesting aspects. The first one is that APEC is neither a trade agreement or a negotiating process, but it is a discussion forum supporting economic and trade development in the region. The complex interactions between economic, trade and political aspects within this forum are reflected in its diverse participating entities:

- 12 of its members (among which US and Japan but not China) take part in the Trans-Pacific Partnership negotiations;

- 8 of the participants to Trans-Pacific Partnership (but not US), plus 4 APEC members (among which is China) plus India plus 3 other non-APEC economies negotiate on the establishment of a Regional Comprehensive Economic Partnership.

A geographical overview of the APEC membership is presented in Figure 5 which also illustrates the years of accession to the forum of different members.

Figure 5. Member economies of the Asia Pacific Economic Cooperation Forum - APEC



Source: <http://mfat.govt.nz/Trade-and-Economic-relations/APEC/index.php>

Given the participants, from a general perspective one can say that APEC is a sort of umbrella forum, while RCEP and TPP are competing negotiations reflecting mainly the USA interest of containment of China's sphere of influence.

RCEP - Regional Comprehensive Economic Partnership

The Regional Comprehensive Economic Partnership is a multilateral free trade agreement among the 10 ASEAN states and the 6 states with which ASEAN has already free trade agreements: Australia, China, India, Japan, Korea, New Zealand. The fact that the 10 ASEAN countries are already part of a free trade area within ASEAN (AFTA) and, at the same time the other 6 non-ASEAN states have bilateral free trade agreements with ASEAN is a big plus for this agreement that allows for much less problems and divergences and also for a rapid implementation.

The RCEP was announced in 2011 and negotiations for the agreement started in 2012. The current estimates indicate the conclusion of the agreement in 2015.

In order to assess the position that RCEP might have in the world economy enough is to say that the states involved represent 46 % of world population, 32 % of world GDP, 40 % of world trade.

Anyway, the establishment of RCEP is confronted with some difficulties that arise from the fact that:

- RCEP is the first integration organization that involves a large number of developing countries;
- Some of the participants to RCEP have currently territorial disputes: Japan, China, Korea;
- The existence of significant differences in the levels of economic development and potential among participants;
- The fact that simultaneous participation of some of the members in the negotiations related to the Trans-Pacific Partnership may create confusion and expectative.

Without limiting in any way the presentation of RCEP to this factor, it is worth mentioning that China is by far the largest and most powerful partner that will play a significant role in case the agreement is finalized.

The Trans Pacific Partnership – TPP

Negotiations on cooperation in the Pacific area started in 2005 by an agreement among Singapore, Chile, New Zealand and Brunei. Anyway since 2009 the initiative for this project has been taken by the US that considers this partnership the central element of its economic policy in Asia – Pacific area.

Negotiating partners to TPP are: Australia, Brunei, Chile, Malaysia, Mexico, New Zealand, Canada, Peru, Singapore, Vietnam, USA and Japan (Japan joined these negotiations in July 2013). Korea expressed interest for TPP but its first priority is the finalizing of free trade agreement with China. At the same time Thailand, Costa Rica and Columbia expressed their interest to join TPP.

From the point of view of its content the Trans Pacific Partnership - TPP is regarded as a 21st century type of trade agreement because besides free trade it includes other aspects related to:

- labor circulation;
- public procurement;
- state owned companies;
- intellectual property and e-commerce;
- facilitation of global-value-chains.

The importance of TPP for the US results from the fact that in 2012 about 45 % of its exports were directed to TPP countries, economic relations with these countries generated 14.9 million job in the US, and companies from these states have invested about 600 billion dollars in the US, thus creating 1.5 million direct jobs (Fergusson, 2013, p.11).

Moreover US has already signed free trade agreements with 6 TPP countries (namely Australia, Canada, Chile, Mexico, Peru and Singapore).

From both an economic and political point of view the obvious missing country from TPP negotiations is China. China is an economy of the region and is the second economic power in the world with serious chances to become the first before 2020.

From the USA point of view the interest is to speed up the finalization of TPP negotiations just to avoid having China as a founding member. If this happens China will have to negotiate accession to TPP in a similar way to its accession to the World Trade Organization. These particulars can be easier understood if we put the whole TPP negotiations in a historical and geo-political context.

Geo-political context of TPP negotiations

For reasons specific to the historical circumstances after the second World War for many decades the USA have been the central element of the economic and political relations in the Pacific area (Dormandy, Kinane, 2014, p.10).

This decade long picture has changed because the economic, political and military rise of China, particularly after 2010. Therefore, the emergence of this new,

high profile regional power – China - generated the need for some clarifications on the new role of the USA in the area. In this respect the official position of the USA were expressed in November 2011 under the name of rebalancing US foreign policy to Asia. The main objective of this rebalancing policy is for the USA to continue to have a leading role in the Asia – Pacific (Manyin, 2012, p.5).

In this context some strategists and politicians in the Western world and particularly in the USA started to discuss about the need for the creation of a Pacific Charter (similar to North Atlantic Chart) to cover at least 4 areas: free navigation and settlement of sea litigations; establishment of an Asia – Pacific free trade area; provision of security by cooperation; securing human rights and democracy .

The negotiations and structuring of the TPP is particularly complex because the participant countries are already members in many overlapping multi-lateral and bi-lateral trade agreements and while this may provide useful building blocks for the future agreement (that is TPP), at the same time determines the need to give up existing structures and replacing them with a new and unifying one.

The existing multilateral Free Trade Agreements in the TPP area are the following:

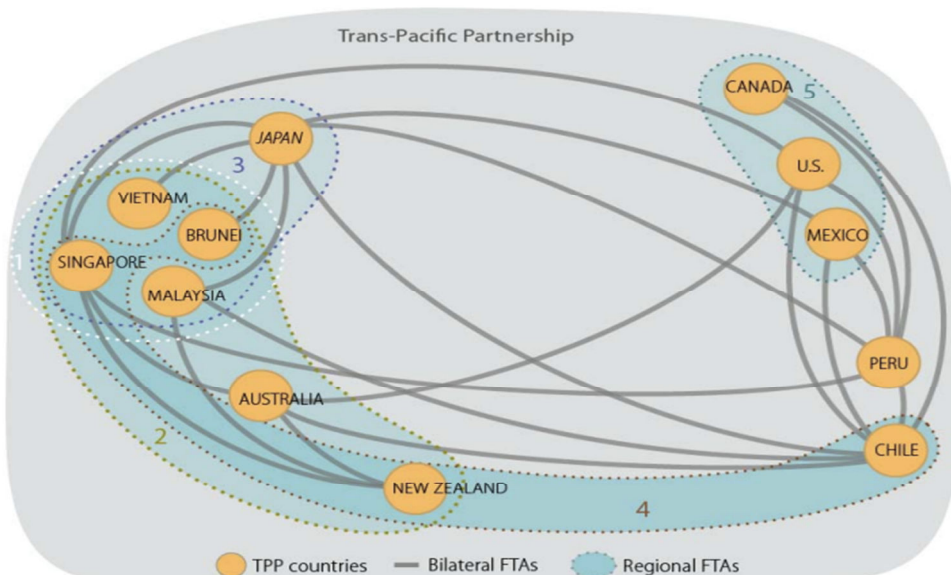
- 1) Singapore, Vietnam, Malaysia and Brunei are AFTA – ASEAN Free Trade Agreement members;
- 2) the 4 countries plus Australia and New Zealand are AANZFTA members – Free Trade Agreement ASEAN – Australia – New Zealand;
- 3) the 4 countries plus Japan are members of Free Trade Agreement ASEAN – Japan;
- 4) Chile, New Zealand, Singapore and Brunei are members of the Trans Pacific Strategic Economic Partnership - TPSEP or P4;
- 5) US, Canada and Mexico are NAFTA members.

The existing bi-lateral Free Trade Agreements in the TPP are:

- 1) Canada with Chile and Peru;
- 2) SUA with Singapore, Australia, Peru, Chile;
- 3) Mexico with Chile, Peru, Japan;
- 4) Peru with Mexico, Japan, Singapore, Chile;
- 5) Chile with Canada, Peru, Japan, Malaysia, Australia;
- 6) New Zealand with Australia, Malaysia, Singapore;
- 7) Australia with US, New Zealand, Singapore;
- 8) Vietnam with Japan;
- 9) Brunei with Japan;

- 10) Singapore with US, Japan, New Zealand, Australia, Peru;
 11) Malaysia with Japan, Chile, New Zealand;
 12) Japan with Mexico, Peru, Chile, Singapore, Vietnam, Brunei, Malaysia.
 This complex, overlapping situation is reflected in Figure 6 below.

Figure 6. TPP negotiations and existing Free Trade Agreements



Source: Congressional Research Service

Conclusions

The high economic dynamism of the Asia – Pacific region has been accompanied by an equally high dynamism of regional trade and investment flows which, in turn, generated a high interest for the establishment of a multilateral regulation framework. As result the majority if not all the countries in the region are part of bilateral and multilateral free trade agreements and most of them are also part in at least one comprehensive multilateral negotiation.

From a larger, worldwide perspective, we can say that the ongoing negotiations on free trade areas are an expression of the dynamics of globalization and of the higher than world average dynamics in Asia – Pacific area. As result of failure of Doha Round that aimed to create a global enabling framework for trade and investment the importance of these regional negotiations has increased. Regional progress albeit meaning less than world progress is anyway a step forward.

In the Asia – Pacific area the RCEP and TPP negotiations may be regarded as an expression of the intersection of two spheres of influence: one regional, that of

China and one global, that of the USA. In this case the stake is represented by the accession to a position of controlling or at least influencing the rules of the game for the economic cooperation in the area for the rest of the century.

The presence of many players / states in both negotiations is proof of this competition but also an expression of globalization and of the global-value-chains that interconnect more and more companies large and small across the globe and particularly within the same geographical area. The economic actors, large and small, need better regulations and they continuously strive for this in any way they can.

In this context, the overlapping determined by the existence of many bilateral and multilateral free trade agreements as well as the ongoing negotiations of some large free trade agreements in the Asia – Pacific area is not necessarily a bad thing. It may actually help in the long run as generating building blocks for larger and larger agreements. In a positive scenario that eventually may lead to a true global trade agreement fulfilling and over passing the Doha Agenda.

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THE ROLES PLAYED BY CHINA AND JAPAN IN THE ASIAN INTEGRATION PROCESS

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Abstract

Both a result and an active constituent of the globalization process, the Asian economic integration is characterized in the literature as dynamic, flexible and pragmatic. The ASEAN+6 “construction” and particularly China and Japan play leading roles in the regional integration process, due to their networked participation at regional and global value chains and also trade, investment and technology flows. Nevertheless, the rise of “Factory Asia” encounters many obstacles, including the gradual erosion of competitive advantages, increasing complexity of global production networks and an incipient re-shoring movement.

Having in mind the actual opportunities and risks that arise for the Asian integration, the present paper has a threefold objective: (1) to outline the Asian integration state of the art in the context of global changes and challenges; (2) to illustrate that China and Japan are both partners and competitors and they occupy a distinct place in the regional economic order not only by means of roles played in trade in value added, but also if we consider their stance toward the integration process as compared to their neighbors; (3) to underline that, although a deep partnership between China and Japan is still difficult to conceive, due to their common historical background, this would be the most fruitful path to face up to the global challenges and concurrently to invigorate the regional integration up to the stage of the “New Factory Asia”.

Keywords: economic integration, global production networks, trade in value added, China, Japan, factory Asia, Regional Comprehensive Economic Partnership (RCEP).

JEL Classification: F14, F15, F21, F23, F59, L23.

1. Introduction

The Asian economic integration is characterized in the literature as dynamic, flexible and pragmatic, “institution-light” and gradual, from confidence building to incremental association forms. These governing principles of the Asian regionalism outline the “Asian Way” (Capannelli and Tan, 2012, pp. 7-9), having at its heart a number of actors which changed their roles over time.

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There are three main motivations for having chosen this research topic. *First*, Asia's rise on the global stage was distinctive. In the '50s, this region, alongside Latin America and Africa started to integrate in the world economy from similar development levels. Progressively, Asia took the lead, at the beginning due to the ascension of Japan, then to the rapid development of the Asian tigers and more recently to China and India. According to ADB (2011), Asia is in the middle of a "historic transformation". If it continues to follow its recent trajectory, by 2050 it could almost double its share of global GDP to 52 percent and could regain the dominant economic position it held 300 years ago, before the industrial revolution. *Second*, surprisingly, the heterogeneity of this region and consequently the deep complementarities among the economies constituted one of the determinants of its astonishing growth. *Third*, although the Asian economies started their integration process later as compared to other regions of the world, their *natural* participation at the regional and global value chains and the fragmented production networks is the most significant worldwide. We consider that the EU is more advanced as regards its integration depth through trade, investment and technology, but the Asian Factory is the most complex and dynamic globally.

Surprisingly, the Asian integration was rather an endeavor to combat regional obstacles, weaknesses or threats than a trial to capitalize on regional complementary assets. We have in mind the efforts for political stability in '60s-'80s, the Malaysian "Look East" policy and the East Asian Economic Group (EAEG) failure which led to the Association of Southeast Asian Nations (ASEAN) enlargement, the fight against the financial crisis of 1997-1998, and nowadays the Trans-Pacific Partnership (TPP) as a means to counterbalance for the rise of China and also to revive the 1994 Bogor goals in the actual context.

Nevertheless, the rise of *Factory Asia* encounters many obstacles, including the adverse effects of the recent financial and economic crisis of 2008-2009, the gradual erosion of competitive advantages, increasing complexity of global production networks (ADB, 2013, p. 17) and an incipient re-shoring movement (The Economist, 2013).

Having all these in mind, our paper is structured as follows. *In the first section*, we emphasize the Asian integration status, especially the ASEAN+6 (i.e. ASEAN together with China, Japan, South Korea, India, Australia and New Zealand) and the endeavor to conclude the Regional Comprehensive Economic Partnership (RCEP) in the context of global changes and challenges. We underline also that the Factory Asia is a natural way to strengthen the multiple-level relationships regionally. *In the next section*, we compare China and Japan through the lens of quantitative and qualitative indicators and illustrate their roles played in the Asian integration process,

by analogy with their neighbors. *The concluding section* provides with arguments related to China's *geostrategic expectancy* while Japan and the ASEAN countries look up to the US as a counterbalance to China's rise not only in Asia-Pacific but at global level as well. From our point of view, a genuine partnership between China and Japan would be one of the most fruitful paths to counteract the global challenges and concurrently to invigorate the regional integration up to the stage of the "New Factory Asia". Nevertheless, this is extremely difficult if not impossible to occur, due to their common historical background and rivalries.

Our research paper is not based on "mainstream" instruments such as forecasting and macroeconomic modeling, but on argumentation and longitudinal and transversal comparative analyses supported by statistics, including the trade in value-added database (TiVA), managed commonly by the Organization for Economic Co-operation and Development (OECD) and the World Trade Organization (WTO). We examine closely economic phenomena, processes and also the rich literature, including Baldwin (2006, 2008, 2011), Kawai and Wignaraja (2009), Capannelli and Tan (2012), Hill and Menon (2010), Menon (2013) and relevant reports of international organizations.

2. The Asian integration architecture: state of the art and challenges ahead

Asian economies, and especially ASEAN+6 countries, have recorded dynamic growth rates over more than four decades, driven mainly by the regional integration. The main channels of integration are trade in goods and services, FDI, participation at global production networks and global knowledge networks, as well as the "science and technology diplomacy". All these enable the Asian countries to move up the value chain and ensure the dynamism of the region as a whole (OECD, 2013).

At the institutional level, Asia is considered "institution-light" (Capannelli and Tan, 2012, p. 7). However, the typology of the Asian institutions for regionalism is complex and can be included into 3 main categories:

- ✓ Overarching institutions – umbrella arrangements with comprehensive agendas (e.g. ASEAN, South Asian Association for Regional Cooperation SAARC, ASEAN+3, Regional Comprehensive Economic Partnership RCEP, East Asian Summit EAS, Asia-Pacific Economic Cooperation APEC, Asia-Europe Meeting ASEM, Eurasian Economic Community EurAsEc);
- ✓ Functional institutions – arrangements focused on specific areas of cooperation (ASEAN Regional Forum ARF, Shanghai Cooperation Organization SCO, Central Asia Regional Economic Cooperation CAREC, Pacific Islands Forum PIF, growth "triangles");

- ✓ Facilitating institutions – playing the role of “service providers” (United Nations Economic and Social Commission for Asia and Pacific UNESCAP, Asian Development Bank ADB) (Capannelli and Tan, 2012, pp. 9-12).

Asia's shares in the international trade and investment flows increased gradually, particularly after the effects of the financial crisis of 1997-1998 and the “dot.com” crash of 2001-2002 had been counteracted. According to the WTO data, the region's shares in the world exports of goods are situated at levels of about 32% (as compared to 14% in 1948, 19% in 1983 and 26.1% in 1993 and 2003), following closely Europe. Its participation at the world trade in services is lower, for example its export market share is more than 20 percentage points below Europe's (WTO, 2014a and 2014b). As regards the FDI inflows, Asia was in 2013 the world's largest recipient region for FDI (circa 27% of the world total) (UNCTAD, 2014a).

At present, circa 80% of the world trade is concentrated under the control of the multinational/transnational corporations (TNCs) and their worldwide affiliates (UNCTAD, 2013, p. 135). In the economic theory, there are horizontal FDI (in search of market) and vertical FDI (in search of efficiency). The former category contributes to the substitution of trade in final products (ready for consumption), while the latter one supposes an active trade in intermediary inputs (WTO/IDE/JETRO, 2011, p. 16 and IMF, 2013, p. 30). Based on vertical FDI and production fragmentation (reflected by high intra-industry trade indexes at regional level), **Factory Asia** refers to the model of regional production networks connecting factories in different Asian economies, producing parts and components that cross several borders and are assembled according to different countries' specialization in particular production stages (Lee *et al.*, 2011), with the final product shipped largely to advanced economies (ADB, 2013).

Considered as “one of the wonders of the world” (Baldwin, 2006) or a “miracle” (The World Bank, 1993), East Asia's “secret” resides in the activities of TNCs, their FDI and cross-border networks, in which production processes have become increasingly fragmented and the various constituent elements of the value chains are shared across countries in the region and parts and components actively traded between them (Paprzycki, Ito, 2009).

2.1. Supply-side or *de facto* integration in Asia

At present, circa 53.4% of the Asian trade in intra-regional (WTO, 2014a) and this is mainly due to the *natural, de facto or supply-side* integration,² based on production

² See Baldwin, 2006, Paprzycki, Ito, 2009.

sharing and trade in intermediate goods. This *market-driven* process originates in the 1960s and 1970s but accelerated during the past two decades (Paprzycki, Ito, 2009, pp. 1-2). There are scholars which argue that “global value chains first emerged as regional supply chains in East Asia, with Japanese investors taking the lead in the region and triggering flying geese pattern of investments and trade” (Banga, 2013, p. 6). Later, the Asian tigers and China took over leadership. The active participation of these countries at the global value chains is reflected by trade in value added statistics as well as the Chinese “triangular trade” or “tri-polar trade” (China-Asia-developed countries): its increasing deficits in relationship with the Asian partners alongside the growing surpluses of the trade balances with developed economies, in particular the EU and US (Gaulier *et al.*, 2004, WTO/IDE/JETRO, 2011, p. 76).

The rapid industrialization of the first generation of *Asian tigers, the rise of China and other ASEAN countries* created two types of actors: *headquarter economies* (or technology leaders such as: Japan, Taiwan-China, Hong Kong-China, South Korea, Singapore) and *factory economies* (China and the other ASEAN countries, heavily reliant on the high-technology manufacturing giants – US, Germany and Japan –) (Baldwin, 2011, ADB, 2013, p. 5). Gradually, Chinese TNCs became active investors abroad, so that China was in 2013 the fourth-largest FDI provider after the EU, USA and Japan (UNCTAD, 2014b) and one of the technology leaders (WIPO, 2013). In other words, China has at the same time characteristics of headquarter economy and factory economy.

Before we move on to the next section, we consider useful to review briefly some strengths, weaknesses, opportunities and threats of/for the Asian participants at the regional integration, resorting to ADBI, 2012 and Chia, 2013. Among the most commonly quoted strengths there are: geographical position, robust economic growth and solid economic fundamentals, internal market size, resources abundance, the emerging middle class and the networked cooperation. In the “weaknesses” category are included: shortages of human capital (especially skilled workers), institutions and infrastructure, the absence of “good governance” in several countries, the slow decision-making at the level of ASEAN, the lack of a common solidarity fund. As regards opportunities, we can mention: the historic and cultural ties (which represent, unfortunately, a destabilizing factor in certain cases), the presence of large markets such as China, India, Japan, the ASEAN+6 relations, the economies of scale. Finally, among the major threats there are: the territorial disputes in the East and South China Seas, the regional rivalries among countries like China,

on the one side and Japan and ASEAN on the other side and also the risk of non-accomplishing the ASEAN Economic Community until 2015.

Concerning the “Factory Asia growth model”, it faces many threats, given the changing global economic landscape and consumer tastes, the rising production costs which erodes the traditional advantages and the new technologies with a direct impact on the very nature of manufacturing (ADB, 2013, p. 16). In recent years, a growing number of American EU companies have started to move their manufacturing back home. The experts consider that in the longer term re-shoring will be encouraged by the advanced manufacturing techniques that make the production process less labor-intensive. “Cheaper, more user-friendly and more dexterous” robots contribute to the diminishing of the share of labor in total costs (The Economist, 2013).

Figure 1: Issues facing factory Asia
– counteracting them paves the way towards the “New Factory Asia”

| Trends | Issues | Impact | Probability |
|---|--|--------------------------|-------------|
| I. Changing global economic landscape and evolving consumer tastes will affect demand for Factory Asia's products | 1. Weaker growth in advanced countries will see demand shifting away from developed markets to emerging economies | High | High |
| | 2. Factory Asia will have to learn to cater to the demand of growing middle class consumers in the region | High | High |
| | 3. Asia's manufacturers need to build strong brand identity to compete globally | Low to High ^a | High |
| | 4. Weak economic growth and high unemployment may give rise to protectionist tendencies in advanced economies | Low | Low |
| II. Rising production costs gradually erodes traditional Factory Asia advantage | 5. Long and complex supply chains are becoming more vulnerable to natural disaster and reputational risks | Medium | Medium |
| | 6. Wages in Asia have been rising faster than developed countries, narrowing the cost differential | Medium | High |
| | 7. Exchange rates have become more volatile, making it harder to manage production networks across several countries | Medium | High |
| | 8. Shortage of skilled workers could hamper the region's drive to produce more sophisticated products | High | High |
| | 9. Changing demographics in some countries will result in a smaller labor pool | High | High |
| | 10. Production has been shifting from high-cost to lower-cost countries | High | High |
| III. New technologies are changing the nature of manufacturing | 11. Software is becoming more important in manufactures and comprise a larger share of value | Medium | High |
| | 12. Advances in robotics and additive manufacturing could herald a new era in manufacturing | Medium | High |

Source: ADB, 2013, p. 17.

At the same time, there are challenges related to relevance of statistics. The production of final goods relies on successive production and trade processes, consisting in exports of goods and services used as inputs for further processing and re-export (WTO/IDE/JETRO, 2011, p. 94). According to the international experts, given the transformation of global trade patterns and the augmentation of trade flows due to trade in intermediates, traditional statistics cannot give any more a correct picture of the trade flows. This is the main reason why, in order to separate the domestic content of an export from the cost of the imported components, it is necessary the measure of trade in value added (Lamy, 2013, WTO/IDE/JETRO, 2011, p. 6).

2.2. *De jure* integration in Asia

As regards the other form of Asian integration, built on preferential/regional trade agreements (RTAs), this was less dynamic than the supply-side integration. The most common form of RTAs in Asia is given by the free trade agreements (FTAs) (Asia Regional Integration Center, 2014). The ASEAN free trade area was shaped only in 1992, 25 years after the ASEAN came into being and at present it is the most advanced project of East Asian *de jure* integration (Hill, Menon, 2010). Following the Cebu Declaration on the Acceleration of the Establishment of an ASEAN Economic Community (adopted during the 12th ASEAN summit of January 2007), the endorsement of the Community Blueprint at the 13th ASEAN summit of November 2007 and the entry into force of the ASEAN Charter in December 2008, the ASEAN Community should be shaped until 2015. Its three pillars (the economic, security and socio-cultural communities) will be the solid fundament for a region characterized by free movement of goods, services, investment, skilled labor and freer flows of capital (Oehler-Şincai, 2014).

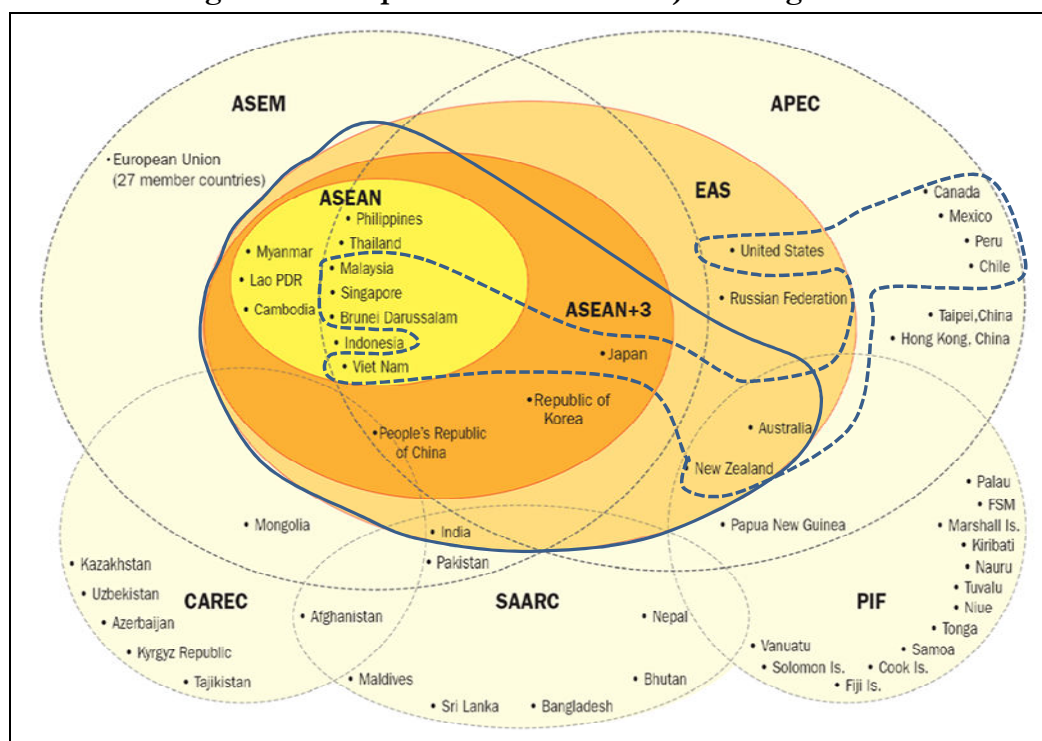
Referring to the relationship between the FTAs and the market-driven integration, some studies argue that Factory Asia has prospered *despite* the existent FTAs, *not because of it* (Menon, 2013, p. 6). The argumentation is based on several explanations. *First*, generally, components and parts of products are traded at zero or low tariffs. Due to the International Technology Agreement taxes on electronics components are zero, there are duty or tax rebates for re-exports, and most TNCs locate in duty-exempt export processing zones. *Second*, most of manufactures traded inside Factory Asia cannot benefit from tariff concessions, as they do not satisfy the rules of origin, in other words, FTAs promote trade in final goods not trade in parts and components. *Third*, the FTAs in force in Asia are not comprehensive enough, as

they do not tackle non-tariff barriers and many of the WTO-plus and WTO-extra provisions. *Fourth*, the FTA preference utilization rates (based on shares of export value enjoying preferences) are low in East Asian countries, meaning that these agreements are still underutilized (Kawai, Wignaraja, 2009). *Fifth*, the most of the regional tariff-cutting was done unilaterally by the ASEAN and China. This means that the tariff cuts were not “bound” in the WTO and the tariffs can rise again without violating the WTO rules (Baldwin, 2006). As a conclusion, only the consolidation of multiple and overlapping FTAs into a single East Asian FTA can help mitigate the harmful “noodle bowl” effects of different or competing tariffs, standards, and rules (Kawai, Wignaraja, 2008).

Even though the currently negotiated *RCEP* (among the ASEAN and its six dialogue partners with which it has already concluded FTAs) is finalized, this does not mean that all existing FTAs will be replaced by a unique East Asian FTA. However, this is considered a step toward the deepening of regional integration.³

Another new-generation agreement is the *Trans-Pacific Partnership (TPP)*. It is one of the most “ambitious, comprehensive and high-standard” agreements negotiated at present, at which participate 12 countries (five from the Eastern part of the Pacific, seven from its Western side, all APEC members): Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, US and Vietnam. The TPP originates in the P4 initiative (of Singapore, Chile, New Zealand and Brunei – Trans-Pacific Strategic Economic Partnership Agreement), signed in 2005 and entered into force in 2006. The US, Australia, Peru and Vietnam showed interest in participating at the Agreement in 2008. In October 2010, Malaysia joined the group, followed by Mexico and Canada (starting with the 15th round of negotiations of December 2012) and Japan (from the 18th round of July 2013) (Organization of American State’s Foreign Trade Information System, 2014). South Korea has also “flagged” its interest in joining the TPP, while China does not exclude its participation at this intercontinental initiative.

³ RCEP negotiations were announced on the margins of the East Asia Summit on 20 November 2012. In the Joint Statement at the first meeting of Trade Negotiating Committee, it was announced that RCEP would be “a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement establishing an open trade and investment environment in the region to facilitate the expansion of regional trade and investment and contribute to global economic growth and development”.

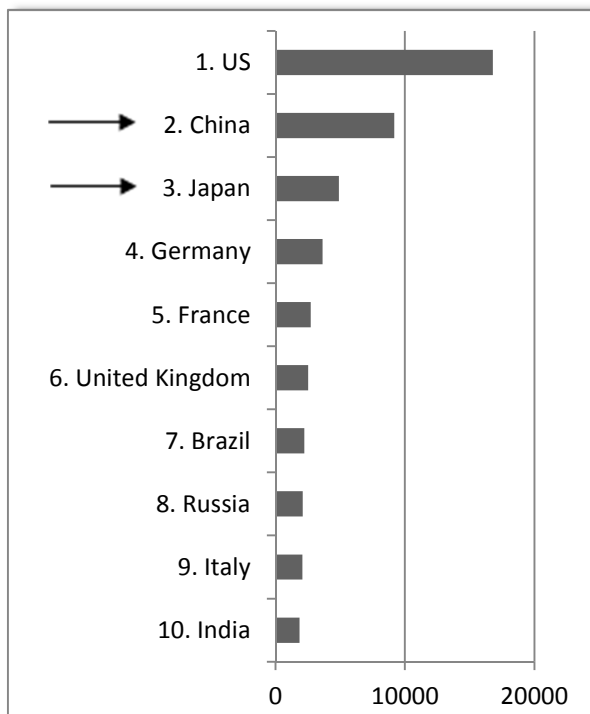
Figure 2: A snapshot of the Asian *de jure* integration

Source: Figure based on Capannelli, Tan, 2012, p. 6.

3. Roles played by China and Japan in “Factory Asia”

China and Japan share the leading roles in the regional integration process, due to their networked participation at regional and global value chains and also trade, investment and technology flows. In contrast with the period before 1985, when Japan was the only large Asian economy, East Asia “was set on a new course by the information and communication technology (ICT) revolutions that began in the mid-1980s” (Baldwin, 2011, pp. 40-41). Gradually, China became more and more integrated into the regional and the world economy and transformed into a “giant” in the manufacturing sector alongside US, Japan and Germany (ADB, 2013, p. 5). This facilitated the production fragmentation in Factory Asia (Lee *et al.*, 2011). Since 2009, China has been the largest exporter of goods and since 2010 (when it surpassed Japan), it has occupied the second place after the US in the hierarchy of the world economies taking into account the nominal GDP. Nevertheless, the US, Japan and Germany remain leaders in the field of “high-tech” products and services (ADB, 2013, p. 5).

Chart 1: China and Japan in the hierarchy of the world economies taking into account the nominal GDP in 2013 (in billion USD)

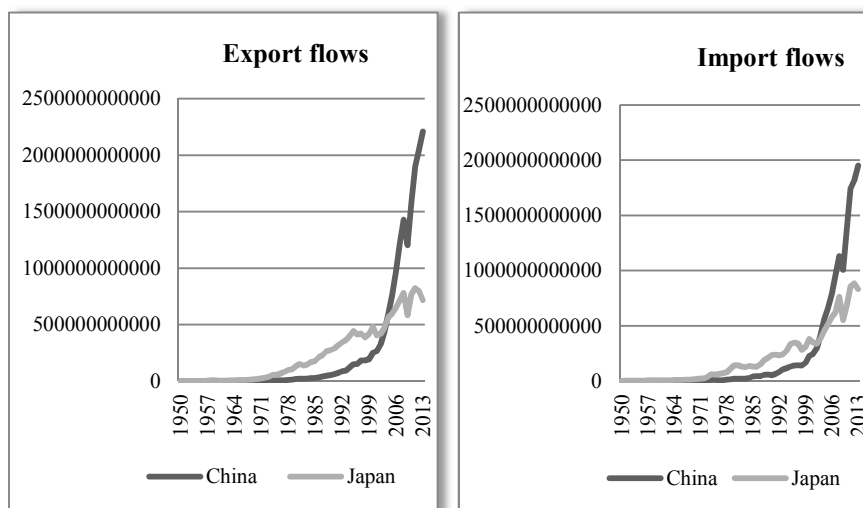


Source: Own representation based on IMF (2014a).

China surpassed Japan in 2003 as regards imports of goods and a year later outranked Japan at exports. In 2013, China was the leading world exporter of goods and the second major importer after the US, but, if we take into consideration the total trade (exports plus imports), *China was for the first time the largest trader, with a share of 11% of the world total, overtaking the US* (WTO, 2014b). In the field of trade in services, China was in 2013 the fifth largest exporter and the second importer (it had surpassed Japan in 2008 on the export side and in 2009 on the import side).

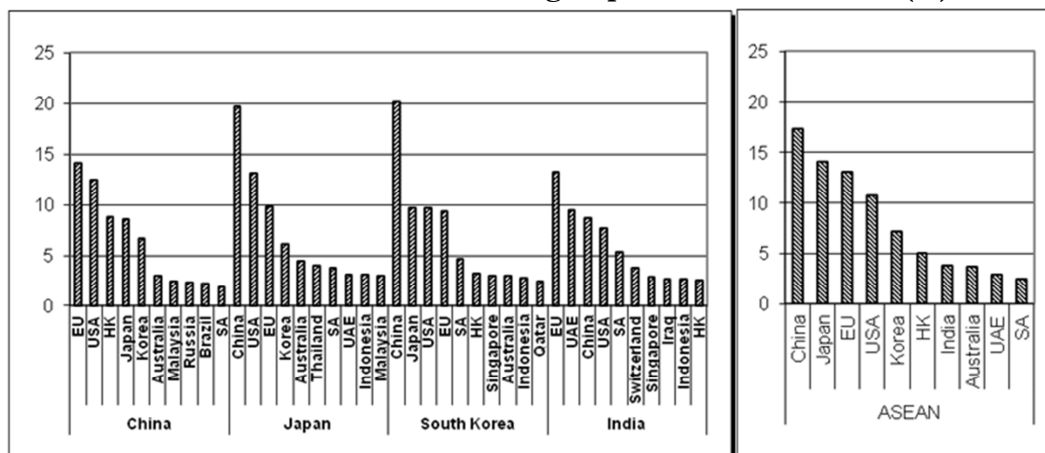
Taking into consideration a group of 14 Asian economies (ASEAN plus China, Japan, South Korea and India), China is the largest trade partner for five of them (Japan, South Korea, Malaysia, Vietnam and Myanmar), Japan for four (Indonesia, Philippines, Thailand and Brunei), EU for two (China and Japan), Thailand also for two (Cambodia and Laos) and Malaysia for one (Singapore).

Chart 2: China and Japan – trade in goods during 1950-2013 (USD)



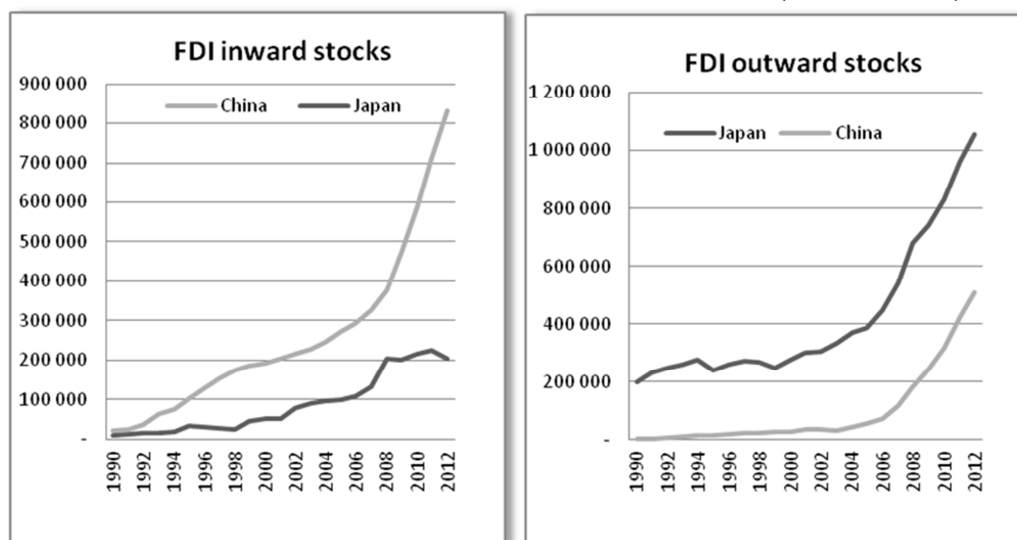
Source: Own representation based on WTO (2014a).

Chart 3: Main trade partners for China, Japan, South Korea, India and ASEAN group of countries in 2012 (%)



Note: HK – Hong Kong-China, SA – Saudi Arabia, UAE – United Arab Emirates.
 Source: Own representation based on DG Trade (2014).

China was in 2013 the fourth-largest FDI provider after the EU, USA and Japan and the third beneficiary of FDI, after the US and EU (UNCTAD, 2014a and 2014b). The following chart emphasizes the evolution of the FDI inward and outward stocks received/generated by China and Japan during 1990-2012.

Chart 4: FDI inward and outward stocks, 1990-2012 (USD million)

Source: Own representation based on UNCTAD (2013).

In terms of macroeconomic indicators (suggesting the economic fundamentals) and other quantitative indexes, China is better positioned than Japan. By contrast, as regards the qualitative indexes, Japan is in most cases still ahead of China (see the following table).

Table 1: China and Japan – presentation in terms of quantitative and qualitative indicators (the most recent available year)

| Country | Population (in million inhabitants) | Nominal GDP (in billion USD) | GDP/ inhabitant (USD) | General gov. net lending/ Borrowing (in % of GDP) | General gov. gross debt (in % of GDP) | Current account balance (in % of GDP) | Place in the world hierarchy taking into account the human development index and global innovation index | Place in the world hierarchy taking into account the ease of doing business index |
|---------|-------------------------------------|------------------------------|-----------------------|---|---------------------------------------|---------------------------------------|--|---|
| China | 1360,8 | 9181,4 | 6.750 | -1,9 | 22,4 | 2,1 | 101 / 35 | 96 |
| Japan | 127,3 | 4901,5 | 38.500 | -8,4 | 243,2 | 0,7 | 10 / 22 | 27 |

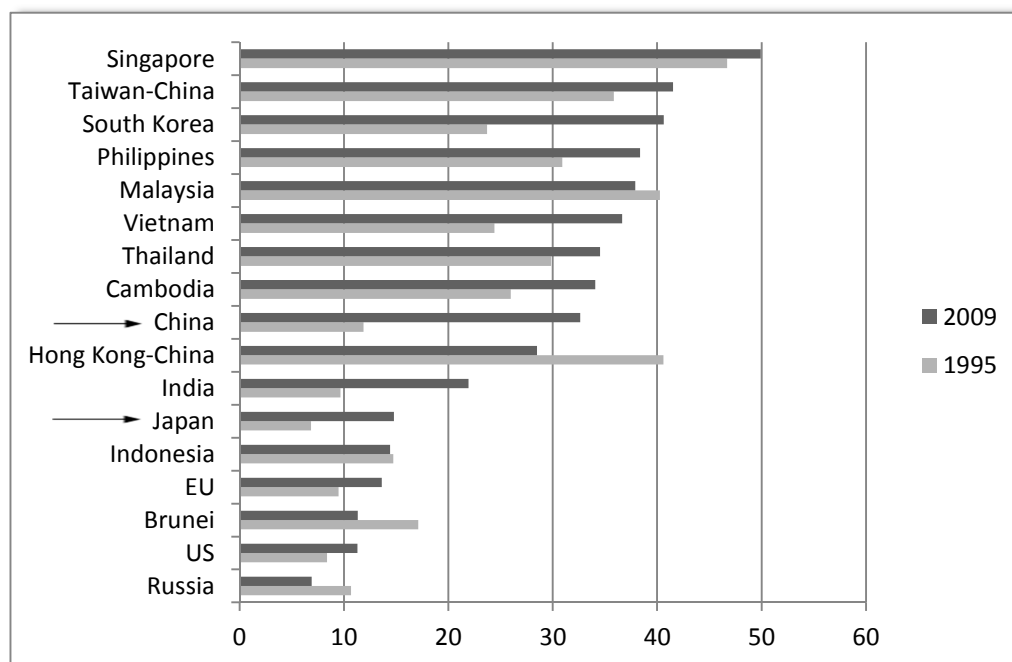
Source: Oehler-Sincai (2014), based on: IMF (2014a and 2014b), UNDP (2013), IBRD-The World Bank (2013), Cornell University et al. (2013).

Nevertheless, in 2012, for the first time, residents of China accounted for the largest number of patents filed throughout the world. In addition, the Chinese Intellectual Property Office (SIPO) accounted for the largest number of applications received by any single IP office. Residents of China filed 560,681 patent applications; this compared with those filed by residents of Japan (486,070) and residents of the US (460,276). Similarly, SIPO received 652,777 applications, compared to 542,815 for the US Office and 342,796 for the Japan Patent Office (JPO) (WIPO, 2013).

International experts consider that research and development (R&D) activities in China “are entering a new era” (KPMG, 2013). Although R&D spending as a share of GDP is still low in China (under 2%), the R&D amount is rising and in 2011, China passed Japan and occupied the second position after the US in the world hierarchy in terms of total R&D spending. If it continues the actual increasing trend, China might overtake the US in about ten years.

It should also be noted that foreign value added embodied in gross exports (synonymous with participation at global value chains) is almost double in China (circa 33%) as compared to Japan (15%) but remains under the level of economies such as: Singapore, Taiwan-China, South Korea, and other five ASEAN member countries. Nonetheless, one can remark that this share tripled during 1995-2009, while for Japan it doubled over the same time frame.

Chart 5: Foreign value added embodied in gross exports (%)



Source: Own representation based on TiVA, OECD-WTO (2013).

As regards the participation at FTAs, both China and Japan, but also other Asian countries (for example South Korea and India) were latecomers. They concluded their first FTAs in the 2000s. At present, Japan and China are actively negotiating the liberalization of trade and investment flows with key partners and are part of the RCEP process. Yet China has not started the negotiations for the Trans-Pacific Partnership, having as promoters US and Japan.

Figure 3: China, Japan and South Korea – FTAs signed, under negotiation and under analysis

| Signed | | | Under negotiation | | |
|---|--|--|--|--|--|
| <p>China</p> <p>ASEAN Singapore APTA <u>Chile</u> Pakistan New Zealand <u>Peru</u> Costa Rica <u>Island</u> <u>Switzerland</u></p> | <p>Japan</p> <p>ASEAN <u>Singapore</u> <u>Mexico</u> <u>Malaysia</u> <u>Chile</u> <u>Thailand</u> <u>Indonesia</u> <u>Brunei</u> <u>Philippines</u> <u>Vietnam</u> <u>India</u> <u>Peru</u> <u>Switzerland</u> <u>Australia</u></p> | <p>South Korea</p> <p>ASEAN <u>Singapore</u> <u>Chile</u> <u>EFTA</u> <u>India</u> <u>USA</u> <u>EU</u> <u>Peru</u> Turkey Colombia</p> | <p>China</p> <p>China-South Korea-Japan <u>RCEP</u> Australia GCC SACU Norway South Korea</p> | <p>Japan</p> <p>China-South Korea-Japan <u>RCEP</u> Mongolia Canada Colombia TPP EU South Korea</p> | <p>South Korea</p> <p>China-South Korea-Japan <u>RCEP</u> Canada Mexico GCC Australia New Zealand China Japan Vietnam Indonesia</p> |
| <p>Under analysis</p> | | | <p>China: India, Mongolia, SCO, EU, TPP Japan: Turkey South Korea: Mercosur, Israel, Central America, Malaysia, TPP</p> | | |

Source: Oehler-Şincai (2014) based on official sources.

4. Concluding remarks: China's geostrategic expectancy

The largest Asian economy is looked upon with distrust by some partners. The rivalry between Japan and China, rooted in the past and amplified by the latter's "peaceful rise" and also the escalating territorial disputes in the East and South China Seas are several of the factors that determine the Asian countries to find alliances to counterweight their powerful neighbor. US, by means of their active presence in Asia-Pacific and the pursuance of alliances such as TPP, are once again in the right place at the right time.

Thus, China is at a crossroads. A partnership with the US and Japan might be excluded, although there is enough place at the negotiating table. Out of the 21 APEC members plus other countries, only 12 are currently participating at negotiations. At another level, EU does not seem interested to liberalize further on a bilateral track the trade flows with its rival, China. Besides, the actual geopolitical situation between the EU and US, on the one side and Russia on the other side remains tensioned. One might conclude that the only viable option for China and Russia is their association. Some steps in this direction have already been taken, but nonetheless, a decisive move towards a trade alliance is difficult to take and China's geostrategic expectancy might continue.

China and Japan share the leading roles in the regional integration process, due to their networked participation at regional and global value chains and also trade, investment and technology flows. At the same time, the "Factory Asia growth model" is facing many threats, given the changing global economic landscape and consumer tastes, the rising production costs which erodes the traditional advantages and the new technologies with a direct impact on the very nature of manufacturing. From our point of view, a genuine partnership between China and Japan would be one of the most fruitful paths to face up to the global challenges and concurrently to invigorate the regional integration up to the stage of the "New Factory Asia". Nevertheless, this is extremely difficult if not impossible to occur, due to their common historical background and rivalries.

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PUBLIC POLICY TO SUPPORT ICT DEVELOPMENT IN JAPAN

Andreea Drăgoi, George Dumitrescu*

Abstract

Japan was the first major non-Western nation that proved able to fully benefit from the sustained technological advances that characterized the 20th century. From this point of view, the Japanese economy represents a model for many less technologically advanced countries. The Japanese people were very creative in searching for new technologies and learning how to use them. The Japanese government has played an important role in promoting continuous innovation. Our paper aims to analyze the role of Japanese policies in the field of ICT development. Combining its manufacturing and technological prowess with the support for innovation, Japan's economy is an example of an arena in which investing in ICT can lead to a global breakthrough. Investments in research and higher education make sure that young Japanese have the skills and the mind-set needed to succeed in the era of globalization. Markets don't easily make these structural transformations by themselves. This is the reason why the government support in the field should be mandatory. Our analysis will focus also on the Japanese policies regarding public investment in ICT, highlighting to what extent these reforms can contribute to a real growth in the field.

Key words: ICT, technological advance, public policy, Abenomics

JEL CLASSIFICATION: F, O, O2, O3, O31

I. Short history of economic development in Japan

Developing a thriving information and communication technology (ICT) sector is a priority for many developed and emerging countries, since it drives private sector productivity and competitiveness, creates employment and spurs innovation. Its contribution to economic growth is twofold. First, the ICT sector itself contributes to GDP growth. Second, firms, organizations as well as individuals have greater opportunities to use ICT productively when local firms are available to provide relevant ICT products and services at affordable prices.

As stated in the literature in the field (Colecchia, Schreyer, 2001) in the XX century, economic growth was mainly achieved through increased or improved use

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of labor and capital or through a rise in multi-factor productivity. However, in Japan's case, a new factor has been driving growth public support for the development of information and communication technology (ICT) sector.

It is common knowledge that ICT is a source of capital services, delivering inputs to the production process. ICT also plays a role as an intermediate input to capital goods production. While potentially an important source of productivity gains, this contribution to output is not separately identified in the present framework.

Some analysts (Shigeyuki, Hausman, 2013) have emphasized that the Japanese economy has gone through a number of stages since the end of the WWII and only in the final year of the XX century, public authorities have started to rethink the growth strategy through investments in RDI and high technologies. After a recovery period during which Japan built its economy back up to the prewar level, a high growth period followed which was driven by the heavy chemical industry. Then, after the two oil crises, a stable growth period emerged, driven by technology intensive industries. In the 1990s, Japan was confronted with a prolonged recession triggered by the expansion and contraction of an economic bubble in the latter half of the 1980s. It is considered that the evidence of prolonged economic demise lies in Japan's 50- year-old postwar economic system as well as in an increasing inability to respond flexibly to internal and external changes. Upon coming into power in April 2001, the Koizumi Cabinet has implemented policies covering regulatory reform, public company privatization (e.g. postal service privatization) and administrative reform.

Economic revitalization is being promoted with policies to improve efficiency in areas such as labor allocation, fund allocation and research and development. Major changes are also taking place in the corporate world as companies strive to increase competitiveness by moving away from traditional employment practices such as lifetime employment and seniority-based wages.

Regarding ICT contributions to economic growth, some analysts (UNCTAD, 2013) have shown that in Japan the role played by ICT in further increasing economic development of the country, as a productive sector in itself and, more importantly, as an enabler of productive use of information and communication technologies, has encouraged policy makers to put in place strategies in order to facilitate its development.

II. ICT sector in Japan – current stages, future trends

From the end of the 20th century to the beginning of the 21st century, a general boom of high technologies in the global market has been registered, ICT in particular.

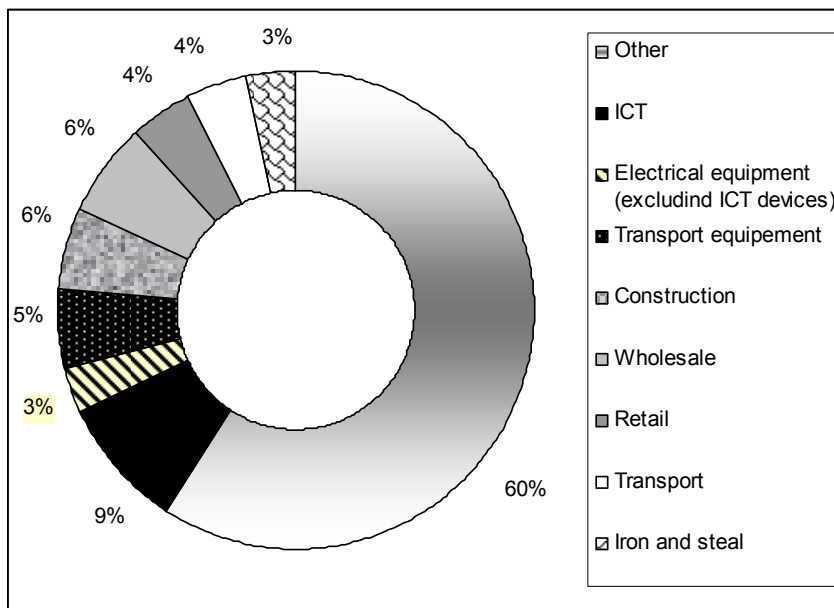
As stated in the literature in the field (Myoken, 2008) the ICT sector has an enormous impact on economic growth in Japan through productivity gains and

companies' efforts in the wide application of high - technologies. The Japanese ICT industry structure is unique. Japan can produce a whole range of devices and components, from LSI and printed circuit boards, to finished products, such as PCs, mobile phones, smart phones, telephone switches, and super computers.

The Japanese ICT sector has strengths in FTTH (Fibre to the Home), high definition image technology, home network, and mobile equipment technology. The Japanese competitive advantage is derived from its forte in optics and imaging, components for mobile telephones and TV, and advanced visual content. Japan has obtained a large share of the world's ICT market in other areas. For instance, its market share for DVD recorders dominates at 69.4%, with 54.1 % in plasma display TV, and 74.2% in digital cameras. While the market share of desktop PCs, notebooks both remain at low levels, the market share of electronic parts applied to mobile telephones, DVD, TV, and digital camera is high. On the other hand, total architecture, solution services, business models for global development, IP systems are remaining relatively weak areas, in which further investment are necessary.

Presently, ICT the industry plays an important role in the Japanese economy, accounting for 9% (82.7 trillion yen of the total output, which in 2011 totaled 918.6 trillion yen in 2011), as shown in Graph 1. By comparison, construction represented only 5.6% of economic activity (51.2 trillion yen), followed by transportation, at 4.3% of economic activity, or 39.4 trillion yen.

Graph 1: Market sizes of major industries in Japan in 2011

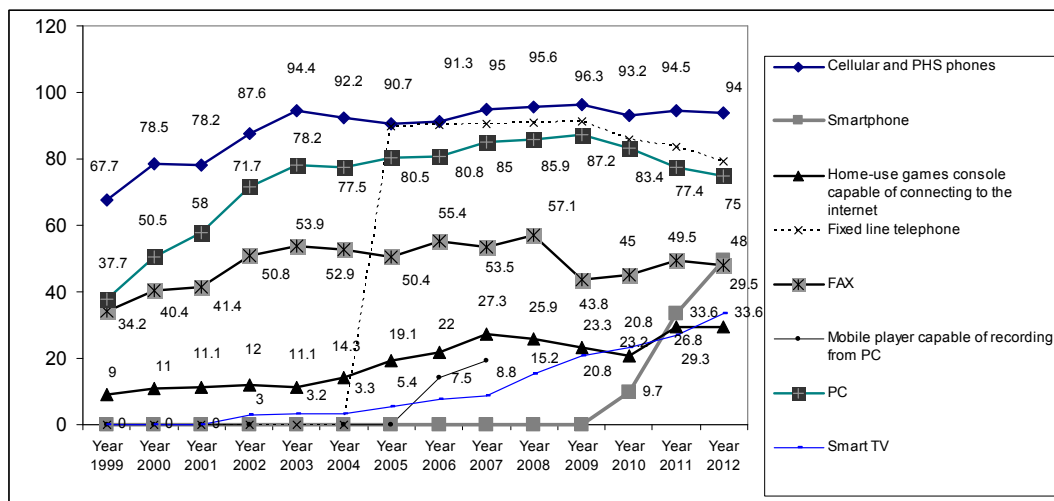


Source: Minister of Internal Affairs and Communication - *Survey on Economic Analyses on ICT*, 2013

According to Japan’s Minister of Internal Affairs and Communication, the multiplier effect of ICT investment in 2015 may be as high as 1.98 in contrast with 1.19 for general investment and the ICT industry’s economic spillover effects induced 87.6 trillion yen in added value and 7.713 million jobs in 2011.

As shown in Graph 2, the household penetration rate at the end of 2012 was 94.5% for cellular phones and personal handy phone systems and 75.8% for personal computers. The rate for smart phones included into the total number of cellular phones and PHSs stood at 49.5% (up 20.2 percentage points from a year earlier), indicating a rapid diffusion. Both the number of Internet users and the Internet population penetration rate continued to increase. The number of Internet users at the end of 2012 reached 96.52 million, an increase of 0.42 million (0.4%) from the end of 2010. The Internet population penetration rate was 79.5% (up 0.4 percentage points from the previous year). Those using personal computers at home to access the Internet accounted for 59.5% of total Internet users, the largest portion, followed by 42.8% for cellular phones, 34.1% for other personal computers and 31.4% for smart phones users at home, becoming the most frequently cited purpose for these users, followed by “browsing websites or blogs” (62.6%) and “purchasing and trading goods and services” (56.9%) (MIC, 2013).

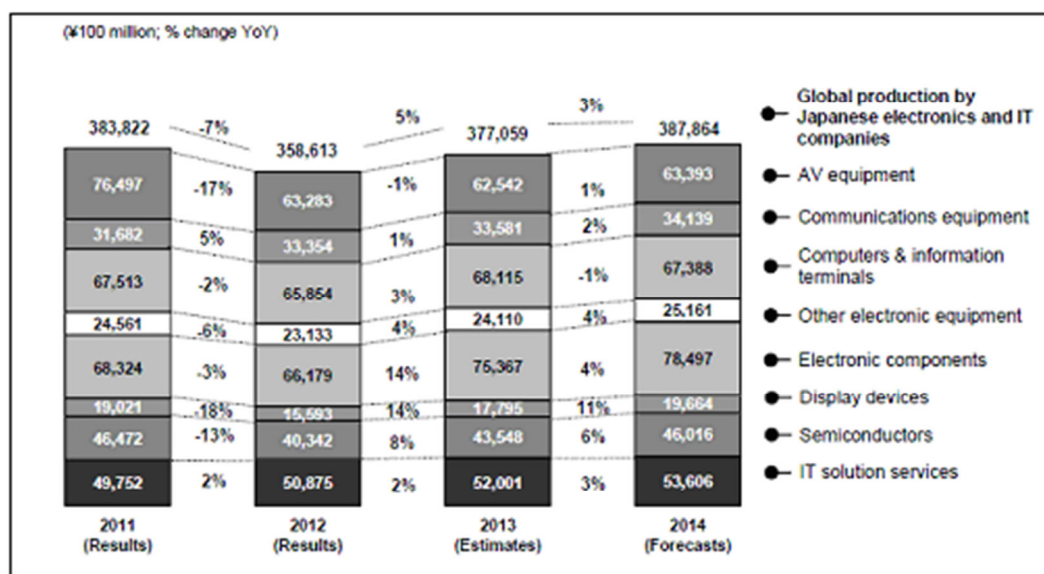
Graph 2: Household penetration rates for ICT terminals in Japan



Source: Minister of Internal Affairs and Communication – *Usage Trend Survey*, 2012.

According to Japan Electronics and Information Technologies Industries Association (JEITA) the proportion of households with Internet access is highest globally in the Republic of Korea (97%), followed by New Zealand (87%) and Japan (86%) (See Graph 3). In 2014, global domestic production of IT companies is set to increase, reflecting an anticipated recovery in the Japanese economy due to the continuation of Abenomics, coupled with the promotion of IT investments and other spillover effects on equipment for companies. As shown in the Graph 3, domestic production should remain strong for products offering high reliability and quality, such as display devices (88% manufactured in Japan), server/storage equipment (75%), semiconductors (64%), electric measuring instruments (64%), and electronic medical equipment (63%), even though domestic production’s share of total production is trending downward (JEITA, 2013).

Graph 3: Global Production by Japanese Electronics and IT Companies



Source: JEITA - Production forecasts for the global electronics and information technology industries, December 2013.

According to International Telecommunication Union¹ (ITU) data, the regional digital divide is very pronounced in the Asia and the Pacific region. The region is home to some of the IDI’s front runners, including the global number one, the Republic of Korea. Other economies with high IDI values, above the global (4.35)

¹ ITU (International Telecommunication Union) is the United Nations specialized agency for information and communication technologies – ICTs.

and the developed-country (6.78) averages, include Hong Kong (China), Australia, Japan, Macao (China), Singapore and New Zealand (ITU, 2013).

Japan has achieved marginal improvements in its ICT infrastructure, which has become more affordable, and maintains its competitive advantage in the high innovation capacity of local firms. Technology and innovation continue to play a key role in making Japan one of the most productive economies worldwide.

Table 1: Japan's ranking according ICT Development index in 2011 and 2012

| ECONOMY | Rank 2012 | IDI 2012 | Rank 2011 | IDI 2011 |
|-------------------------|------------------|-----------------|------------------|-----------------|
| KOREA (REP.) | 1 | 8.57 | 1 | 8.51 |
| SWEDEN | 2 | 8.45 | 2 | 8.41 |
| ICELAND | 3 | 8.36 | 3 | 8.12 |
| DENMARK | 4 | 8.35 | 4 | 8.18 |
| FINLAND | 5 | 8.24 | 5 | 7.99 |
| NORWAY | 6 | 8.13 | 6 | 7.97 |
| NETHERLAND | 7 | 8.00 | 7 | 7.85 |
| UNITED KINGDOM | 8 | 7.98 | 8 | 7.63 |
| LUXEMBOURG | 9 | 7.93 | 9 | 7.76 |
| HONG KONG, CHINA | 10 | 7.92 | 10 | 7.66 |
| AUSTRALIA | 11 | 7.90 | 11 | 7.54 |
| JAPAN | 12 | 7.82 | 12 | 7.77 |
| SWITZERLAND | 13 | 7.78 | 13 | 7.62 |
| MACAO, CHINA | 14 | 7.65 | 14 | 7.57 |
| SINGAPORE | 15 | 7.65 | 15 | 7.55 |
| NEW ZEELAND | 16 | 7.61 | 16 | 7.31 |
| UNITED STATES | 17 | 7.53 | 17 | 7.35 |
| FRANCE | 18 | 7.53 | 18 | 7.26 |
| GERMANY | 19 | 7.46 | 19 | 7.33 |
| CANADA | 20 | 7.38 | 20 | 7.14 |

Source: ITU 2013

III. Japan - a successful story regarding public support for technological development

In the literature in the field (Vallance, 2008) some analysts have underlined the fact that, in common perception, Japan is a nation whose image is that of high technology, robotics and creative media. The rapid development of the ICT sector has underpinned Japan's economic growth for the last few decades. This evolution was possible because, unlike other countries, Japan has started to develop, after 2000, public strategies to invest massively in high technologies.

First Public Strategy regarding ICT development was E-Japan, a strategy focused on the improvement of broadband infrastructure such as DSL, cable networks and fiber optics. E-Japan Strategy proposes to enhance the ICT usage by supporting the fields confronted with lack of means and knowledge. E-Japan attached high priority to developing infrastructure and making the most effective use of available IT resources. E-Japan was giving high priorities to the achievement of a secure and wealthy society by using IT and developing human capital, developing science, and strengthening industrial competitiveness. With such an aim, the development of a strong ICT sector underlined the need for a new system to maintain seamless investment from basic research to commercialization. Optics, mobiles, robot, electronic appliances were particularly considered key areas for investment. The largest amount of public investment was focused on next generation network technologies for convenience and comfort, ubiquitous network technologies, creating contents and technologies to use information and security technologies to achieve a safe and secure IT society.

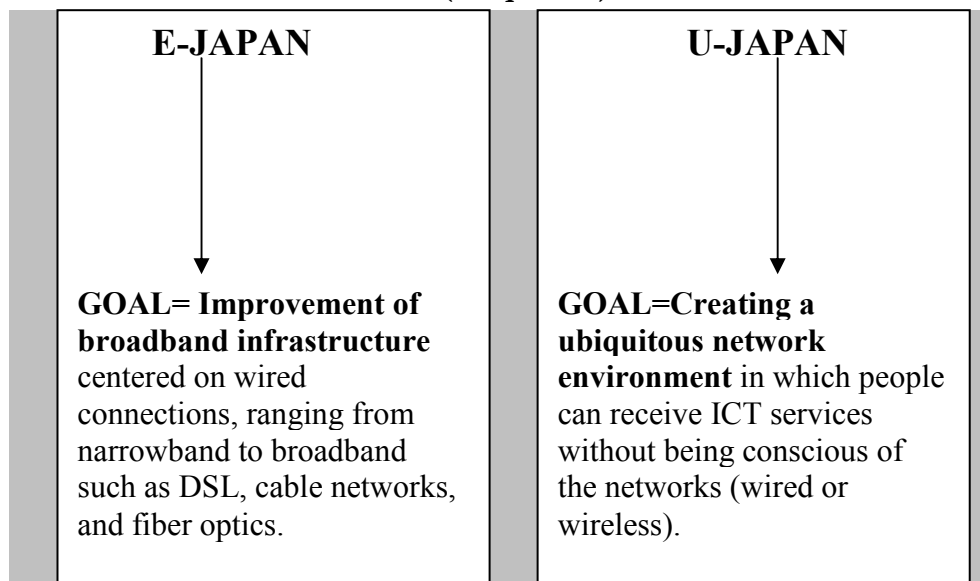
In 2006, the Ministry of Internal Affairs and Communications of Japan (MIC) announced its 'U-Japan' strategy with five policy packages: development of ubiquitous networks, advanced usage of ICT, upgrading enabling environment, international strategy and technology strategy (to promote R&D and standardization in priority areas, and to strengthen international competitiveness through innovations). To implement the U-Japan strategy, the MIC developed "UNS Strategic Program" (Universal communications, New generation networks, and Security and safety technology strategies) in July 2006. The program consists of three primary technologies and ten specific research projects with the goal of creating a society where anyone could benefit from IT, anytime and anywhere.

Another important strategy in the field of ICT, U-Japan was centered on creating ubiquitous networks in which people can receive ICT services without being conscious of the networks. The "U-Japan Strategy" focuses on integrating ICT

technologies into people's lives and developing a value-creation oriented society in which new values emerge one after another through creative ICT usage. Official documents (MIC, 2012) regarding U-Japan have shown that the “u” in “U-Japan” represents the “u” in not only “ubiquitous,” but also in “universal,” “user oriented,” and “unique.” According to that vision, the fundamental concept of U-Japan is that it will “connect everyone and everything”, providing a huge increase in friendly communication that transcends generation, distance, and language, enabling people friendly "heart-to-heart" contact. U-Japan also proposes to transform society from one of uniformity and standardization to one that is creative and vigorous, and which strives to achieve more creative business approaches and services, as well as a new social system and values.

Those two Strategies, developed by the Minister of Internal Affairs and Communication, have managed to create an ICT environment in which networks are integrated into all aspects of everyday life, by organic cooperation between fixed networks and wireless networks, and between terminals and networks, or between authentication, data exchange and networks.

Figure 1: The national ICT strategies in Japan: From “e” (electronics) to “u”(ubiquitous)



Source: Authors conclusions based on literature in the field.

ICT development in Japan is also stimulated by the existence of a National Institute of Information and Communication Technology (NICT). NICT is an

incorporated administrative agency that supports national ICT policies by providing technological advice and co-operates with academia, industries, and overseas research institutes. NICT has been conducting R&D into ICT with the comprehensive objective of achieving a ubiquitous network society as it is the sole national research institute in the field of ICT. NICT has not merely conducted its own research but also support technology-intensive SMEs and promote their commercialization. Since 2006, NICT started a 5-year, mid-term plan. NICT consolidated ongoing projects into three R&D areas: new-generation network technologies, key technologies for universal communications and ICT for security and safety. As for new-generation technologies, NICT established next generation promotion headquarters regarding R&D, technology roadmap and ICT sector social and economic impacts.

Regarding Japanese public strategies to support ICT development, in the literature in the field (Myoken, 2008) the opinion was expressed that they contribute decisively to assessing national ongoing projects and selecting significant new research areas with experts from private and public sectors. Adding to these efforts for improving the method of selecting and concentrating significant research areas, noteworthy is the government strategies for promoting commercialization of technology and productivity. Through that initiative a special committee was formed to analyses the impact of international standardization and intellectual property rights on the growth of the ICT sector and to elaborate a measures package addressing the particular challenges in the field.

IV. Abenomics – a bold initiative with possible impact on ICT sector?

Presently, Japan's strategy regarding economic development can be summarized by a single word: *Abenomics*. *Abenomics* is the name given to a suite of measures introduced by Japanese Prime Minister Shinzo Abe after his December 2012 re-election to the post he last held since 2007. Abenomics' aim was to revive the sluggish Japanese economy with "three arrows": a massive fiscal stimulus, more aggressive monetary easing from the Bank of Japan, and structural reforms to boost Japan's competitiveness.

Regarding the development of the ICT sector, the main focus of Abenomics is the development of ubiquitous networks (a priority already expressed in the "U-Japan Strategy). In the current Abenomics, MIC aims to prepare the seamless access environment in every scene, by organic cooperation between fixed networks and wireless networks, and between terminals and networks, or between authentication, data exchange and networks. An important and little noted component of Abenomics, Japan's information and communications technology (ICT) growth

strategy propounded on June 14 2013, ostensibly aims at the evolution of a new model of efficient, resilient and green urban and rural infrastructures. Together with domestic businesses, Japan's central agencies, big local governments, and the Abe regime's regulatory and fiscal initiatives, have been working to deploy cutting-edge innovation in a swath of smart city initiatives as well as special zones.

Abenomics also aims to reduce corporate taxes, ease regulations, relax labor law and sign free trade agreements to revitalize industries and create new markets for IT and other sectors. Some analysts (Mitchel, 2013) have noted that most of Abenomics measures are expected to boost the demand for ICT specialists (9000-11500 new jobs are expected to be created in IT services and software development by 2015). Moreover, since Abenomics calls for Japan to raise annual public and private expenditures on R&D to 4% of GDP in five years, foreign ICT players, many of whom are already in the market, should look for regulatory changes to anticipate new business opportunities.

It also should be noted that through The Growth Strategy aiming to develop telecom infrastructure by investing in Photonic Network Technology and network virtualization technologies new opportunities will be created for national and foreigner investors in the field.

In 2015, the Japanese government plans to undertake cyber security measures for information sharing between business and governmental organizations. During the Information Security Policy Conference, held in June 2013, a cyber-security strategy was created in order to achieve cyber-security in Japan by building a reliable cyber space that ensures national security and the management of crisis contributing thus to the social and economic development of the country and to the people's safety and security.

A recent study (Chakravarti, 2013) found that Japanese businesses are adopting cloud computing at the highest rate in the Asia-Pacific region. Using cloud technology, Japanese authorities plan to deregulate the health sector. They aim to accelerate the usage of ICT in medical care and to create a medical network that enables safe recording, storage and viewing of medical and health data. Some analysts (Kushida, Murray, Zysman, 2011) have shown that, in the cloud computing field, take-up is strongest (36%) among companies with 10,000 employees or more because in the economic conditions, cost saving is a major focus for large companies and using cloud computing facilitate the reduction of hardware costs.

By the end of 2014, the Japanese government is expected to formulate policies to promote the utilization of big-data technologies to store public information. According to MIC statistics, the big data analytics market attained 109.7 billion yen in

2012 based on the sales of the businesses. This market is likely to be driven by increasing demands from the companies utilizing data for managing and operating business, by shipment of new statistics analytics software, and by new emerging industry that stems from mass production of sensor data. All these measures will attract investments and increase the presence on the Japanese market of some of the biggest ICT companies in the world (TCS, Infosys, NEC, Fujitsu and IBM). Also, the Japanese government aims to develop research ecosystems within universities by funding 1500 full time research positions by 2016. In order to attract skilled foreigners, the government plans to create preferential immigration policies. For example, the period of stay for attaining permanent residence is expected to be reduced from 5 to 3 years. This is expected to attract 100.000 skilled engineers and researchers in the country by 2020. Some analysts (Shigeyuki, Hausman, 2013) have shown that, although Abenomics can be viewed has a “bold initiative”, it can boost ICT development by prioritizing investment in R&D and enhancing the actual use of the existing infrastructure.

V. Conclusions

The Japanese miracle, based on economic development focused on knowledge and investment in ICT, led to an unprecedented advance of high technologies development. The development of ITC was coherent coordinated by Japanese authorities through strategic policies (E-Japan, U-Japan). Through its strategies, the Japanese government has succeeded to enhance ICT infrastructure in Japan by utilizing experts from industries and academia, by improving competition policy, by allocating resources to ICT related, prioritized areas, and by promoting cooperation between different industries. Given the government support for developing the ITC sector, Japan is now among the leading countries in the field of ITC with high rates of connectivity and utilization of computers and smart devices. Japan has a good world market share of home appliances and audio-visual equipment, although progress can be made regarding PC and related equipment and mobile telephone terminals. Also, Japan is a leader technology developer of displays, mobile terminals, digital home appliances, sensors, and radio frequency identifications. At the same time Japan is lagging in technologies for middleware such as security and authentication, and application development such as contents description language.

In the near future, digital home (and car) appliances will be equipped with advanced network functions, which will enable them to exchange data and information. This vision is often called Ubiquitous Networks, where everything communicates with everything. Since Japan has the world’s leading networked

environment in the field, the Japanese manufacturers have a unique advantage to develop, design, and test such new products directly in Japan. Therefore, both the government and related industries expect that emerging technologies, products and services for the ubiquitous network society would drive Japanese economic growth, and increase her international competitive power.

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THE ROLE OF FDI IN REVITALIZING JAPAN'S ECONOMY

Cristina Bâlgăr, Andreea Drăgoi*

Abstract

After more than a decade-long economic decline that Japan has experienced (the so-called “lost decade”¹ episode), the national government has currently turned to looking at foreign direct investment (FDI) as a way to improve potential growth rate and productivity. Consequently, it has at present become incontestable what significant value the global capital and FDI can have for the performance of Japanese economy, being a catalyst for growth and reform.

The aim of the present paper is to analyze the trend of FDI inward flows in Japan before and during the economic international crisis, highlighting their role in sustaining and promoting economic growth.

Although, during the crisis, FDI flows have declined dramatically in all developed countries, showing a steadily drop-off both in Europe and United States, at that time, in Japan, the trend of FDI inflows has increased.

The analysis will focus on the main factors that have contributed to this tendency, pointing out the comparative advantages of Japan over the other developed countries (investment-friendly policies of the Japanese government, political stability, physical, financial and technological infrastructure, etc.). Besides, the article reviews the role of Japanese economy characteristics as determinants of foreign direct investment location patterns, underlying the internal macroeconomic factors that stimulate the flows of FDI and the linkage between FDI, trade, and other macroeconomic variables. Finally, the analysis will emphasize what policy actions the Japanese government may take with the view to increase foreign direct investments within the country.

Keywords: FDI flows, economic growth, comparative advantage, macroeconomic variables

1. Introduction

As in the recent years, there has been a significant growth in the observed levels of FDI inflows, a variety of views have been expressed concerning the importance of attracting FDI for the Japanese economy. Albeit it has been widely

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¹ “*Lost decade*” refers on the economic crisis following the Japanese asset price bubble during the 1990s.

recognized that Japan attracts a disproportionately low level of inward FDI relative to other leading advanced nations, there are essentially two arguments for why Japan should seek to increase its share of inward FDI. The first is based on the standard arguments that inward investment boosts employment, output and productivity (Driffield, 2001), while the second is more general, emphasizing the evidence that inward investment is an indicator of openness and the opening of an economy is beneficial for growth (Baldwin, 2003).

Accordingly, a substantial body of literature in the field suggests that foreign direct investment contributes to capital accumulation and technological progress, creating also a positive linkage between foreign and national firms, which, together with the capital financing it provides, can have a key role in modernizing a national economy and fostering economic development of the host country (Moran et al., 2005).

The location, distribution and volume of FDI across regions and countries depend on a variety of specific factors, among which the most important are: recipient country's openness to trade, national financial system, domestic infrastructure, investment in human capital, factor endowment and macroeconomic, political and social stability.

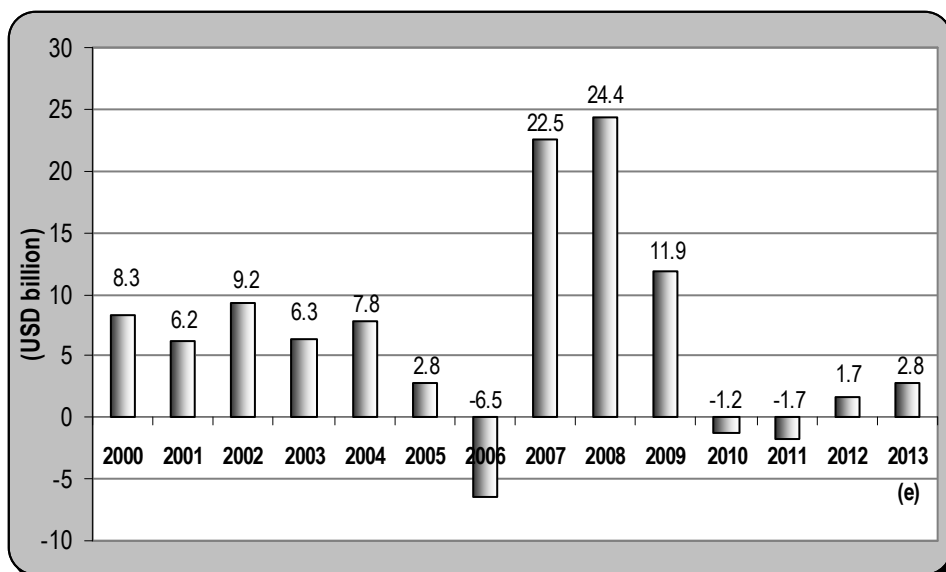
This paper focuses on the macroeconomic determinants of FDI in Japan and the linkage between FDI and other macroeconomic variables. Our analysis is based on the study of the factors behind the recent movements of FDI into the region in a quantitative manner, in the period before and after international economic crisis (during 2000-2013). Since inward FDI is a major indicator of an economy's openness and attractiveness, our research will focus on revealing the main determinants that have contributed towards this positive evolution of inward FDI, pointing out the comparative advantages of Japan over the other developed countries (national investment-friendly policies, political stability, technological infrastructure).

2. Global picture of FDI inflows in Japan before and after the Crisis

The rising prominence of inflows of foreign direct investment into Japan, which has traditionally been one of the top regional and global outward investors, is a significant element of several overall changes taking place in international capital flows. Among these, at one level, the increasing dominance of foreign direct investment in international capital flows since the mid-1980s and its trade-linkages have led to substantial policy changes and harmonization efforts across the globe at the national, regional and multilateral levels, aimed at capturing the expected benefits of these trends. In turn, such deregulation and liberalization initiatives are serving to establish and reinforce the dominance of FDI across an expanding range of countries and in an increasing number of sectors and industries.

As it is widely recognized, historically Japan attracted an excessively low level of inward FDI comparing with other developed nations (Yoshitomi&Graham, 1996). FDI in Japan, which began expanding in the second half of 1990's (UNCTAD, 2013) has gain momentum after the ending of the “lost decade”², namely, at the beginning of the millennium and after a sharp decrement in 2006, it registered a double digit historical peak in 2007 and 2008, as evident from following trends.

Graph 1: FDI inflows in Japan during 2000 -2013 (USD billion)



Sources: UNCTAD (2013), UNCTAD (2014)

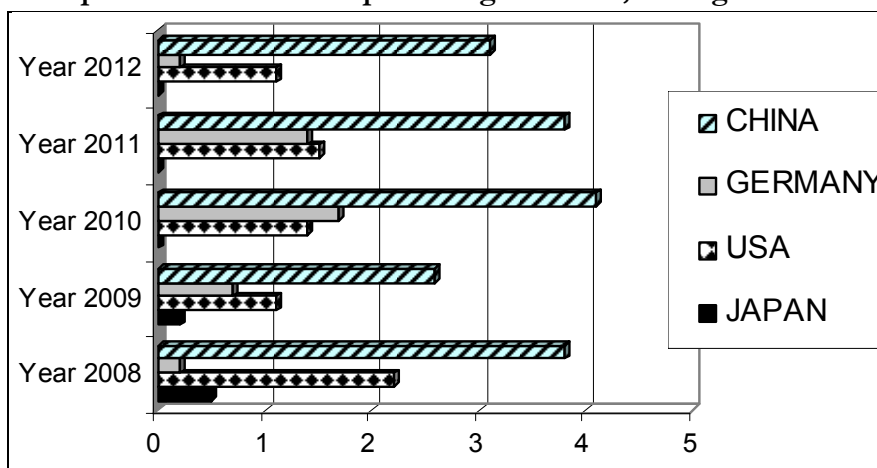
As shown in the Graph 1, the FDI inflows in Japan rose dramatically starting with 2007, than, after a sharp decline in 2009, due to the negative effects of financial crisis, for two other successive years it has recorded a net divestment. Beginning with 2012, the trend turned positive again, though the inflows were relatively small. According to preliminary estimations of UNCTAD (2014), in 2013, an upturn in M&A sales helped FDI inflows to Japan and they rose by almost 61% (according to the data presented in Table 1), reaching USD 2.8 billion. Albeit Japan's potential appeal is strong comparing with other developed countries, according to the illustrated figures, its performance in terms of FDI reception was very weak in the years following the economic financial crisis, endorsing the outcome that of late the

² The “lost decade” refers to the period 1991-2000 when Japanese economy has preformed lowest among the major industrialized countries in the world, despite significant efforts made by the national government in order to overpass the economic decline.

country didn't fully exploited its foreign investment potential for capital formation (UNCTAD 2012).

Even if they have increased during 2007-2009 (as shown in the Graph 1), Japan's inward FDI as percentage of GDP is still ranking the lowest position among other major developed countries (see Graph 2).

Graph 2: FDI inflows as percentage of GDP, during 2008-2012



Source: OECD, 2013

Thus, within traditional “triadic” - consisting of EU, USA and Japan – when compared with USA and EU (the main FDI world receptor), Japan share's in global inward FDI - that was on average 1% prior crisis - does look insignificant. Although the FDI to Japan increased in the last two years, its stake in world's FDI inflows declined even further.

Table 1: Comparative share of selected developed economies/region in total world FDI inflows during 2007-2013 and their growth rate in 2012-2013

(-%-)

| Region/ Country | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | Growth rate 2012/2013 |
|--------------------|------|------|------|------------------|------------------|------|------|--------------------------|
| EU | 42.9 | 30 | 29.5 | 26.9 | 26.7 | 19.1 | 19.6 | 38.1 |
| USA | 10.8 | 17 | 11.8 | 14 | 13.7 | 12.4 | 10.9 | -4.8 |
| Japan | 1.1 | 1.3 | 0.9 | ... ¹ | ... ¹ | 0.1 | 0.2 | 60.7 |

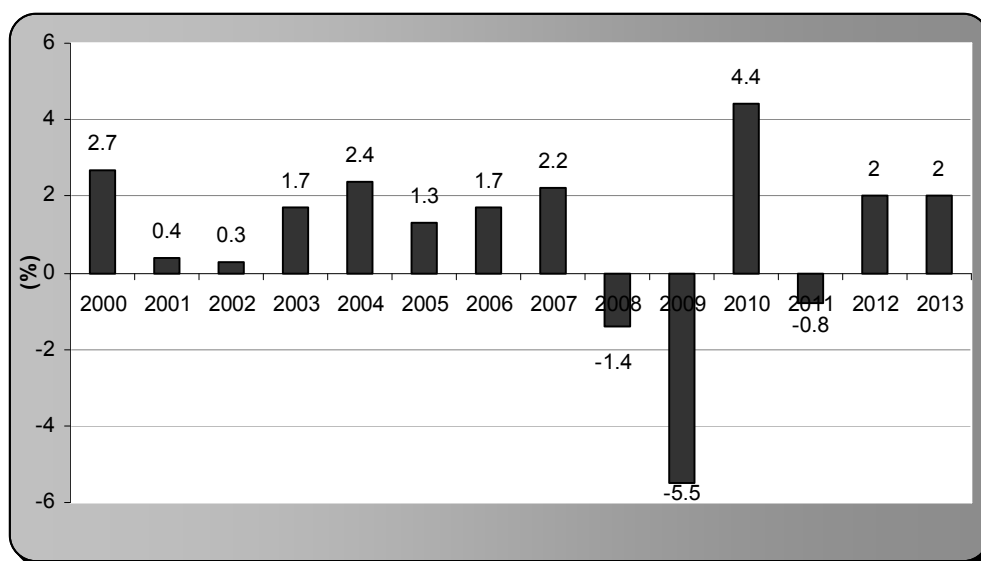
Source: Own calculations based on UNCTAD (2013), UNCTAD (2014) data.

¹Note: In 2010 and 2011, Japan experienced negative values of FDI inflows, indicating that the value of disinvestment by foreign investors was higher than the total capital newly invested in the country in the reported period.

As stated in the literature in the field (JETRO, 2013) the rapid rise noticed in inward FDI into Japan since 2000 until the negative effects of the global financial crisis hit the country can be linked to the following two phenomena occurring simultaneously. *First*, has been the ongoing corporate and financial restructuring in Japan as a result of the deregulation and liberalization undertaken by the country, following the prolonged recession within the “lost decade”. *The second* has been the increased competition and industrial reorganization occurring at the global level across many industries. While Japanese outward investment activities have indeed been part of the latter process, the increasing inward FDI into Japan is leading to greater integration of domestic firms into this global restructuring process.

In this regard, Japan should seek to increase its share of FDI inflows, considering not only the theories according to which inward investment helps to raise employment and productivity, but also taking into account the argument that the opening of an economy is a catalyst for growth (Baldwin, 2003) and with a view to Japan’s recent stagnation, generated by the economic financial crisis, but also by the natural disaster that hit the country in 2011- the earthquake and the devastating tsunami that followed (Graph 3).

Graph 3: Japan’s annual growth rate during 2000-2013 (%)



Source: UNCTAD database (2014).

3. The key determinants of inward FDI in Japan

As in terms of inward FDI, in the last years on the Japanese market it was noticed a net predominance of large developed countries (JETRO, 2013), the fact

may suggest that major motivation to invest there is market seeking, companies looking to develop their activities into markets similar to their own, or protect their domestic market from foreign competition.

Considering the dimension of the market and the presence of various multinational firms, in Japan there is a great availability of capital resources and intangible assets such as technological knowledge and marketing expertise that can be useful to establish foreign production to meet consumer demand in the host country. Thus, considering the positive relationship establishing between source country size and FDI inflows, as it is illustrated by the literature in the field (Kimino et al., 2007), Japan presents an enormous comparative advantage.

Also, considering the fact that presently Japan can provide highly educated labor force, since government policy has encouraged constantly education and R&D, this could be considered a different comparative advantage for multinationals that seek to develop high innovative business.

Friendly policy measures toward FDI have been developed recently in Japan consisting in reforms in the financial, communication and distribution sectors that have encouraged foreign investments in those industries. Therefore, in order to further promote investment in Japan, a series of measures were undertaken by the national government in the last years. Among all these, it is worthy to mention:

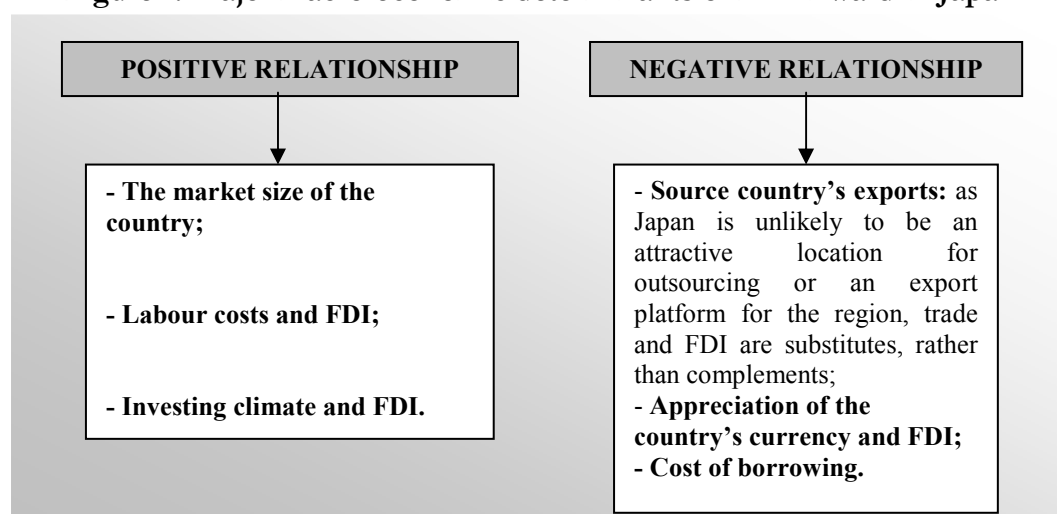
- The establishment (in 1994) of the Japan Investment Council, which consists of relevant ministers, being chaired by the prime minister;
- The repeatedly extension of Import and Inward Investment Promotion Law - tax incentives and credit guarantees under this law were enhanced, in addition to the upgrading of low-interest loan programs provided by Japan Development Bank (JDB) and some service industries were added to the scope of designated inward investors to enhance the inward investment promotion system;
- Also, there were some concrete measures for improvement of the climate for promotion of mergers and acquisitions (M&As) including improvement in the provision of information and improvement of administrative/legal procedures, in addition to the support actions for deregulation of the M&A market in Japan. Besides, the Japan Regional Development Corporation (JRDC) with the Japan Industrial Location Center established began providing information on industrial sites in Japan;
- Many local governments also have begun to offer incentives for companies locating in their territories (regardless of whether they are domestic or foreign-affiliated companies), such as exemptions and reductions in

prefectural and municipal taxes under various regional development laws, and independent prefectural and municipal subsidy programs (including subsidies, loans, interest supplementation, and other incentives).

Another input for FDI attraction is represented by the re-examination and simplification of Japan's Company Law, measure that have provided a better access for foreign investors. Also the cultural factor of traditional respect for engagements, has determined a high security of foreign investments since Japan has never been involved in any case of disagreements concerning FDI and, to the present, bilateral disagreement have given rise to no expropriation. However, supplementary measures may be undertaken by national authorities related to facility lease fee, equipment costs and promoted in form of subsidies for initial investment of global companies in Japan. The key incentives for direct investment in Japan could be represented by technology, brand & expertise existing on national labor market that could be fully exploited by companies investing in information communication technologies and other knowledge intensive industries.

Nevertheless, the international economic literature is consistent in terms of identifying the major determinants of FDI flows from source countries and how these determinants influence FDI into Japan. Based on the above-mentioned arguments, it is possible to develop six hypotheses concerning the determinants of FDI flows into Japan (as illustrated in Figure 1).

Figure 1: Major macro-economic determinants of FDI inward in Japan



Source: Synthesis of the authors, based on the international economic literature in the field.

4. Barriers related to FDI inflows in Japan

According to some recent studies (JETRO, 2013) it should be mentioned the fact that there are still some obstacles on the Japanese side, related to the penetration of FDI inflows into the national market. These include difficulties in recruiting capable staff, the opacity of various legal and administrative procedures and the exclusiveness of business practices, all of which require foreign-based transnational corporations (TNCs) to have a vast and detailed knowledge of the Japanese market and business practices. Thus, the first barrier reflects the rigidity of the labour market, the lifetime employment practice, the lack of foreign languages speakers and a certain labour shortage in Japan. The second and third obstacles often lead foreign affiliates to the belief that they are being discriminated against by the national Government and by the domestic firms. Therefore, in order to secure a more dynamic growth of FDI inflows and consequentially the Japanese economy, it is of a major importance to alleviate all these deficiencies.

Furthermore, as some analysts have shown (Assaf et al., 1999), through FDI, foreign investors gain crucial inside information about the productivity of the firms under their control. This fact provides them an informational advantage over "uninformed" domestic savers, whose buying of shares in domestic firms does not entail control. Taking advantage of this superior information, foreign direct investors will tend to retain high-productivity firms under their ownership and control and sell low-productivity firms to the uninformed savers. As with other adverse-selection problems of this kind, this process may lead to overinvestment by foreign direct investors. Excessive leverage can also limit the benefits of FDI. Typically, the domestic investment undertaken by FDI establishments is heavily leveraged owing to borrowing in the domestic credit market. As a result, the fraction of domestic investment actually financed by foreign savings through FDI flows may not be as large as it seems (because foreign investors can repatriate funds borrowed in the domestic market), and the size of the gains from FDI may be reduced by the domestic borrowing done by foreign-owned firms. Recent work has also cast the evidence on the stability of FDI in a new light. Though it is true that the machines are "bolted down" and, hence, difficult to move out of the host country on short notice, financial transactions can sometimes accomplish a reversal of FDI. For instance, the foreign subsidiary can borrow against its collateral domestically and then lend the money back to the parent company. Likewise, because a significant portion of FDI is inter-company debt, the parent company can quickly recall it. There are some other cases in which FDI might not be beneficial to the recipient country - for instance, when such investment is geared toward serving domestic

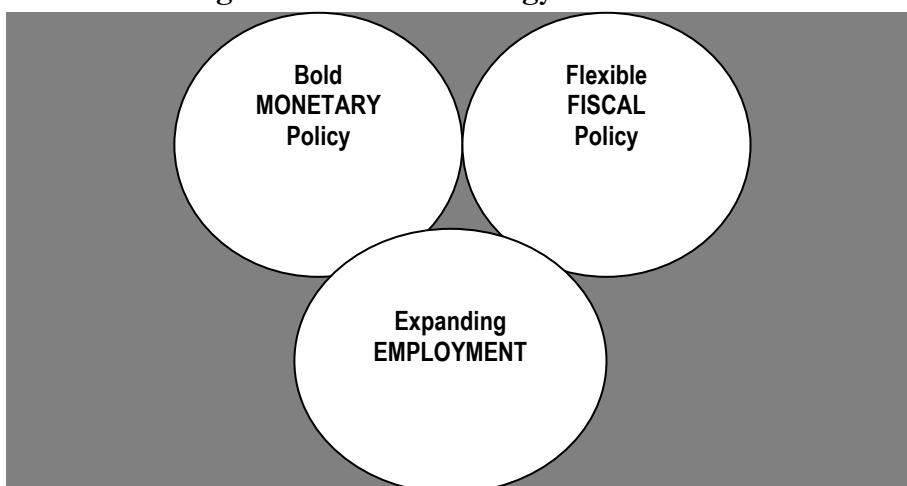
markets protected by high tariff or non-tariff barriers. Under these circumstances, FDI may strengthen lobbying efforts to perpetuate the existing misallocation of resources. There could also be a loss of domestic competition arising from foreign acquisitions leading to a consolidation of domestic producers, through either takeovers or corporate failures. Both economic theory and recent empirical evidence suggest that FDI has a beneficial impact on host countries. For Japan there are also some other potential risks: FDI can be reversed through financial transactions and a high share of FDI in total capital inflows may reflect its institutions' weakness rather than their strength.

5. National policy measures to promote FDI

Although Japan has eliminated most of the formal restrictions related to the FDI inflows that were put in place in the 1970s, investors continue to criticize the barriers that impede foreign penetration of the market. Restrictive market practices such as a closed distribution system, cartel-like behaviors and entrenched arrangements that make it difficult for new entrants to compete in terms of product, service and price, are frequently mentioned as impediments that are particular to Japan. In order to further encourage FDI in Japan, government could offer subsidies covering half of the expenses for small firms and a third of the expenses for the medium and large ones. Such measures would prevent the domination of very large multinational on the market, hence eliminating the risk of capital reversion. Current Abenomics³ Programm may also contribute on fostering FDI by three essential pillars: monetary policy, fiscal policy and measures to increase employment. Shinzo Abe announced his return with the memorable phrase: *“With the strength of my entire cabinet, I will **implement bold monetary policy, flexible fiscal policy, and a growth strategy that encourages private investment, and with these three policy pillars we will achieve positive results**”*. Thus began Abenomics.

In terms on monetary policy, measures proposed by the government should focus on government spending and a weaker yen, in order to compensate high costs of labor force and regulatory barriers. Moreover, Japan's government should encourage foreign investments by providing short-term fiscal stimulus necessary to make up for the fall in demand while broader structural reforms are still needed.

³ Shinzo Abe was first elected as prime minister in the 2006. His first stint was a short one, ending abruptly with his resignation in 2007. In September 2012 he was re-elected as the president of the Liberal Democratic Party (LDP). In December 2012 LDP aced the Lower House election, winning 294 seats out of 480.

Figure 2: National Strategy to boost FDI

Source: Own synthesis based on literature in the field.

6. Conclusions

Over much of postwar period, and even through the 1970s and 1980s, inward foreign investment was not a priority for Japan, but in the light of the negative effects generated by the economic and financial crisis, Japanese authorities had to reconsider the potential benefits of inward FDI to boost economic growth. As shown in our previous analysis, FDI can play a fundamental role in revitalizing economic growth. Like others economy in the region, Japan's economy depends on FDI for a crucial part of its net capital inflows. FDI positive impact is helping to create jobs, boost national and regional development and also can contribute decisively to fostering competitiveness. Presently, FDI in Japan is focused in the form of global alliances with capital tie-ups between companies in the same industry, to survive tough international competition. Traditionally, Japanese corporations have found such partners mainly among American and European firms, but recently there have been a growing number of partnerships with Asian firms. In particular, there has been increased investment from Chinese firms that recognize the value of the technologies, brands and expertise held by Japanese firms and is aiming to obtain these business resources. Nevertheless, since the total share of FDI inflows as percent of GDP is still low in Japan, compared with other "powerful economies" as USA, Germany and China, various policies and measures will be needed for encouraging foreign corporations to invest in Japan. There are some particular industries, as for example, low carbon industry that have an important potential in attracting FDI (according with national statistics, in 2010, the field of the green-industry was one of the most active fields in terms of entries made by foreign firms).

In order to further encourage such positive trend, Japanese government should implement more location-based subsidiary program to encourage industries with many revolutionary low-carbon technologies to locate their operation within Japan. Furthermore, since Japan's ICT infrastructure was rated the best among 24 major countries and regions, taking into consideration such factors of broadband usage fees and speed, more measures to support and encourage new FDI in the field are necessary. In our opinion, the Japanese government measures for promoting investment should focus on discounts in form of reduction of taxes, guarantees on loans and loans with reduced rates.

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TOURISM INDUSTRY IN ROMANIA AND JAPAN – A COMPARATIVE ANALYSIS

Daniel Bulin¹, Nela Miru², Ingrid Roşca³

Abstract

Tourism has evolved in the last decades from “leisure activity” to “travel and tourism industry”, this semantic transformation showing the importance of this sector in the global economy. Although there are multiple socio-economic aspects that separate them, both Romania and Japan have a remarkable touristic potential and they are included in international touristic circuits as destinations to be considered. The purpose of this paper is to evaluate the dimensions of the tourism in Romania and in Japan, starting from the premise that, no matter the level of development, of the touristic potential or of the national priorities, the tourism acquires an important role in the present economy.

Keywords: tourism, Romania, Japan, multiplier, GDP

JEL Classification: L83, O10

1. Introduction

The direct contribution of the tourism industry to the global economy was last year, according to the World Travel & Tourism Council, of 2, 2 billion dollars in the gross domestic product (representing an increase of 3,1%) and 101 million jobs. Furthermore, the influence generated by this activity has increased the total tourism contribution in 2013 (direct + indirect + induced) to 7 thousand million dollars (larger by 3% compared to the precedent year), respectively 266 million jobs. The fact that one in eleven jobs are related to this industry, as well as 4, 4% from the total global investments and 5,4% from the total of exports, confirms the strategic importance and the socio-economic impact of this sector.

Regarding the Romanian and Japanese tourism industry at a macroeconomic level there can be identified both resemblances and differences:

- At an absolute level, there are major differences: Romania is the 60th touristic economy in the world (World Travel & Tourism Council, 2014a), while Japan is the third world touristic economy in absolute value (World Travel & Tourism Council, 2014b):

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- At a relative level the situation is different: Romania is the 154th world tourist economy while Japan is the 123rd of a 184 countries analyzed by the Council.
- If at the evolution level estimated for this year by the Council, Romania is on the 68th place while Japan is on one of the last places (170), the prospects on long term are not favorable – for the next 10 years Romania will register only the 115th annual increase and Japan is at the end of the top (184).

The purpose of this paper is to evaluate from static, dynamic and comparative points of view the tourist industry from Romania and Japan. The specific objectives are: determine the impact and the efficiency of the tourism industry in these two countries; identifying the position that Romania and Japan have in the international touristic flows. The hypotheses we are working with are: the impact of tourism is rather small; if Japan is an important world touristic destination, Romania is still on an unfavorable position.

The paper is structured as it follows: literature review, research methodology, results and discussion, conclusions.

2. Literature review

Studies regarding the socio-economic effects held by tourism have represented an ever present point in research these last decades. Sadler (1975) was interested in the tourism in the developing countries, analyzing the costs and the benefits generated by this sector, while Liu et al. (1984) have approached the secondary effects generated by the tourism payments on the economy. Rita (2000) argues the importance of tourism in the economic growth and in employment, emphasizing on the fact that, including the European Union, there isn't awareness about this sector's benefits. Archer (1982) has kept track of the origins and the evolution of the touristic multipliers, their limits but also their importance in accomplishing the politics and strategies in tourism. A critical analysis of the tourism multipliers was conducted by Dwyer et al. (2004), proposing alternative methods of measuring the impact of tourism on the economy, techniques adjusted to the present economic reality.

Several authors have approached the theme of tourism as industry that generates benefits, on Central and East Europe (Buckley, 1990; Hall, 1998; Baláz, 1998), respectively Romania (Light & Dumbrăveanu, 1999; Onetiu & Predonu, 2013), before and after the fall of communism, or the Asia-Pacific region (Mak & White, 1992) and Japan (Tokushisa, 1980; Soshiroda, 2005; Arlt, 2006; Lim et al., 2008).

A complex approach was proposed by Mak & White (1992), who, taking into consideration a study from the Asia-Pacific region (Japan, Honk Kong, Taiwan,

China, Korea, Singapore, Thailand, Malaysia, Philippine, Indonesia, Australia, New Zealand, the Island States from the Pacific), consider that the development of tourism in this area is due to the economic growth and to the governmental policies to open the borders for international touristic flow. Tokushisa (1980) brings into discussion the concept of “awareness of leisure”, emphasizing the changes in Japan and the increasing demand for tourism as far back as 1970’s. Soshiroda (2005) did a long term analysis on the touristic development process in Japan, between 1859 and 2003, highlighting the fact that this sector has contributed to the economic revitalization and establishing some collaboration relations at international level. Arlt (2006) analyzed the tourism industry in Japan, demonstrating that this country has followed the three steps of developing the international touristic destinations: “discovery – acquisition – invention”. Starting from the fact that the travel and tourism industry is among the most dynamic economic sectors, Lim et al. (2008) analyzed the dynamic relationship between the tourism demand and the real income in Japan.

Buckley (1990) has evaluate the dimension and the potential of the touristic markets from the planned economies in Europe before 1990, comparative with the occidental destinations, taking into consideration the arrivals, revenues, gross domestic product and exports. Buckley considers that their opening will provide new opportunities and will eliminate the major identified constraints: travel restrictions and political difficulties, the poor quality of the touristic services, including product marketing and promotion. Hall (1998) highlighted a role of the tourism that was slightly ignored in the post-socialist restructuration in Central and Eastern Europe. Hall considers that the tourism’s development potential in South-East Europe is limited by the regional instability. Baláz (1998) confirmed in his paper that after 1989 the touristic flows towards and from the Central Europe have registered a significant increase, including with faraway countries as Japan, the consequences being the settlement of these destinations in the international touristic flows and, moreover, the integration of regional tourism in the world economy. Light & Dumbrăveanu (1999) studied the tourism development in Romania after 1989, considering that, although the potential exists, post-communist economic restructuration has weighted down this sector. Onetiu & Predonu (2013) analyzed the way in which the tourism contributes to the increase of employment in Romania, underlining the role of this industry in the business development, in the increase of relationships between nations, also in the cultural development, and they concluded that tourism can be a catalyst to improve the standard of living, the quality of life and the social welfare.

3. Research methodology

The research included two stages:

I. Building the database

II. The empirical analysis of the results, calculating and interpreting the specific indicators.

The database includes the following indicators:

- a. The direct contribution of the travel and tourism industry in gross domestic product
- b. The direct contribution of the travel and tourism industry in employment.
- c. The total contribution of travel and tourism in gross domestic product.
- d. The total contribution of travel and tourism industry in employment.
- e. The tourism competitiveness index and 3 sub-indexes.
- f. The revenues from the international tourism and the exports impact.
- g. The expenditures in international tourism and the import impact.
- h. The number of foreign tourist arrivals
- i. The number of resident tourist departures

The sources for the data were: the reports of the World Travel and Tourism Council (a, b, c, d), the reports of the World Economic Forum (e) and the World Bank database (f, g, h, i)

The horizon of time for the database is: for a, b, c, d, indexes – 2008, 2009, 2011, 2013, 2014 (estimation), 2004 (forecast); for the e indexes – 2008, 2009, 2011, 2013; for the f, g, h, i – 2008, 2009, 2011, 2012. These years were chosen as it follows: for the a, b, c, d indexes there were chosen the years with the last final values (2013), the forecast for the year in course, the 10 years activity reporting (2004, 2024) in comparison with it and 2007, the year when Romania joined the European Union. For the Competitively Index in Tourism and its sub-indexes (e) 2008, 2009, 2011 and 2013 are the only years that are calculated; for the f, g, h, i indexes the same years as for the e index have been chosen, with the difference that instead of 2013, for which the World Bank hadn't publish the data yet, it has been used that data from 2012.

The empirical analysis of the results implied a static and dynamic evaluation for each country and comparative evaluation of the indexes:

A – the direct contribution of the travel and tourism industry to the GDP, the direct contribution of the travel and tourism industry to the employment, the total contribution of the travel and tourism industry to the GDP, the total contribution of the travel and tourism industry to the employment – as absolute value and as impact in the economy.

B – the tourism competitiveness index and 3 sub-indexes – the index and the 3 sub-indexes score, the global rank.

C – the revenues from international tourism and the rate of exports, the international tourism expenditures and the rate of imports, the number of foreign tourists that have arrived, the number of residents departures.

Using the statistics from the A category, it was calculated and measured:

- The tourism multiplier after the formula:

$$K = \frac{\textit{Total Impact}}{\textit{Direct Impact}}$$

where the total impact is represented by the total impact of the tourism industry on the GDP, respectively in employment (total impact = direct + indirect + induced impact) and the direct impact is represented by the direct impact of the tourism industry on the GDP, respectively in employment. As it follows:

$$K \textit{ GDP} = \frac{\textit{T\&T total Contribution to GDP}}{\textit{T\&T direct Contribution to GDP}}$$

$$K \textit{ Employment} = \frac{\textit{T\&T total Contribution to Employment}}{\textit{T\&T direct Contribution to Employment}}$$

- Tourism industry efficiency, after the formula:

$$E = \frac{\textit{impact on GDP}}{\textit{impact on employment}}$$

where the impact on the GDP is represented by the tourism industry share on the GDP, and the impact on employment is represented by tourism industry share in employment.

Thus:

$$E \textit{ direct} = \frac{\textit{T\&T direct Contribution to GDP}}{\textit{T\&T direct Contribution to Employment}}$$

$$E \textit{ total} = \frac{\textit{T\&T total Contribution to GDP}}{\textit{T\&T total Contribution to Employment}}$$

Taking into consideration the statistics from the C category, it was calculated and evaluated the international tourism cash flow, the difference between the number of arrivals and the number of departures, respectively the averages indicators – average revenue per tourist and average expenditure per tourist, after the formulas:

$$\textit{Average revenue per tourist} = \frac{\textit{revenues}}{\textit{arrivals}}$$

$$\textit{Average expenditure per tourist} = \frac{\textit{expenditures}}{\textit{departures}}$$

4. Results and discussion

The direct contribution of tourism industry in Romania has been over 3 thousand million dollars in 2013, being in a slow uptrend in the last 10 years, evolution that will continue in the following period as well. However, the travel industry total contribution, although it was almost 10 thousand million dollars in 2013, was inferior to that registered in 2007, the year Romania joined the European Union. At an absolute level, there isn't a comparison between Japan and our country, the tourism contribution to the economy being far more superior: the direct contribution over 100 thousand million dollars in 2013, the total contribution of almost 340 thousand of dollars. Being in a slow decline since 2007, the tourism industry in Japan will undergo, as per WTTC, significant increase, over 15% in the case of the GDP directly generated and over 10% at an absolute level. It has to be mentioned that in 2024 in Romania the direct, indirect and induced tourism generated GDP is forecasted to be the double of that of 2004, on absolute value. Concerning the number of jobs generated by the tourism industry, the trends are similar: a decline of the direct and indirect tourism employees in 2013 compared with 2007, both in Japan and Romania, followed by an absolute increase, according to the forecasts for next year and the projections for the next ten years.

Table no 1. The absolute volume of the tourism economic contribution

| | Travel & Tourism Direct Contribution to GDP (real 2013 US\$ bn) | | Travel & Tourism Total Contribution to GDP (real 2013 US\$ bn) | | Travel & Tourism Direct Contribution to Employment (thousands) | | Travel & Tourism Total Contribution to Employment (thousands) | |
|------|---|---------|--|---------|--|--------|---|--------|
| | Romania | Japan | Romania | Japan | Romania | Japan | Romania | Japan |
| 2004 | 2,453 | 95,442 | 7,601 | 301,764 | 221 | 1446,1 | 480,3 | 4460,8 |
| 2007 | 2,911 | 109,423 | 10,462 | 343,452 | 218,8 | 1537,8 | 569,8 | 4745,9 |
| 2013 | 3,154 | 108,631 | 9,907 | 339,895 | 212,4 | 1447,1 | 500,7 | 4496,8 |
| 2014 | 3,27 | 111,25 | 10,44 | 345,079 | 219,3 | 1471,1 | 527,1 | 4534,3 |
| 2024 | 4,844 | 127,895 | 15,211 | 381,005 | 230,8 | 1557,9 | 552,9 | 4660 |

Source: realized by the authors following the WTTC statistics, accessed at the link: <http://wttc.org/research/economic-data-search-tool/Forum>

Romania's touristic competitiveness is reduced, both at a worldwide level (68th place last year) and in relation to the Japanese one. It should be pointed out that, in contrast to Romania, Japan has increased the competitiveness of tourism, in the ranking of 2013 climbing to 14th in the world.

Table no. 2. Tourism competitiveness index

| TTCI | Romania | | | | Japan | | | |
|---------|---------|------|------|------|-------|------|------|------|
| | 2008 | 2009 | 2011 | 2013 | 2008 | 2009 | 2011 | 2013 |
| RANK | 69 | 66 | 63 | 68 | 23 | 25 | 22 | 14 |
| SCORE | 3,88 | 4,04 | 4,17 | 4,04 | 4,9 | 4,91 | 4,94 | 5,13 |
| A score | 4,29 | 4,68 | 4,85 | 4,61 | 5,11 | 5,1 | 5,24 | 5,31 |
| B score | 3,55 | 3,61 | 3,8 | 3,67 | 4,88 | 4,83 | 4,72 | 4,86 |
| C score | 3,79 | 3,83 | 3,84 | 3,85 | 4,73 | 4,81 | 4,86 | 5,22 |

Source: realized by the author following the World Economic Forum statistics, accessed at the link: <http://www.weforum.org/issues/travel-and-tourism-competitiveness/ttc-platform>

The major differences between the two countries and also the progress realized by Japan regarding the legislative framework and resources (natural, cultural and human) are confirmed also in what concerns the three elements of the touristic competitiveness index. Furthermore, although in 2009 and 2011 Romania has increased the touristic competitiveness, the World Economic Forum report from last year shows a step backwards – the decrease of the global index and position, the degradation of the legislative framework, of the business environment and of infrastructure. Thus, the negative elements revealed by the index's values analysis are price competitiveness and transport infrastructure and specifically the touristic infrastructure and the B sub-index components, respectively the position occupied by tourism as a priority.

4.1. Empirical result analysis

The tourism impact on economy measured both by GDP and by the number of jobs is low both in Romania and in Japan. There is indeed a slow increasing trend, with few exceptions, for both countries, but the rates of 1,6% (Romania) and 2,2% (Japan) for the direct contribution in GDP, respectively 5,1% (Romania) and 6,9% (Japan) for the total impact, on one side, and of 2,4% (Romania) and 2,2% (Japan) for the direct impact of tourism in employment, respectively 5,7% (Romania) and 7,1% (Japan) for the total contribution, confirms that at 2013 level the tourism industry doesn't represent an essential industry sector.

The low impact of travel and tourism industry in Romania and Japan is confirmed by the low rates of exports and imports of tourism services. In decline in 2008-2012, but not a continuous one, the revenues from the international tourism had an impact of only 3% on the entire exports in Romania. Although they had a different and oscillatory evolution, Japan's touristic exports were even smaller than that, only 1, 8% in 2012. Regarding the imports, the impact of tourism is a slightly

more high in Japan, but it's on a downtrend, even if in their absolute value, Japanese tourist spending across borders have increased between 2008 and 2012. The situation is different for Romania: if the impact in the total of imports has maintained to an inferior value even to the exports (2,9%), in their absolute value the Romanian tourist spending abroad has receded in the analyzed period.

Table no. 3. The relative level of tourism contribution to the economy

| | Travel & Tourism Direct Contribution to GDP (share %) | | Travel & Tourism Total Contribution to GDP (share %) | | Travel & Tourism Direct Contribution to Employment (share %) | | Travel & Tourism Total Contribution to Employment (share %) | |
|------|---|-------|--|-------|--|-------|---|-------|
| | Romania | Japan | Romania | Japan | Romania | Japan | Romania | Japan |
| 2004 | 1,5 | 2 | 4,8 | 6,4 | 2,6 | 2,2 | 5,7 | 7 |
| 2007 | 1,5 | 2,2 | 5,5 | 7 | 2,5 | 2,3 | 6,6 | 7,3 |
| 2013 | 1,6 | 2,2 | 5,1 | 6,9 | 2,4 | 2,2 | 5,7 | 7,1 |
| 2014 | 1,6 | 2,2 | 5,2 | 6,8 | 2,5 | 2,3 | 6 | 7,1 |
| 2024 | 1,7 | 2,3 | 5,5 | 6,9 | 2,6 | 2,5 | 6,4 | 7,6 |

Source: realized by the authors taking into consideration the WTTC statistics, accessed at the following link: <http://wtcc.org/research/economic-data-search-tool/Forum>

Table no 4. International tourist fluxes

| International tourism | Romania | | | | Japan | | | |
|-----------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|
| | 2008 | 2009 | 2011 | 2012 | 2008 | 2009 | 2011 | 2012 |
| Receipts (current bn US\$) | 2625 | 1687 | 2018 | 1919 | 13781 | 12537 | 12534 | 16197 |
| Receipts (% of total exports) | 4.7 | 3.7 | 3 | 3 | 1.5 | 1.9 | 1.4 | 1.8 |
| Expenditures (current bn US\$) | 2409 | 1769 | 2295 | 2112 | 38976 | 34788 | 39760 | 40967 |
| Expenditures (% of total imports) | 2.9 | 3.2 | 2.9 | 2.9 | 4.5 | 5.4 | 4.1 | 4 |
| Number of arrivals (thousands) | 8862 | 7575 | 7611 | 7937 | 8351 | 6790 | 6219 | 8353 |
| Number of departures (thousands) | 13072 | 11723 | 10936 | 11149 | 15987 | 15446 | 16994 | 18491 |

Source: realized by the authors according to the World Bank statistics, accessed to the link: <http://datacatalog.worldbank.org/>

Nevertheless, the total number of tourist arrivals who have visited Romania and Japan between 2008 and 2012 doesn't differ significantly, rising to the level of 8 million in 2012, the first year when, at an absolute level, Japan surpassed Romania.

4.2. International tourist fluxes

Regarding the international tourism, both countries, Romania and Japan, are tourism services importers. Although in 2008 in Romania the international tourism revenues outgrow the expenditures, the last years evolution don't leave place for discussions. Both, the cash flow and the difference between the number of residents that leave Romania and Japan for touristic purposes, put the two countries on the same side of the international touristic flows. The significant differences reside in the fact that the tourism cash flow register major deficit in Japan. This is due mainly to the fact that in 2012 the number of Japanese people that left abroad as tourists was larger by 10 million than the number of tourists that went to visit Japan. The negative cash flow is also the result by the difference between the average expenditure per tourist and the average revenue per tourist from the international tourism. The situation in Romania is different regarding this last stand point. If at an absolute level any comparison with Japan doesn't need comments, one could remark the fact that the average revenue per tourist is with over 50 million dollars bigger than the Romanian tourist expenditure abroad. Thus, only the fact that the number of Romanian residents who leave annually the country for touristic purposes is with 3 million higher (2011 – 2012) than the foreign tourists that have visited Romania, results in a negative cash flow.

Table no. 5. The cash flow and the medium indexes in the international tourism

| | Romania | | | | Japan | | | |
|---|---------|-------|-------|-------|--------|--------|--------|--------|
| | 2008 | 2009 | 2011 | 2012 | 2008 | 2009 | 2011 | 2012 |
| Tourism Balance Account (Receipts-Expenditures) | 216 | -82 | -277 | -193 | -25195 | -22251 | -27226 | -24770 |
| Arrivals-Departures Balance | -4210 | -4148 | -3325 | -3212 | -7636 | -8656 | -10775 | -10138 |
| Average receipt/tourist(\$) | 296,2 | 222,7 | 265,1 | 241,8 | 1650,2 | 1846,4 | 2015,4 | 1939,1 |
| Average expenditure/tourist (\$) | 184,3 | 150,9 | 210 | 189,4 | 2438 | 2252,2 | 2339,7 | 2215,5 |

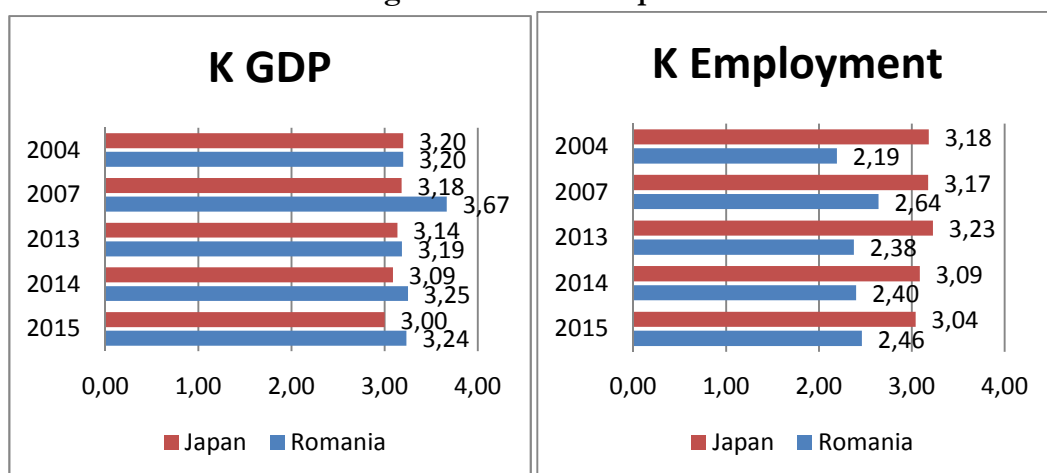
Source: realized by the authors based on the data from table no. 4

4.3. The tourism multiplier coefficients and the industry efficiency

The GDP tourism multiplier coefficient is superior to the reference value from the literature of specialty ($K=3$), but for the employment tourism multiplier coefficient there are some important differences.

However, the multiplier tourism values in the Gross Domestic Product for Romania is higher than Japan's, even if at 2013 level the values are close (3,19 Romania, respectively 3,14 Japan), unlike 2007 (3,67 Romania, respectively 3,18 Japan) furthermore the year with a maximum for Romania. Regarding the multiplier for jobs in the tourism industry the situation is completely different. Last year, the value of K reached a maximum for Japan – 3,27, far superior to the one calculated for Romania (2,38).

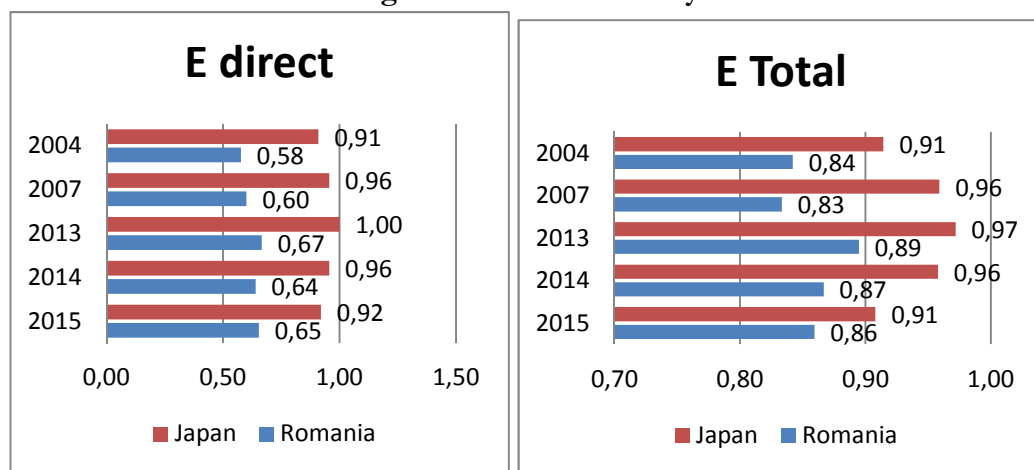
Fig 1. Tourism Multipliers



Source: realized by the authors using the data from table no.3

According to the E indexes calculated for these years, the differences concerning the industry impact are emphasized by the differences concerning the efficiency. In the first instance, both the partial industry efficiency and the total one are under the value 1 (in 2013, the value is reached for E in Japan) so that it can be considered that the industry is rather inefficient – it has a bigger impact on employment than on the GDP. From this perspective, we can talk about the social efficiency of tourism, by the capacity to generating jobs. Secondly, the tourism efficiency in Romania is lower than in Japan. Although socially it is a positive element, the reverse is the fact that there is low work productivity especially on the direct tourism activities. This low productivity is toned down if we refer to the total efficiency, the calculated values for the two countries tending to be close.

Fig 2. Tourism Efficiency



Source: realized by the authors using the data from table no. 3

5. Conclusions

Regarding the first specific objective, the results of this research show that the GDP and the number of jobs generated by tourism are at an absolute higher level in Japan compared with Romania. However, the rates for the direct and total contribution are low, this confirming the hypothesis that the tourism impact in the economy of the two countries is reduced. Nevertheless, going further, the multiplier effect of tourism is high, over the referral value ($K=3$), thus it can be concluded that the touristic sector has a high entailing potential for Romania's and Japan's economies. On the other side, the industry's calculated efficiency index suggest that the tourism generates benefic effects, more at a socio-economic level (employment), than purely at an economic level (added value, GDP).

Concerning the second objective and the main hypothesis issued, we consider the following: Romania and Japan are countries that send out international tourist fluxes; while the Romanian tourists spend less abroad than the foreign tourists in Romania, in Japan the situation is opposite. The average revenues per tourist and average expenditure per tourist Japan is far superior for Japan.

The limits of the research are subjective – Romania and Japan are on different stages of development – and objective – the deficiency of some supplementary data and the insufficient control on the measuring the touristic flow indexes methodology.

The future research directions: an analysis regarding the direct touristic rapports between Romania and Japan; comparing the factors that generate the significant differences for the averages indicators for the tourism consumption.

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A MARKETER LOOKS AT JAPAN AND ROMANIA

L.W. Perttula*

It is an honor to be addressing the distinguished guests, participants, and organizers who are attending this conference on **Japan---Romania: differences, resemblances, cross points**. Thank you to Rector Ovidiu Folcut for inviting me.

This is my third visit to the Romanian American University. Each time I am impressed by the hospitality shown me by the university administration, faculty, staff, and students.

After my first two visits I traveled outside of Bucharest to enjoy the medieval towns of Transylvania: Brasov, Sighisoara, and Sibiu.

I find the historical side of Romania to be quite interesting. We have nothing of a comparable age in my country where the original *McDonalds* restaurant from just 1954 is on the United States historical register as a protected site!



Because my background is in the field of marketing I will focus my remarks on Japan and Romania as a marketer might see them. I taught various topics in marketing at San Francisco State for over thirty years and have specialized in electronic and digital marketing since 2000.

A marketer is always looking for attractive markets. A market is defined as people or organizations that are both **able** and willing to buy. **Able** refers to having

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the financial resources to make the purchase. **Willing to buy** refers to buyers who want or need the specific product or service.

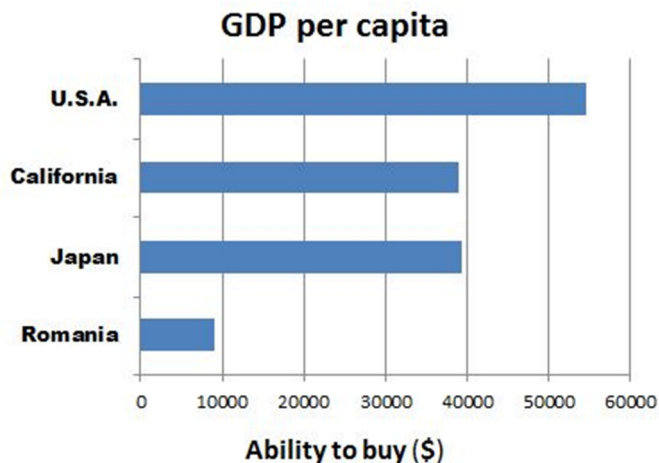


The two main characteristics of markets are their size and growth rate. Bigger is better and faster growth is better.

How many potential buyers are there and how much income is available to them? Is the number of buyers increasing and is their income increasing?

Let us look at how Japan is a much larger economy than Romania. The land area of Japan is 57 percent larger than that of Romania. Sometimes I will include a comparison to my home country, the United States, and my home state, California. The land area of California is 77 percent larger than that of Romania.

With regard to gross domestic product Japan with 5000 billion US\$ per year is 26 times larger than Romania with its GDP of 192 billion US\$. GDP per capita also shows huge differences among these four markets:



Growth of GDP in 2013 shows Romania making significant progress:

| | |
|----------|------|
| Japan | 1.5% |
| Romanian | 3.5% |
| U.S. | 2.5% |

The population of Japan is currently about 127 million compared to 21 million for Romania. Let us look at population growth in two recent periods: 1990 to 2010 and 2000 to 2012.

Population growth from 1990 to 2010

| | |
|---------|------------------------------------|
| Japan | 3.6% |
| Romania | -7.8% (loss of 1.8 million) |
| USA | 24.0% |

Population growth from 2000 to 2012

| | |
|---------|---------------------------------|
| Japan | - .2% |
| Romania | - 4.9% |
| USA | 11.2% (added 32 million people) |

Young consumers are an attractive market to many marketers of goods and services. Young consumers make up a higher proportion of the population in the United States than in Japan or Romania.

| | | |
|---------------|------------|-----|
| Romania | aged 15–24 | 12% |
| Japan | aged 15–24 | 10% |
| United States | aged 15–24 | 14% |

Low birth rates, few immigrants, and long life expectancy have made population growth in Japan and Romania low and the proportion of young consumers low, also. Life expectancy in Japan is 83 years, United States 79 years and Romania 75 years.

Businesses for adults in Japan are growing along with the old population, such as **diapers** for adults. In 2012, the yearly sales of *Unicharm* adult diapers slightly surpassed those for babies. (<http://archive.thedailystar.net/newDesign/news-details.php?nid=233795>)

In addition to size and growth marketers take note of the infrastructure of the market including the communications system, payment system, and the transportation system.

Government censorship is not a significant problem in Japan and Romania in contrast to countries such as Saudi Arabia as shown in this advertisement by the furniture maker IKEA. The ad on the left was altered by IKEA to insure its acceptance in Saudi Arabia. (<http://www.slideshare.net/GlobalMaxer/v4-idf-november-2013-global-maxer-28528174>)

IKEA Saudi Arabia



GlobalMaxer
Driving Global Conversions

The transportation system of Romania is much inferior to that of Japan and the United States. The distance from Boston, Massachusetts to New York City is approximately the same as the distance from Bucharest to Sofia, Bulgaria. However, underinvestment in highways and rail systems in the post-World War II period has meant that the time (and thus the expense) to travel these distances is much greater in Romania.

Bucharest to Sofia

by car 5.5 hours

by train 10.5 hours

New York City to Boston

by car 4 hours

by train 4 hours

Modern businesses rely on electronic communications so let us look at a 2013 e-readiness study by the consulting firm, Forrester Research, Inc. (<http://www.internetretailer.com/2014/01/20/why-online-retailers-may-want-explore-east>) Forrester scored 55 countries and regions to assess e-commerce readiness taking into account factors such as consumer payment behavior, shipping and technology infrastructure, disposable income, and the size of the online retail markets. The top four economies were the United States, China, Japan, and South Korea. Japan alone accounts for 7% of the world's total retail sales. Japanese shoppers are relatively wealthy and the country shows a preference for durable goods.

Nonfood sales (often purchased with credit cards) in Japan are 71% of its total retail sales (*world average is 53%*). “Japan’s tech-savvy population, high retail sales per capita and high affinity for debit and credit card ownership demonstrates its consumption power and online presence.” (Forrester, 2013) Japanese consumers own an average of **6.2 payment cards** each, the highest per capita average in the world. (<http://webprod.forrester.com/Forrester+Readiness+Index+2013+eCommerce+Global+Study/-/E-PRE6064>)

Romanians, in contrast, do not frequently buy things online in part because they do not have the capability of an electronic purchase from a website. Just 25% of Romanians are holders of a debit or credit card. There is recent growth in the use of debit cards: ATM transactions in Romania were more than 60 percent higher in volume and over five times more valuable in 2012 compared to 2011. (<http://www.euromonitor.com/financial-cards-and-payments-in-romania/report>)

Before a consumer will buy something online he must be online. The proportion of Romanians online is much lower than in Japan and the United States. Data are from 2012.

| | <u>population</u> | <u>% on internet</u> |
|-------------------|-------------------|----------------------|
| Japan | 127 million | 80 % |
| Romania | 22 million | 44 % |
| USA | 314 million | 78 % |
| California | 38 million | 80 % |

The speed of the internet experienced by consumers and businesses affects the usefulness of electronic communications. When measuring the average megabits per

second and ranking countries, Akamai Technologies finds Japan and Romania near the top in the world with South Korea ranked number one. (Akamai Technologies, Q3, 2013)

| | | |
|----------------|-----------|------|
| South Korea | 22.1 Mbps | (1) |
| Japan | 13.3 | (2) |
| U.S. | 9.8 | (8) |
| Romania | 7.8 | (21) |

A marketer will definitely look at the different preferences of consumers in each market. Looking at popular pages on the world wide giant, Facebook, can give insight into consumers in Japan and Romania. Below are the most ten most popular entertainment Facebook pages in Romania followed by the ten most popular in Japan. Notice that there is no overlap.

| Pages | Brands | Media | Entertainment | Sport | Celebrities | Society | Community |
|-------|--|------------|---------------|------------|-------------|---------|-----------|
| # | Page | Local Fans | | Fans | | | |
| 1 |  Facebook for Every Phone | 2 259 788 | 413 103 402 | | | | |
| 2 |  Romanii au talent | 1 060 969 | 1 298 258 | | | | |
| 3 |  Candy Crush Saga | 820 776 | 64 867 351 | | | | |
| 4 |  Mr. Bean | 714 337 | 54 843 511 | | | | |
| 5 |  Cronica Carcotasilor | 677 439 | 811 841 | | | | |
| 6 |  Titanic | 640 726 | 49 691 734 | | | | |
| 7 |  Tom And Jerry | 558 029 | 32 497 230 | | | | |
| 8 |  Acces Direct | 537 752 | 616 982 | | | | |
| 9 |  Criminal Case | 533 800 | 43 548 559 | | | | |
| 10 |  Home Alone | 5 May 2014 | 522 356 | 12 740 464 | | | |

Source: (<http://www.socialbakers.com/facebook-pages/entertainment/country/romania/>)

| Pages | Brands | Media | Entertainment | Sport | Celebrities | Society | Community | P |
|-------|---|-------|---------------|-------|-------------|--------------|------------|---|
| # | Page | | | | | Local Fans ▼ | Fans | |
| 1 |  ディズニー | | | | | 671 840 | 799 381 | |
| 2 |  幸せココロサブリ | | | | | 323 355 | 330 216 | |
| 3 |  くまモンオフィシャル | | | | | 136 356 | 158 318 | |
| 4 |  Glee | | | | | 125 993 | 24 316 751 | |
| 5 |  クスッと笑えるネタが満載! みんなでケンテイSuper | | | | | 121 751 | 124 171 | |
| 6 |  Gossip Girl | | | | | 111 138 | 13 932 268 | |
| 7 |  Toy Story | | | | | 102 794 | 33 775 008 | |
| 8 |  Les Misérables | | | | | 98 521 | 1 719 224 | |
| 9 |  Sex and the City | | | | | 95 449 | 14 211 558 | |
| 10 |  SMTOWN | | 5 May 2014 | | | 93 601 | 3 481 166 | |

Source: (<http://www.socialbakers.com/facebook-pages/entertainment/country/japan/>)

Because search engine use is so important to marketers in most countries and Google search dominates in most countries, let us look at an example of how language affects search terms. If an Italian is searching in Google for cheap or low cost airlines tickets, he may type in “voli economici.” But, as the data show below, the much more popular search term is “voli low cost.” (<https://econsultancy.com/blog/63880-eight-cultural-differences-that-impact-conversion#i.zw1ns1dzhei010>) Search engine marketers must be sensitive to the use of language in order to effectively use pay-per-click and search engine optimization.

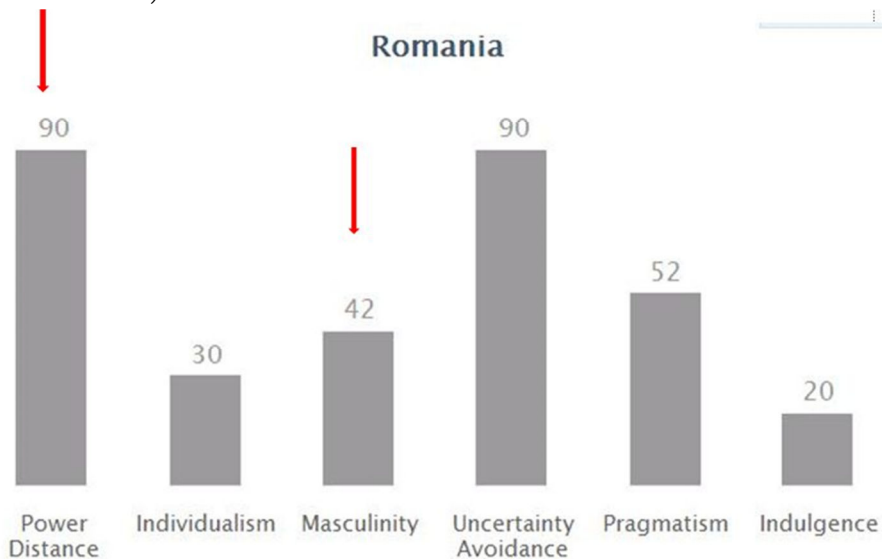
| | Volume | Country | Language |
|--------------------|---------|---------|-----------------|
| Cheap Flights | 4,400 | Italy | English |
| Cheap Flight | 880 | Italy | English |
| Voli low cost | 246,000 | Italy | Italian/English |
| Voli economici | 33,100 | Italy | Italian |
| Offerte voli | 22,200 | Italy | Italian |
| Compagnie low cost | 14,800 | Italy | Italian |

Good marketers will also be aware of the cultural values work of Geert Hofstede, a Dutch social psychologist who did pioneering studies in the 1970s and 1980s of cultures across modern nations. His five dimensions of culture are:

- 1) Power Distance
- 2) Individualism
- 3) Uncertainty avoidance
- 4) Masculinity
- 5) Long Term Orientation

At the Geert Hofstede Center website one may see column graphs showing the scores that dozens of countries are given. A sixth dimension has been added based on work by Michael Minkov. (<http://geert-hofstede.com/countries.html>)

For example, power-distance is scored much higher in Romania than in Japan or the United States. “Romania scores high on this dimension (score of 90) which means that people accept a hierarchical order in which everybody has a place and which needs no further justification. Hierarchy in an organization is seen as reflecting inherent inequalities, centralization is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat.” (<http://geert-hofstede.com/romania.html>. 2014)





Another interesting view of national or regional culture is found in the work of psychologist Richard E. Nisbett of the University of Michigan. A marketer would find it useful to read his 2003 book: *The Geography of Thought, How Asians and Westerners Think Differently...and Why*.

Advertisers, in particular, should be aware of Nisbett's insights into how relationships differ between Asian cultures and Western cultures. "An emphasis on relationships encourages a concern with the feelings of others. When American mothers play with their toddlers, they tend to ask questions about objects and supply

information about them. But when Japanese mothers play with their toddlers, their questions are more likely to concern feelings.” (Nisbett, 2003, p.59) The wording and images in advertising must differ between these two cultures for the message to be conveyed effectively.

Advertising professionals tend to combine a good knowledge of the culture of a market with the skills to craft effective messages for the buyers in that culture. The general manager of McCann Worldgroup in Japan made several good comments when he was interviewed in 2012. (<http://truthcentral.mccann.com/wp-content/uploads/2013/01/Japan-Today-Inside-the-World-of-Japanese-Marketing.pdf>)

His main comments address these seven bullet points:

- Discussions with clients
- Radio and print are most trusted
- Digital phones are quite familiar
- Not much use of comparative advertising
- Symbolism is very important
- Product lifecycles are short
- Use of celebrities is popular

In summary, do we see attractive markets in Japan and in Romania? With regard to Japan the general answer is yes because the market is big and wealthy although slow growing in most respects. With regard to Romania the answer is yes because it has a relatively large population with much potential to grow in both consumer goods and infrastructure. Its recent GDP growth bodes well for a rising standard of living.

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