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## 2017 Election Manifestoes on Growth Strategy and Free Education Missing the Points

By NAKAMURA Jin

The other day, someone close to me who is familiar with computer industry voiced concern about the future prospects of Japan's economic and industrial power. It was at the height of the campaign of 2017 general election, in which each party was engaged in the campaign manifesto fray. "The growth strategy and education policies advocated by any parties are all missing the point. China is rapidly empowering its soft industry. The gap will keep widening between US/China and Japan, besides Japan will soon be overtaken by India at this rate." "Today, the future of industry and economy depends on soft industry." These are his warnings. Soft industry includes Apple, Google, Microsoft, Facebook, and, from the service sector, Amazon.com, etc.

Most of the world's top ten companies belong to soft industry, and financial service companies utilizing this industry top the list (in terms of stock market value). On the other hand, the market share of the manufacture and resource industries, which used to be the basis of economic and industrial power, has been shrinking. Out of the total market value of the top ten companies which is worth \$4.6 trillion, that of the soft industry accounts for \$2.7 trillion. Ten years ago, the software industry accounted only for one tenth or so to the total of \$2.6 trillion. That is, the software industry is indeed leading world's economic growth. China's GDP, which was one-tenth the size of that of Japan 20 years ago, has grown to be twice as large as that of Japan today. Besides, India's GDP, which was 20 times smaller than that of Japan, is now reaching the half of it. "The growth of soft industry is pushing up India's GDP. India, as an English-speaking country, has an advantage in software education and development. It will therefore overtake Japan in a few years." Why has only Japan failed to achieve economic development for the past 20 years? The reason should not be found in its economic or financial policies. Rather, the reason is that Japan

has not witnessed new companies on software to grow through trials and errors and to lead the industry of the next generation.

He also says, "The automobile company Toyota which Japan has been proud of, as well as GM of the U.S. and VW of Germany are all in danger. The top-ranking automobile companies would be replaced by Google in a few years." According to him, a rapid structural change of that scale would take place. He also says, "There will soon be a day when electrically powered self-driving cars, which are the very product of software, becomes the standard. Automobile cars consisting of over 20 thousand parts will lose ground. Engine manufacturers will disappear. Fuel efficiency will dramatically improve," "China puts the development of software industry as a national project, and it is pouring energy into software education. Seven system engineering graduate schools are labelled as the core of the national policy." NHK also broadcasted a documentary the other day reporting the rapid emergence of various companies and products in such fields as computer game software, drones, fintech (financial technologies of the next generation), automated convenience stores, and sharing economy. Such evolution would give birth to future Google.

It is important to combine the development of software industry and education policy for the development. Each party are debating over the pros and cons of free education and the extent of it. However, they should discuss what sort of educational policy is necessary to create economic society that leads the next generation. In terms of industry development, the manifesto of the Liberal Democratic Party of Japan only lists up slogans such as AI, IoT, and promotion of enterprises. Rather, the party should urge more fundamental importance of developing software companies and entrepreneurship. "Investment into renewable energy and energy-saving technologies" advocated by the Constitutional Democratic Party of Japan is necessary. Yet, that would not be a prescription for Japan to escape from the current economic downturn.

Under such circumstances, an attempt by the University of Aizu in Fukushima has attracted attentions from soft industry experts. The university is a single-department

college with focus on computer education and English education curricula. And half of the lectures are foreigners, and students are obliged to produce thesis in English. The university has climbed up the ranking to the 23rd out of 800 universities in total. Free education, which is just for the sake of attracting votes and in fact only gives a hotbed for lazy students and supports private universities failing to meet their quotas, should be abolished. Our urgent task is to design clear objectives and distribute enough budget for education, which enables to help grow industry for the next generations.

**(This is an English translation of the article written by NAKAMURA Jin, former National Paper Writer, which originally appeared on the e-forum “Giron-Hyakushutsu (Hundred Views in Full Perspective)” of GFJ on October 20, 2017.)**