

Sheila Rodriguez  
Social Aspects and Retail Environment

Japan is known as a socially stable country and there are facts that prove this. One of the things Japan offers is statutory health insurance that provides universal coverage (Tikkanen, 2020). In Japan, being enrolled in employment or residential based health insurance is required. Some of the benefits the health care covers is hospital, primary, specialty, mental health care and prescription drugs. The statutory health insurance covers 98.3% of the population while the Public Social Assistance Program for impoverished people covers the remaining 1.7% (Tikkanen, 2020). By law the national and local government are required to ensure the citizens with an efficient system that provides them with good quality health care thus ensuring a good quality of life.

The retail environment in Japan is one of the best retail environments there is. Japan has the second largest retail market which has a sales value of more than \$1.3 billion which is equivalent to about 150 trillion yen. About 35% of Asian tourists who travel to Japan say that the main reason for visiting is shopping. The retail market in Japan is described as a “mature quality and luxury oriented consumer market” (Donnelly, 2018). Some of the stores that are considered key sector stores include high-end specialty stores, apparel specialty stores and lifestyle & environmental products. Due to COVID-19 and the growing popularity of online stores, online shopping has become much more popular when purchasing items like clothing and other consumer goods. This new way of shopping does not only affect Japan but the rest of the world. As of 2018, the majority of retail sales are in street shops, subway shops, outlet malls and small businesses especially those that are online (Donnelly, 2018). When COVID-19 first hit Japan, the unemployment rate barely increased compared to here in the U.S. According to Ben Dooley from

the New York Times, the unemployment rate increased by just 2.6% since February 2020. The wages and the working hours for the Japanese employees maintained stability. Some social, demographic, and epidemiological factors in Japan have shown that the “economic slowdown has not produced mass layoffs” (Dooley, 2020). The country has avoided a spike in COVID cases which allowed for it to keep more of the economy open. The companies in Japan prioritize the employee’s interest over that of the shareholders, which is a good thing for a company to keep its employees happy so they will be willing to do their best work within the company. During bad economic and social times, the companies use their saved earnings to provide their employees with a secured job (Dooley, 2020). Companies provide good job security in return for the long hours that their employees work for and they are not allowed to lay off an employee without having proof that there is no other choice. Another thing that keeps Japan’s unemployment low would be the tight labor conditions as it is shown that the workers seem to be of a higher age group.

A large part of Japan’s retail environment is e-commerce. The e-commerce in Japan is skyrocketing due to the pandemic and also the fact that the country is small which makes it convenient to ship items. Although Japan’s retail environment is at number two, its e-commerce market, globally, is ranked at number four after the U.S., China and the United Kingdom. In the Asia Pacific region, its e-commerce market is ranked at #2 (Markets, 2020). Japan has a high internet penetration secured by hi-tech which affects their e-commerce. Contributing to Japan’s e-commerce is having a large range of items in one place on websites where most people shop. During the beginning of the year most people, if not all, were only shopping for essential items like toiletries and disinfectants but it is expected for the situation to change by the end of 2020

and beginning of 2021. It's expected for people to start shopping for items like apparel, footwear and accessories which will grow the retail environment. Some of the leading e-commerce platforms include Amazon Japan, Yahoo Japan and Rakuten (Markets, 2020). Amazon is very popular globally especially because they now offer same day delivery and offer this to about 80% of Japan's population. The most significant purchases in Japan are fashion, electronics and media followed by travel and hotel bookings. Some of the purchases that are gaining popularity are car insurance, grocery purchases and online tickets and entertainment.

Leslie Escoto  
Japanese Trading Partners & SWOT

Japan is known to be quite the strong trade partner located in Southeast Asia. Many would consider their trade embargos as part of their country's economic livelihood. Their number one trade partner as of 2019, is the United States of America. The USA had 19.9% of their exports, with a revenue of USD \$140.4 billion. The second country is China, at 19.1% and a revenue of USD \$134.7 billion. South Korea is the third trading partner, at 6.6% and a revenue of \$46.3 billion.

A strength of trading with Japan is that it is the third largest trading economy, making them valuable to import and export to. As of 2019, there have been trade agreements with the United States to lower tariffs, therefore making it cheaper to import and export products between the two countries. Another one of their strengths, is according to the World Bank, they are ranked #29 out of #190 in doing business with.

A weakness of trading with Japan is the potential culture shock- as they have very specific and traditional management styles and it could become a turn off if they don't manage to be more open-minded. Along with this, is their aging community. As the Japanese age they are less likely to want to adapt to newness. Another weakness is that it does depend heavily on their exports, and if other countries are not placing these said orders, it has the potential to overturn their economy.

An opportunity of trading with Japan is that they have the potential to produce stronger relationships, if they step out of their "normal" in order to understand different cultures and what they have to offer.

A threat of trading with Japan is the quick turnover rate for other Asian countries, such as China. Japan will need to be able to figure out a way to overtake them as the top exporter. Another threat is their debt levels, as their demographics are not changing at the desired rate (Santander Trade, 2020). Another threat is their aging population, they will soon be receiving government help, and will not be paying taxes. Along with this, many citizens are not having children which decreases the future taxpayers.

#### Genesis Colon Economic Stability and Reopening of Businesses

The pandemic has caused many deaths and a new way of living. Many countries have shut down and individuals have been staying at home, socially distancing themselves. With this pandemic it caused countries' economies to decline since businesses were required to close due to the high cases of this virus and to stop the spread. Japan as well was hit with this virus with about 76,448 cases as of today but 68,532 has recovered, till this day Japan is still at high risk

(CDC “Centers for Disease Control and Prevention, 2020). With quarantine going on throughout the world in Japan the Japanese are defying the government, with the lockdown going on the people don't want to stay locked up they want to work. Citizens are saying “We cannot survive without working, we cannot stop going out altogether.” (Enjoji & Wakatsuki, 2020).

This pandemic didn't only affect people's health and how people live but as well for businesses and the economy. Throughout this pandemic, businesses have lost an abundance of capital which has caused Japan's economy to decline. In the last nine months, Japan has had the biggest economic slump of 8% in the second quarter of 2020. As Japan is part of the G7 which consists of other countries like the United States, Germany, Italy, France, Canada, and the United Kingdom, Japan did not perform as badly as the other G7 countries but they did have a reduction of 7.8% quarterly in gross domestic products (Elliott, 2020). By late 2019, Japan was hit with a recession but did increase in sales tax then decreased again in the first half of 2020. Being hit both before and after the pandemic has caused Japan to have one of the worst economic declines since that of 1980. One of the reasons why Japan had such a decline was because of the decrease in domestic consumption which is one of the biggest things their economy is based on. An analyst explains that if Japan reissues a state of emergency or enforces lockdown restrictions, they can expect the economy to grow again by the third quarter. According to the analyst, even though one of the world's third largest economies is declining, they are bound to bounce back in the third quarter GDP, like how China, who is the world's second biggest economy, increased by 3.2%. (Elliott, 2020). To help Japan's economy to rise up again the Prime Minister Shinzo Abe is introducing a stimulus package that will help aid the blow back of the pandemic (Elliot, 2020)

Even with the pandemic still going around and cases are starting to decrease Japan decided to lift some of the countries out of a month-long lockdown, many businesses are reopening and resuming operations like cafes, bars, sport clubs, as well as retail stores. For example, Uniqlo, which is a clothing chain, has reopened 48 stores in Japan (Tajitsu & Kaneko, 2020). Even though the government is loosening up the restrictions, many citizens are discriminating against foreigners, since Japan has locked their borders not allowing anyone to come into the country (Dooley, 2020). As with the country opening up and businesses resuming their operations there is still a chance where Japan's cases could increase for not following proper and strict regulations.

As Japan does have a politically stable system, voters are known to have a clear “political ideology” which is why Reiwa Shinsengumi is one of the proposed representatives for the Upper House Election. The demographics for those who vote for Shinsengumi are typically normal like others, as well because he supports the low-income segments because his promotional representation is more radical. Overall voters want a representative who's “party is anti-establishing and lively campaigning approach” also tend to be ideological left- leaning (Miura, 2019). Voters want a representative that supports and desires a change for anti-elitism, leftist ideologies are a political support of social equality and egalitarianism, which opposes social hierarchy. Mostly beliefs of unjustified inequalities should be abolished or changed.

Azula Camara  
History of the Kimono & Silk and Silk Resources in Japan

The kimono was first introduced during the Heian period, around 794 AD. Starting 1185 AD, the kimono “had become an everyday clothing choice.” (Joy, 2018) The kimono may have

several different variations “usually based on seasons, gender or sometimes on political and family ties.” (Joy, 2018) The kimono was simply the attire of a Japanese individual, like that of a shirt and pants for an individual today. Joy (2018) states the decline in everyday use of kimonos started “during the Meiji Period (1868-1912), when the government encouraged people to adopt Western clothing styles.” Since this time, kimonos have been left to special ceremonies such as weddings, funerals, tea ceremonies, or during summer festivals. The trend of kimonos has seen a recent surge in fashion after recent adoption in pop culture. Kimonos are now styled as a lightweight cardigan with the still beautiful intricate designs they’ve always had. Authentic silk kimonos retail for about \$100 to over \$1,000, while the fast fashion kimono retails for about \$50. Kimonos are still in demand but just at different variations, just like any other garment. There are different price points for different demographics.

The first remnants of silk were found in a Neolithic site which we know as the first beginnings of Chinese civilization, around 3630 BC. This silk fabric was used to wrap a child in, like that of a blanket. According to ancient Chinese legend, silk was discovered by the Empress Xi Ling Shis at around 2450 BC. The Empress was in her garden drinking tea, when a silkworm cocoon fell into her teacup from the mulberry tree atop of her. She then took the cocoon out whilst unraveling a fine, soft thread - thus igniting the wonderful textile of silk. From this time, silk became a huge item for China. Silk was only worn by those with high prestige, and according to Shogun (2019) “the secret of making silk was kept in China for over 2,000 years, with an imperial law damning anyone who disclosed the secret to death and torture.”

Throughout many years, the secret had eventually leaked its way to Japan through the popular trading route – the Silk Road. “Harvesting techniques from China and Korea were adapted and refined in order to start producing silk which was considered extremely high quality.” (Shogun, 2019) In creating such high quality silk, Japan became one of the leading silk exports in the world.

Fast forward to modern day, Japan is still one of the leading producers of silk. Although not number one, being China, Japan is still producing a great amount of the world’s supply of silk. According to the International Sericultural Commission, Japan produced about 20 metric tonnes of silk in 2018 - making them one of the top 10 countries to do so. Not only does Japan produce massive amounts of silk, they also are a leading consumer of silk. Japan also imports silk from massive silk producers that produce more than Japan themselves, China and India, which both are part of the same Asia region. Silk is an extremely sustainable resource in Japan and can be easily accessible from not only within themselves, but countries in the surrounding Asia region.



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