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B.A. in Economics, the University of Tokyo (1974).

1974 Entered Ministry of International Trade and Industry (MITI).

1981 Deputy Director, General Affairs Division, International Trade Policy Bureau.

1983 Deputy Director, Personnel Division, Minister's Secretariat.

1984 Deputy Director, Iron and Steel Division, Basic Industries Bureau.

1986 Deputy Director, General Affairs Division, International Trade Administration Bureau.

1987 Deputy Director, General Affairs Division, Director-General's Secretariat, National Land Agency.

1988 Deputy Director, Electronics Policy Division, Machinery and Information Industries Bureau.

1989 Deputy Director-General, Japan External Trade Organization (JETRO) Milano Center, Italy.

1992 Director, Import Division, International Trade Administration Bureau.

1994 Director, Europe-Africa-Middle East Division, International Trade Policy Bureau.

1995 Director, Second Domestic Research Division, Economic Planning Agency.

1997 Counsellor for Project Team, Consumer Goods and Service Industries Bureau.

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# **JAPANESE ECONOMIC DEVELOPMENT AND EDUCATION**

**By  
His Excellency Mr. Nisaka Yoshinobu**

Good morning. I am very honoured to be able to speak at this special convention organised in conjunction with HIS MAJESTY the Sultan's 59th Birthday Celebrations. I feel the title of this convention, 'Education and Professionalism', is very timely and an important theme in regard to the future development of Brunei Darussalam. At the same time, I believe that Japan's experience will indeed offer ideal material to draw from.

The reason why Japan, a country where people are the only resource, has been able to achieve economic development is because the Japanese has retained this Professionalism and the education system has supported it.

Therefore, during the next 20 minutes, I would like to introduce to you the experience of my dear home country, Japan, in order to provide new insight to contribute to the future economic development of my dear Brunei.

## **1. Objectives of Human Resource Development in Japan.**

What kind of Professionalism is necessary in order to support the economic development of a country? In other words, what sort of people should a country aim to cultivate in order to develop economically?

I believe that those who have supported Japan's economic development had the following 5 elements of Professionalism: 'Ambition, Diligence, Loyalty, Manners & Morals and Pragmatism'.

Firstly, Ambition. About 130 years ago, Japan established an agricultural school in Hokkaido and began training Japanese youths

in western and modern agricultural techniques. Professor Clark, who went there from the US, made an appeal to these youths through the slogan of 'Boys be ambitious'. The youths were moved by this slogan and studied hard in order to contribute to the development of the country through their individual positions. Everyone needs this initial motivation. Training and nurturing a person to become highly motivated is the most important thing for a government, for a company or for a country.

Secondly, Diligence. Nobody will question the importance of diligence in human resource development. Human beings are basically weak. If a person succumbs to laziness, he will not be able to do a good job and this will affect those around him, and consequently lead to bad performance as a whole. By resisting laziness he will not only achieve his objectives but will also achieve wonderful results.

Thirdly, Loyalty. When we say loyalty, some may think of the loyalty of the knights during the European Medieval Era; for others, the loyalty of the Japanese to the Emperor before the war, or the loyalty of the people of Brunei to His Majesty the Sultan. Aside from these loyalties, there is also loyalty to the company, organisation or even government you are working for. Present day economic development advances together with the organisation. The very effort people make for their own organisation will eventually affect the development of their own country. Without their loyalty, the organisation will not run smoothly, much less sustain it.

Fourthly, Manners & Morals. Honesty and Consideration for others are some of the basic qualities necessary to run an organisation smoothly. For example, if one seeks immediate profit and deceives a client or customer the company may achieve a profit but it will also lose its credibility and reputation. In the long term, the company will have lost possible future business opportunities.

I believe that these Manners & Morals are indeed the backbone of the successful economic development of Japan. If one lives in a society where companies deceive in order to pursue profit, the

energy one uses to avoid being cheated will be enormous. Is it not wiser to direct one's energy towards new developments?

Finally, Pragmatism. The immediate opposite of this is formalism. A society where officials put too much emphasis on laws and tradition and do not put society's interest first, will not develop. This is why it is necessary to train people who are able to think about what is useful and what is necessary to society.

Ladies and gentlemen, I would like to reveal how Japan trained, developed and educated people with the above Professionalism with a glimpse into the history of Japan's economic development.

## **2. First Big Bang - Economic Development Since the Meiji Restoration and Education on the 'Japanese Spirit combined with Western Learning'.**

140 years ago, Japan embraced the Meiji Restoration. Japan's isolation policy ended. Japan opened its doors to the world. The social class system was terminated and equal rights were given to each individual. The Western system was introduced and initiated a major revolution which changed the country dramatically. Due to this dramatic change, the positive energy of the entire nation was released and within several decades, Japan had become one of the world's super powers.

So, how was the Professionalism, which was necessary for economic development, nourished? I believe that this Professionalism was originally in the spirit of each social class of the previous era and was enhanced by all Japanese who experienced culture shock when faced with Western civilization.

Ambition towards nation building was shared by all. Diligence, Loyalty and Manners & Morals had been long nourished by the fact that most Japanese were farmers. The Japanese climate is severe, so without this spirit they could not survive.

Loyalty, Manners & Morals and Diligence...these are inherent in the spirits of soldiers...the Samurai. I saw the movie, 'The Last Samurai' and was touched by this chivalry.

Diligence, Pragmatism and Manners & Morals came from the spirit of artisans and merchants. These classes had held a low social position in the past but the Japanese had not inherited an aversion to these kinds of businesses and they had a long history of admiring their manufacturing, along with a mature culture of bourgeoisie.

Rather than cunning and crooked merchants, industrialists with high morals, like those described by Max Weber in his 'Ethics of Protestantism and the Spirit of Capitalism', were there in Japan, without any assistance from Christianity.

The Meiji Restoration demolished the class system, and the elements of Professionalism that had been developed in each class were integrated. This was the origin of Professionalism of those who supported economic development.

The next key player is Education. Education strengthened this Professionalism. Even before the Meiji Restoration, the literacy rate of the Japanese was the highest in the world. The Meiji government introduced a western education system with western style textbooks. The government ensured that every child could receive an education and taught them necessary skills for economic development by establishing various kinds of universities.

Many foreign teachers were employed and they introduced the latest western technology and ideas. Many Japanese also studied overseas. And what was important was that schools taught the 5 elements of Professionalism as a discipline. And the philosophy of this education was 'Japanese Spirit combined with Western Learning'. This idea was 'we will introduce the Western knowledge and technology but we will not lose our Japanese spirit'.

To modernise Japan, the government needed to introduce western ideas and technologies. On the other hand, the government did not

want to lose the moral values of the Japanese. This is indeed a common problem faced by many countries who want to introduce foreign ideas for further development.

In Brunei, the Brunei Government is advocating the MIB Policy together with the Bilingual Policy as their basic philosophy. I think these are indeed in line with the above views and I respect Brunei's philosophy. In Japan, the problem was answered by introducing 'Japanese Spirit combined with Western Learning' and I believe that the Meiji government was successful in doing so.

However, I personally think that the very reason 'Japanese Spirit combined with Western Learning' succeeded as it did was because the Japanese spirit already possessed certain characteristics which made them receptive to new western ideas. The 'Japanese Spirit' was not totally different to 'Western Learning'. The 'Japanese Spirit' accepted from 'Western Learning'. Therefore, if the culture of one country happens to lack the affinity to 'Western Learning', it must make more effort to enhance its affinity to 'Western Learning'. This is my opinion.

Thus the economic development of Japan and the human resource development through the education system boosted each other and both spiralled upwards.

However, sad to say, there is usually symptoms of failure along the way in any success story. An emphasis on the education system had the potential of producing intellectuals who only wanted to score high grades. Whether working in the military, the government or in the public sectors, these individuals may have lacked vision and may have held tight to past successes. These individuals gained promotion but in the process, the spirit of criticism was lost, the sincere understanding of reality was lost and the sight of what was actually necessary for future development was also lost. The events in Japanese history leading to World War II unfortunately followed this path.

### **3. Second Big Bang – Economic Development After WWII and Businessmen Training.**

The Japanese lost the war. Many talented people died, most of the land was destroyed and all overseas territories were lost. Japan regrets the damage done to the many Asian countries during the Second World War. We continue to reflect upon this history and apologise for our past mistakes. In April this year, a statement made by Prime Minister Koizumi at the Asia African Summit expressed this sentiment.

Of course Japan not only apologised, but also showed its commitment to change by amending its Constitution to abolish the use of military power as the measure of settling international conflicts. We totally changed our policy from the past militarism to pacifism. And the past 60 years of Japanese history show its achievements.

Japanese people were battered from losing the war. But the defeat removed many regulations and the controlling industrial monopolies which had covered the military society of Japan. As in the time of the Meiji Restoration, the energy which was repressed during the era of militarism was now released and directed towards economic development. Japanese companies such as Sony, Panasonic, Honda, and Canon emerged during this time. Companies such as Toyota and Nissan, which had been producing military vehicles, changed to producing consumer products and started to develop rapidly.

However, this economic development was only possible because Japan had never lost its Professionalism. Before the war, the catchphrase of people's pinnacle achievement was 'Let's become either a professor or a minister' or 'either a general or a minister'. After the war this catchphrase changed to 'Let's become a professor or a CEO of a big company'.

And what sent the talented youths with this Professionalism to the companies was the education system. Japanese companies were competing against each other and with companies around the world

and successfully expanded their businesses overseas. This indeed was a direct result of the characteristics of the Japanese which I explained as the elements of Professionalism. After the war, the Japanese education system was changed to the American 6-3-3-4 system and compulsory education was to last for 9 years. However, the fundamental education philosophy did not change and higher education became more public. Japan implemented a policy of equal opportunities, by abolishing privileges and introducing appropriate tax and agrarian reforms favourable to this policy. This resulted in a heated school examination competition where many youths from all different backgrounds were offered the chance of a better future. Companies welcomed the winners of these examinations. But these youths were, as it were, 'fresh materials' and it was up to the company to equip them with the Professionalism necessary to it through its own training programme, especially through 'on-the-job training'.

The Japanese employment system was widely known to offer life time employment. Once employed, one would not job-hop and would remain committed to the destiny of the company. The company secured the loyalty of its employees through wage increases based on seniority and companies' social insurance measures.

As a condition of this Loyalty, the company developed its employees' Professionalism by teaching them many kinds of knowledge necessary to its personnel such as specific legal knowledge, the knowledge of its specific products and business know-how. In this case, on-the-job training was especially important. While working, the young and fresh members of the company learn the knowledge and know-how necessary for their business from their senior colleagues.

I believe that the productivity of the Japanese iron and steel industry is the highest in the world. What has made them No.1? It was the know-how and the technology which were built by blue collar workers through their years of experience. The techniques were not imported and they weren't only employed at management level.



While life time employment and on-the-job training work well hand in hand, companies can employ the graduates of the schools as 'material' and bring them up to be a good 'company man' by investing in them and sending them to foreign universities or giving them the inward training like on-the-job training. Thus, after World War II, Japan was able to succeed in strong economic development.

However, Japan was to encounter a further problem.

#### **4. Third Big Bang –How to Develop and Train a Person Who Will Make Economic Development Possible in The 21st Century.**

Since the 1990s, the Japanese economy has gone through difficult stages. Due to industrial structure change, some companies have lost their competitiveness and some have ventured into new fields. As a result of this change, personnel cuts occurred in many companies. People can no longer depend on life time employment. So, as for human development, we cannot rely on 'on-the-job training' entirely. In this current situation, how can the company train people in Professionalism?

I think the necessary elements of Professionalism in present and future Japanese economic development still have not changed. Ambition, diligence, loyalty, manners & morals and pragmatism are still important characteristics. As well as these, an international way of thinking is essential. The reason for this, you can guess from what I have already related to is the future of the Japanese economy.

However, the contents of Professionalism are changing. Ambition is shifting from working in a renowned company to making your own company. Also, loyalty now changes to a sense of contact with those who provide you with business opportunities. The importance of manners & morals never changes. The Japanese are now venturing globally, so keeping promises, honesty, modesty and maintaining good partnerships are essential for the building of a successful business. In this context, I am obliged to respect the many Japanese

businessmen who made great efforts to develop their business overseas and gained much fame for their manners & morals.

Japanese people have made efforts to pursue sincere business practices and avoid mean actions by fully utilising these Japanese characteristics of Professionalism. I am very pleased to know that the 60 years of Japanese business activities since World War II are appreciated in many countries, including Brunei. In order to continue this active role in business, I think all Japanese must always keep their mind as it has been since World War II and must make further efforts to enhance their Professionalism.

And lastly, of ultimate importance is Education. I think education is the key to the future success of Japan. It is the key to the recovery of the Japanese strong economic growth after the Third Big Bang.

In the past Japanese families were large. Within them, youths were trained in the discipline which has led to Japanese Professionalism. But now family size has shrunk. Parents are busy with their work. We are afraid that they cannot educate their children sufficiently. And human development in the companies is no longer as perfect as I explained earlier.

This is why we have to go back to the education in school. Schools are currently faced with many problems and the new impact, as I mentioned, urges schools to change themselves. Many new methods are being tested in order to keep up with the latest changes being made through educational reforms. If the reforms succeed, a new generation of youths equipped with the latest definition of Professionalism may be created. To succeed or not, only the history of Japan of the next 50 or 100 years will tell.

Concluding this speech, I would like to say that Japan is currently striving for the future as much as Brunei is doing. I hope that Japan's past experiences will provide Brunei with some insight and will contribute to producing youths with the necessary Professionalism for the future development of Brunei. I sincerely hope that one day Japan can learn from Brunei's success story.