

JAPANESE PHOENIX

THE LONG ROAD TO ECONOMIC REVIVAL

RICHARD KATZ

AN EAST GATE BOOK

&A.E. Sharpe

Armonk, New York
London, England

Contents

<i>List of Tables and Figures</i>	ix
<i>Technical Notes</i>	xiii
<i>Acknowledgments</i>	xv

Introduction

- | | |
|---------------------------------------|---|
| 1. The Long and Bumpy Road to Revival | 3 |
|---------------------------------------|---|

Part One

A Tale of Two Problems: Supply and Demand

- | | |
|---|----|
| 2. The Incredible Shrinking Japan | 25 |
| 3. Overcoming the Dual Economy: Backward Sectors Are the Key to Japan's Revival | 40 |
| 4. Overcoming Anorexia: The Labors of Sisyphus | 59 |
| 5. The Banking Crisis: Dead Firms Walking | 81 |

Part Two

Macroeconomic Policy Debates

- | | |
|--------------------------------------|-----|
| 6. Fiscal Dilemmas | 105 |
| 7. Monetary Magic Bullets Are Blanks | 117 |
| 8. Japan Cannot Export Its Way Out | 136 |

Part Three

Globalization: A Progress Report

- | | |
|--|-----|
| 9. Globalization: The Linchpin of Reform | 147 |
| 10. Imports: Too Many Captives, Not Enough Competitors | 153 |
| 11. Foreign Direct Investment: A Sea Change | 165 |
| 12. Financial Integration: The Iceberg Cracks | 177 |

Part Four
Structural Reform: A Progress Report

13. What Is Structural Reform?	193
14. Financial Reform: "Big Bang" Versus Financial Socialism	196
15. Corporate Reform: No Competitiveness Without More Competition	217
16. Competition Policy: Not Enough Competition, Even Less Policy	241
17. Labor Reform: Mobility, Not Wage Cuts, Is the Answer	248
18. Deregulation and State Enterprises: The Momentum Is Clear, the Destination Is Not	260
19. Tax Reform: Don't Exacerbate Anorexia	278
20. Electoral Reform: Ending the One-Party State	284

Part Five
U.S.-Japan Relations in This Crisis

21. The United States Is Not Japan	291
22. How the United States Can Help	298

Epilogue

23. The Phoenix Economy	311
<i>Notes</i>	313
<i>Bibliography</i>	329
<i>Index</i>	341
<i>Appendices and Updates</i>	http://www.mesharpe.com/katz.htm