

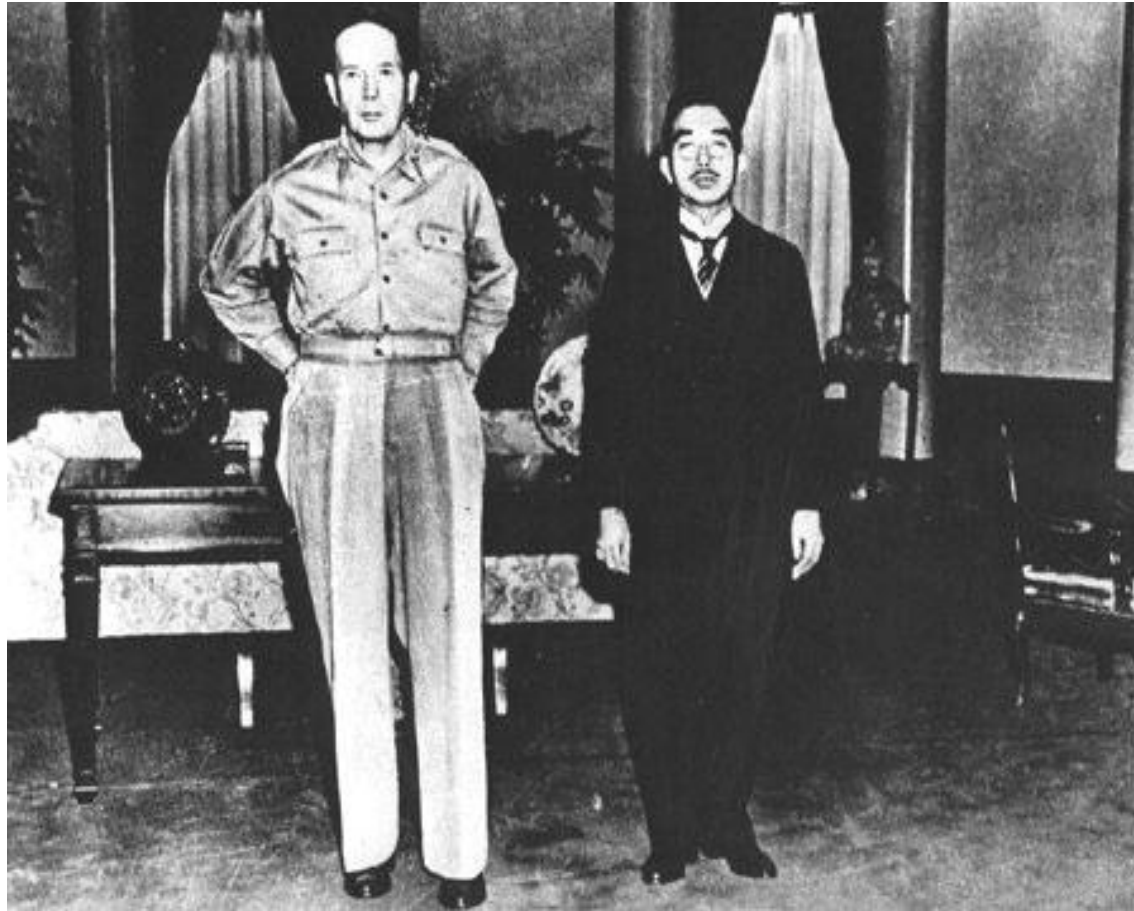
# JAPAN'S ECONOMIC MIRACLE

# U.S. MILITARY OCCUPATION

## 1945-1951

- General Douglas MacArthur pushes new Constitution.
- Eliminates military influence in government
- Land reform eliminates large landowners, makes Japanese farmers middle class.
- Emperor becomes largely ceremonial, no longer considered divine.
- U.S. troops and bases stationed in Japan until 1951.

Douglas MacArthur with Hirohito – who urged Japanese people to cooperate with occupation.



# WAR CRIMES TRIALS PUNISHED JAPANESE WARTIME MILITARY LEADERS

- Over 20,000 Japanese officers and soldiers accused of war crimes against civilians.
- Over 900 executed in trials throughout Asia after war.
- US tribunal in Tokyo tried the highest leaders – Gen. Tojo (left), Admiral Yamashita
- US didn't seek publicity like Nuremberg Trials or put Hirohito on trial because they needed his cooperation



# JAPAN'S ECONOMIC MIRACLE

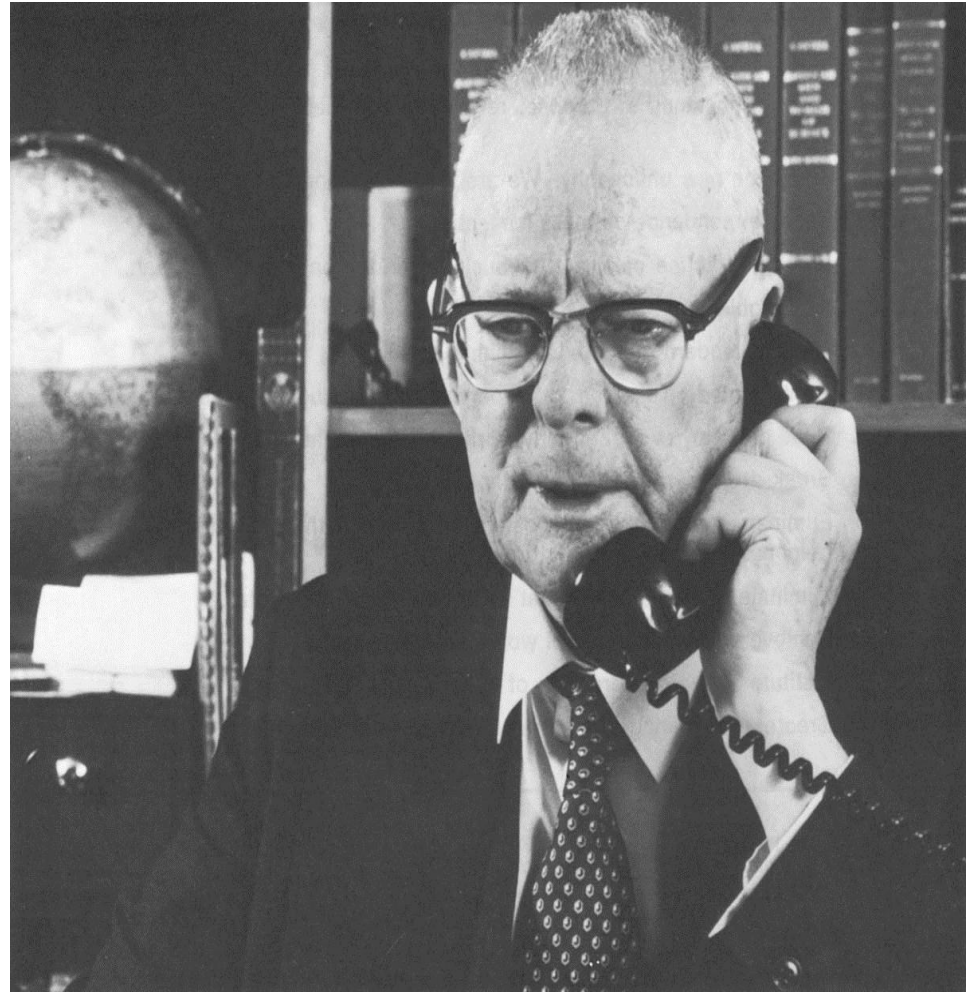
- JAPAN'S ECONOMIC GROWTH IS HIGHEST IN WORLD DURING 1950s and '60s.
- BY 1970s, JAPAN HAS THIRD LARGEST ECONOMY IN THE WORLD.
- BECOMES THE MODEL FOR OTHER EAST ASIAN ECONOMIES, incl. CHINA
- FULFILLS US GOAL OF A STRONG COUNTERWEIGHT TO COMMUNIST INFLUENCE IN EAST ASIA.

# ELEMENTS OF JAPANESE MIRACLE

- Partnership between government and private corporations (some are zaibatsu)
- Slow down population growth; frees up capital to invest.
- Economy is based initially on exports, and eventually turns to consumer goods for domestic market
- Government and companies agree to focus on certain areas of industry: electronics, automobiles and other vehicles, cameras, shipbuilding
- Emphasis on quality through team approach; job security for those in good corporations

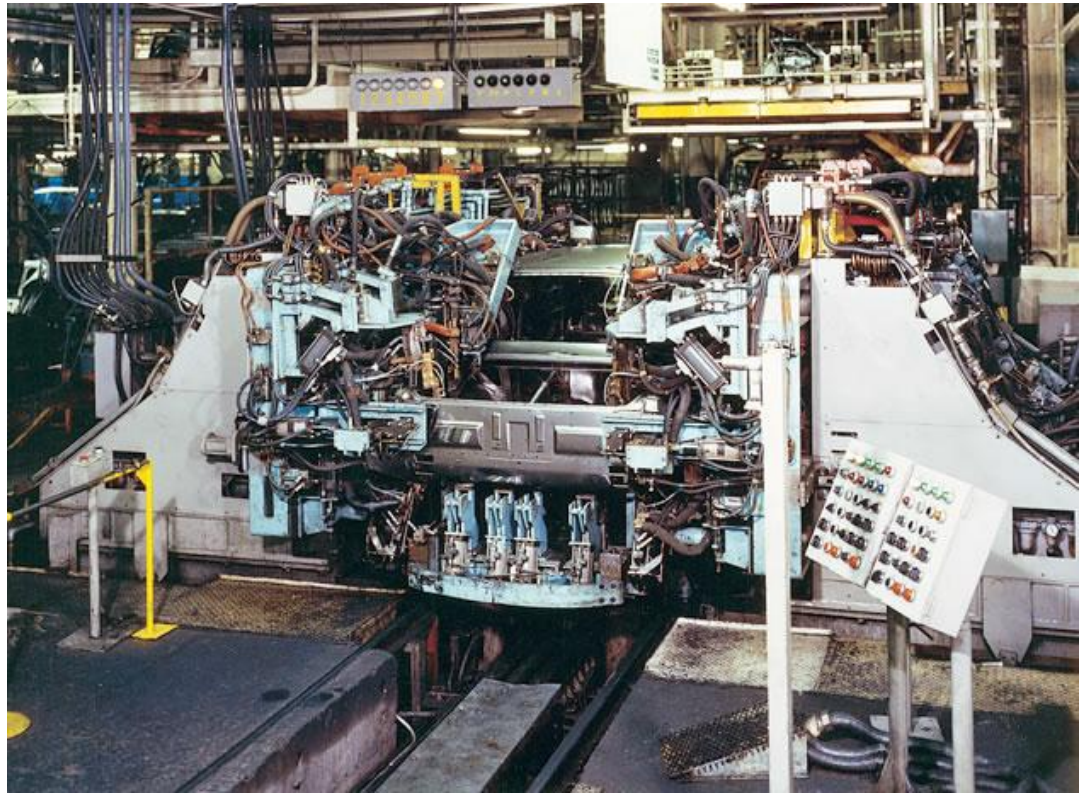
# W. EDWARDS DEMING

- Business management expert
- Ideas ignored in US
- Credited by Japanese for helping create economic miracle
- Basically, makes everyone responsible for quality of a product



# AUTOMATION

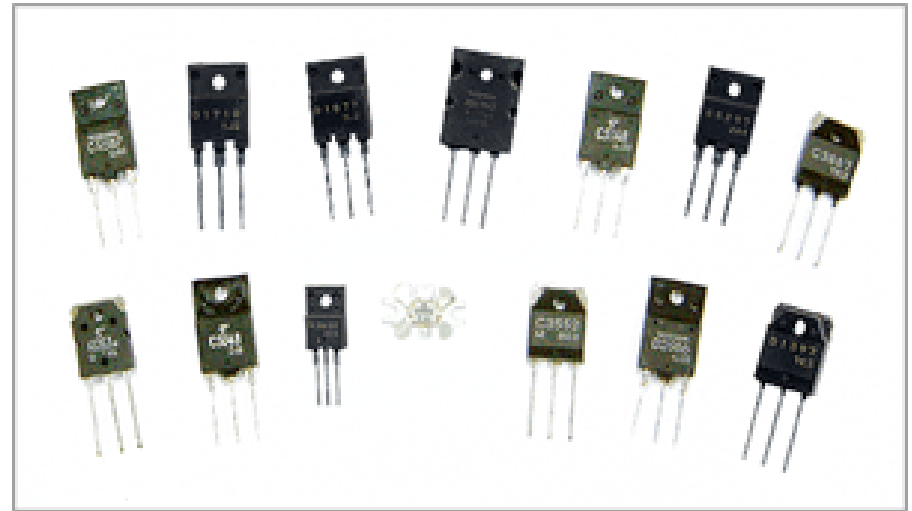
- Japan became first major user of industrial robots in manufacturing.
- These were first developed in Connecticut
- Honda's first robots (right)





# MINIATURIZATION

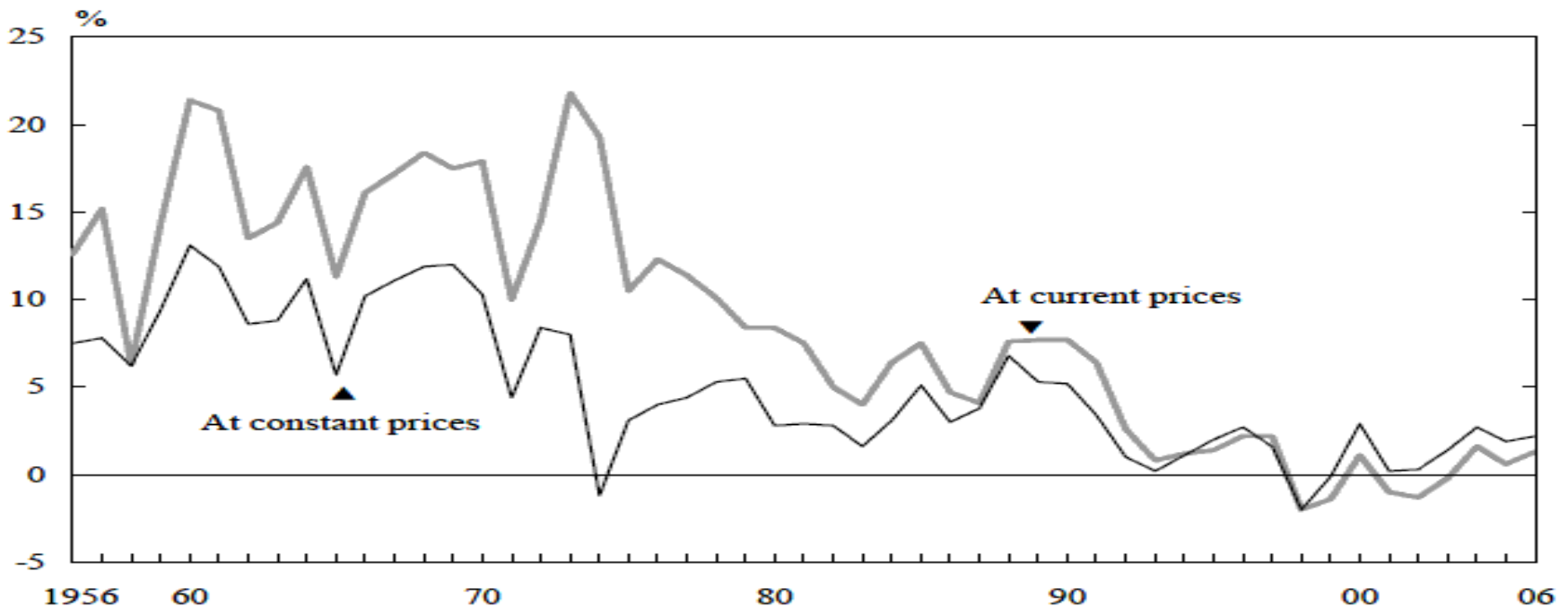
- Japanese take new American technology like transistors and can manufacture more cheaply



# SLOWDOWN

- JAPAN'S ECONOMY SLOWS IN THE 1990s
- PROBLEMS OF INFLATION, HIGH OIL PRICES, "CRONY CAPITALISM."

**Figure 3.1**  
**Economic Growth Rates <sup>1)</sup>**



# THE “FOUR TIGERS”

- South Korea, Singapore, Hong Kong and Taiwan follow Japan’s formula for success
- Their economies also grow rapidly.
- Today Malaysia and Thailand are following similar routes to development.
- Vietnam is following China’s mix of capitalism and communism
- Indonesia is a mix of Tiger-style development along with selling off its natural resources, esp. forests