## Silent Genocide

The Reason Why Japan's population keeps decreasing

Akihiro Kuroiwa

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## Preface

Economic externalities are mainly discussed in environmental economics, but they can be applied to labor issues as well. The market principle is a natural law and cannot be resisted. If that market principle creates a problem, then the problem, or external diseconomies, should be internalized in the market. During the Edo period, Heizo Hasegawa not only cracked down on criminals, but also provided vocational training for the unemployed and even provided opening costs. We have to follow his example. In this paper, I will discuss these two points.

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## **External Diseconomy on Labor Market**

## Two Mistakes

Heizo Takenaka, who advocated "job mobility," has become the chairman of a temporary employment agency called Pasona. Takenaka, who once served as various ministers and is still a member of <u>the Growth Strategy Council</u> in 2021, can influence the government's economic policies as a beneficiary company. The government and local governments give jobs to big temp agencies through voluntary contracts, wasting taxpayer money that could be used for employment measures. I don't think Takenaka is incompetent and I don't think he is mired in corruption. However, there were two blunders during Takenaka's tenure as Minister that are the source of the problem.

First, his policy went against market forces. No one can resist the providence of nature. The Industrial Revitalization Corporation of Japan (IRCJ) prevented large corporations from going bankrupt when they were on the verge of collapse, but the "natural selection of corporations" based on market principles did not work, and the market monopolies and oligopolies were maintained like zombies, getting worse and worse, and the buying support of stock prices by the Bank of Japan and the GPIF led to an increase in asset bubbles in the stock market. Fundraising support for <u>persons or venture companies who</u> <u>build new industry</u>, has not progressed.

The second, which is also related to the first, is that he advocated "job mobility" and took away the rights of workers in weak positions, calling it a revision of the Worker Dispatching Act. As the natural selection of companies progresses, job changes will naturally take place. However, what Mr. Takenaka did was to justify the reduction of regular employees and outsourcing of companies, to impose a burden on the vulnerable, and to give preferential treatment to dispatched labor companies. <sup>1</sup> Not a day goes by when I don't see an advertisement for a temp agency on a TV commercial.

## Negative Chain

It is said that the Rust Belt supporters are heavily involved in the birth of President Trump in the United States. During Japan's high-growth period, many have lost their jobs in the manufacturing industry of the United States, which lost competition with the Japanese manufacturing industry. The society that has been built up for generations has collapsed, people have migrated or the vulnerable have been left behind.

In Japan, after the appreciation of the yen and the collapse of the bubble economy, the manufacturing industry moved overseas. The People's Republic of China and ASEAN countries have broken free from subcontracting, and China in particular is becoming the center of the world economy. However, the Chinese economy is also suffering from the trade dispute with the United States initiated by President Trump, and is falling into a situation similar to the collapse of Japan's bubble economy. The transition to the Biden administration has not changed this.

It is truly a chain of misfortune. International companies are looking for cheap labor. It is a good thing that this will lead to the transfer of technology and the growth of industries in

the destination country. But what will happen to the unemployed left behind after the withdrawal? There are no easy solutions to the negative aspects of economies of scale, especially in agriculture and manufacturing.

The United States government has designated a trading partner as a currency manipulator to eliminate trade conflicts because it believes that the partner country keeps prices and wages unreasonably low, and Japan and the People's Republic of China Has been criticized. But that is not always the case. That's not the only cause. International corporations only consider selling cheaply, as Mahatma Gandhi opposed in the past colonial rule. Mass production and consumption cause external diseconomies of labor, and international companies that rob jobs are the true enemies of the United States. Their act is a deprivation that abuses the market economy and free trade. If this external diseconomies are left unchecked, it will become more oligopolistic.

Importing from countries with undeveloped Labor Standards Act, not just in the United States, is a poor import. Cheap prices and low wages will eventually close the gap, but if a company moves its manufacturing base to a country where workers are not protected by law, the workers in that country will be unhappy. The press emphasizes low prices and wages, but in reality, disposable workers, such as migrant workers in the People's Republic of China, are being sacrificed. In such cases, tariffs on under-lawed countries should be strengthened or sanctions should be imposed on international companies to promote the protection of workers. In free trade, lower tariff rates are better, but should we do so to the unhappiness of domestic and foreign workers?

In fact, imposing tariffs would be difficult because, like environmental tariffs, retaliatory tariffs would be imposed. If that is the case, how about certifying international companies that are environmentally friendly and operate under good working conditions, like the certification in which Nestle participates,<sup>23</sup> and giving them preferential treatment in terms of tariff rates? This would allow us to operate without changing the existing tax rates. If we set up a certification system based on the Sustainable Development Goals (SDGs) of the United Nations, and give preferential treatment to certified companies in terms of tariff rates and corporate tax rates in order to internalize the external diseconomies of international companies, inequity will be reduced. It is the scoring of external diseconomies.

NHK aired a BS1 special, "Learning from Shibusawa Eiichi: SDGs for a Sustainable Economy," on April 3, 2021, in connection with the historical drama, "Seiten wo Tsuke (Reach Beyond the Blue Sky)". In the program, the efforts of companies that Shibusawa was involved in management were introduced. Market forces are truly the law of the jungle or "The weak are meat, and the strong do eat". Market forces are so strict that external diseconomies are created. The tax system should favor companies that contribute to society.

It has been a long time since people talked about the hollowing out of industry. Japan's manufacturing industry has moved overseas, even to subcontractors, but has any industry developed to absorb the lost jobs? The same can be said for the Rust Belt of the United States, which lost out to Japan. There is a stark difference between the area where programmers actively established themselves and revitalized the economy, and the area depicted in the movie "NOMADLAND". The only way to bring back the liveliness to a place

that has lost the competition is to support business startups.

### **Pigovian Tax on Employment**

The Rust Belt is the area left behind after the companies that lost out to the Japanese manufacturing industry left. Market forces are competitive, and companies try to keep costs low. They lower salaries and cut staff. Or, in order to cut labor costs, they move their manufacturing facilities overseas where they can hire people at lower salaries.

In Japan, the government forcibly intervened in the market and created a distorted market economy where companies that should have gone out of business survived, and where the government refused to allow new entrants into the government sector through voluntary contracts. It was difficult for new companies and industries to grow in Japan, and employment did not increase. The Ice Age generation of job seekers had no opportunity for full-time employment, and those who had no work experience other than being hired as new graduates could not be hired as full-time employees.

This problem of the "ice age" generation of job-hunting seems to be unknown overseas, but I have experienced it myself, and our generation knows how serious it is. Foreign economists may wonder why Japan's birthrate continues to decline. The answer is simple. It is because we, the junior baby boomers, the largest population in Japan, lost the opportunity to be employed full-time, were forced into low-wage jobs, could not marry, and could not have children.

There are those who argue that if the population decreases, we should accept overseas workers. This is like giving a blood transfusion without sealing the wound. Bringing in workers from overseas to work for low wages while depriving them of their rights through legal reforms will worsen the problem. As pointed out by the Labour Union of Migrant Workers (LUM), the ILO considered the Technical Intern Training Programme as forced labour and considered it a problem, but at the very least, foreign technical interns must be given the same rights as Japanese. There are people who have lost their jobs due to the spread of covid-19 and cannot even return home. They are victims just like the ice age generation. There is no such thing as a convenient worker who can be easily fired and who works long hours for low pay.

As the Nihon Keizai Shimbun and TV Tokyo have pointed out, Japan does not value the abilities of those who have completed graduate school. There are no workplaces for master's degree and doctoral degree holders. If there were a civil service hiring system that gave preferential treatment to those who have completed graduate school, as is the case with foreign governments, private companies would follow suit, but there is no such movement.

The internalization of external diseconomies in environmental economics is an effective way to capitalize on market forces. No one can deny market principles, but as long as we leave the external uneconomic situation as it is, it is also undeniable that the problem will worsen no matter what economic policy we adopt.

The Pigou effect is useless, but the Pigovian tax is effective. The labor problem is truly an external diseconomy. In environmental economics, there is a concept called a Pigovian tax or a Baumol–Oates tax. We can apply them to the external diseconomies of labor.

Employment problems are similar to environmental destruction. Therefore, the Pigovian tax is ideal for internalizing the market. Specifically, corporate tax cuts should be determined by the ratio of full-time employees to part-time employees in the company. This would provide a stimulus to increase the number of full-time employees. This should also be applied together with the certification system based on the SDGs mentioned above. The current system of subsidies is ineffective because it only increases expenditures.

Full-time employees are treated in a variety of ways other than salary. Under Japanese law, full-time employees are not easily dismissed. Heizo Takenaka's insistence on "labor mobility" has forced people to work for low wages that do not allow them to earn a decent living. What Japan needs is a policy to increase the number of emerging companies that are responsible for new industries, and to eliminate monopolies and oligopolies, in other words, "corporate mobility". Without this, there will be no increase in employment. The burden should not be placed on the workers, but <u>the pain</u> should be borne by the companies.

### Voluntary contracts with staffing agencies

There are many large staffing agencies that have voluntary contracts with governments and local governments. The Board of Audit should audit them directly instead of leaving it to the local governments. Subsidies for local employment are being misused to enrich the temp agencies. To make matters worse, temp agencies are trying to get into the training program to hire the ice age generation. All they want to do is to abuse the policy and line their own pockets. This will only enrich those who have destroyed the lives of the ice age generation and forced them to work for low wages hard to earn a decent living.

Temp agencies also provide job information services and recruit temporary staff and teachers for local governments. Why can't they be hired as full-time employees rather than paying commissions to them? The temp agencies try to benefit from the government's employment policies by setting up various affiliates. We must not let them do what they want.

### Market principles and natural selection

I pointed out in the previous article that Japan has an incomprehensible employment practice of hiring only new graduates. Those with no work experience are not hired. Discrimination against those without work history continues. This is not a story of the distant past. The "ice age" generation is passing the marriageable age without being able to marry because they cannot afford to. It is truly a silent genocide. The population will continue to decline. Corporate executives and human resource managers do not realize that they are strangling themselves with their own hands. They will soon learn that tomorrow is their own fault. No matter what the government's policy is, the problem will not be solved until discrimination against the ice age generation is eliminated. There are many people who make fun of our generation, calling us NEETs, parasite singles, and shut-ins. Promoting discrimination through variety shows and dramas will not turn a blind eye to the increase in suicide and crime caused by poverty. Will they continue their ridicule even in an age when parents kill their children and children kill their parents? Those who lay blue sheets on riversides and parks, those who spend all day in the

concourse of the station, those who have become their last habitat in internet cafes, do you keep pretending to see?

TBS's "Hayashi-sensei's Surprising First Listen!" is terrible. Japanese mass media created new class of discrimination and are making fun of it via variety show and even drama. They are not willing to contribute to the solution of things. By nature, they should be the eyes, ears, and mouth of the people. They blame individuals for being the victims of economic policies. That program is a microcosm of Japanese society.

We have the right to petition, the right to vote, and the right to be elected. Like the <u>Ice Age</u> <u>Generation Union</u>, you have to be politically active. Few people like Socrates drank poison by saying, "Obey and do not do otherwise". In every age and every place, evil governments have been overthrown by the people. Since Japan is a democracy, the only way to change the situation is through the power of the ice age generation. If you are laughed at and mocked, or you find the ridicule of others frustrating, you should act and not obey in silence.

In order to keep the unemployed from increasing, the Japanese government has spent taxpayer money to prevent bankruptcy. But if big companies are favored, monopolies and oligopolies will be maintained and new companies will not grow. New products and services will be less likely to emerge, and consumption will be sluggish due to a declining population and personal income, resulting in price competition and diminishing returns. Japan has been in a deflationary state for a long time. It is best not to prevent bankruptcy in order to return to the original normal economic state where innovation is active and returns are increasing. That should not be an exception, even for large banks and brokerage firms.

Even if the Bank of Japan and the GPIF use mutual funds to support stock prices, only companies listed on the stock market will benefit. The funds will not go to the businesses that are really needed and are the leaders of new industries. Instead, it will exacerbate monopolies and oligopolies. With low interest rates, megabanks are only thinking about selling mutual funds to their customers. Their goal is to earn commissions, and they don't care about their customers' asset management. The main purpose of banks should be to develop industries. If they can't play that role, it would be better for them to favor and nurture crowd funding and venture capital, which would help create new industries and the jobs that come with them.

Consumption is an important factor in GDP, but any Japanese who suffered from the long recession after the collapse of the bubble economy has already experienced that the increase in consumption due to tax cuts is only temporary. Many economists have pointed out that trickle-down is useless. There is also a concern that capital investment will temporarily increase in anticipation of the future, but will also lead to overcapacity.

As Mr. Robert Reich points out, there are several important aspects of the external diseconomies of labor, especially measures to promote middle class employment.

- 1. Job Training
- 2. Business start-up support
- 3. Stable, permanent employment.

If we are to survive the mass extinction of companies that followed the COVID-19 pandemic, it is essential to support startups to increase employment. The cumbersome registration procedures and hefty company formation fees are ridiculous. Just do what New Zealand and Finland did. The third will be a difficult target if there are corporate bankruptcies and increased competition, and in order to solve 1 and 2, the next chapter will look at economic policy in the Edo period.

### Basic Income, Recurrent Education and Startup Support

In difficult times, the quickest way is to learn from the history of overcoming difficulties. The Great Famine of the Tenmei Era (1789-1889) caused an influx of people from rural areas to urban areas, and public safety worsened. Heizo Hasegawa, known as "Onihei," cracked down on heinous crimes as an officer of "Hitsuke tozoku aratame-kata", and also opened a "Ninsoku-Yoseba" as a measure against unemployment during the Edo period. He provided job training to the unemployed. Eiichi Shibusawa, who established a "Yoikuin", was also involved in similar activities. It is important to prevent crime before it happens. Many crimes are caused by poverty and hardship. The introduction of basic income has been discussed since the Davos Conference, but many people are against it. If, instead of simply handing out money, we could combine vocational training with the provision of start-up capital, as Heizo Hasegawa has done, I think there would be less opposition.

If they seek employment in existing companies, it will be a game of musical chairs and competition for positions. Like Heizo Hasegawa's policy, support is needed to acquire the knowledge and skills necessary to start a business. Recurrent education is necessary, but it is expensive. Those who are unemployed cannot be forced to bear the burden. However, free vocational training facilities are difficult to maintain. In order to solve this problem, we can ask companies to become sponsors and, for example, offer paid internships to the top performers who have taken programming courses. Internships are needed not only for new graduates, but also for those who have failed to find a job and have no work history. Also, we should not forget to increase the number of free start-up facilities.

With the pandemic caused by Covid-19, the world will once again be made aware of the importance of basic income. In Japan, a special fixed benefit of 100,000 yen per person is paid. It should be a permanent system, and it should be one support system that brings together welfare and pensions.

Governments and local governments can also create or attract new industries. Mariana Mazzucato is preaching state-led innovation. I suggest expanding <u>the SME SUPPORT</u> JAPAN fund and establishing an investment fund in local governments. For example, let's say that we want to follow the Green New Deal and attract environmental industries, as the leftist Democrats in the U.S. claim, by inviting companies and research institutes with power2gas and recycling technologies to create jobs and promote technological cooperation among companies. Once a base is established, it will attract companies even if it is left alone. This will artificially create a comparative advantage.

## Silent Genocide

## **Complexity Economics**

Believing in past theories and not verifying them encourages superstition in science. Although subjectivity is possible in hypothesis making, subjectivity that undermines objectivity is dangerous in hypothesis testing. In economics, arbitrary models are a blight itself. Researchers at the Santa Fe Institute emphasized agent "decision-making" in their Agent Based Simulation of <u>the Artificial Stock Market (ASM)</u>. It was at odds with the traditional model of decision-making that assumed the economic rationality of market participants.

I pointed out in my previous article that it is pointless for pension fund managers and central banks to prop up stock prices, but a simulation of an artificial stock market written by researchers at the Santa Fe Institute to run on Nextstep reproduced the rapid rise and fall of stock prices. They pointed out that market participants sometimes behave in ways that are not rational. People who only know the work of complexity economics from the documents they cite, who cannot understand the programming and simulations, or who have not read the researchers' papers in the first place, are stingy with what they argue is increasing returns in complex economics and deny the results, but they are mistaken. In particular, it is important to note that the combination of Genetic Algorithm (GA) and Classifier System, now called Learning Classifier System (LCS), has reproduced decision making. GA decision making is a simulation of a combination of conditions and actions, while Genetic Programming (GP), which came later, is more programmable in if-then-else. The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2008 was awarded to Paul Robin Krugman, who studied increasing returns separately from William Brian Arthur of the Santa Fe Institute.<sup>4</sup>

There may be pros and cons to Moore's Law and Ray Kurzweil's "the law of accelerating returns", but Brian Arthur's work on the added value of economics is important. This has nothing to do with the stock price of a company. When I was a graduate student, complex systems were all the rage, and when I went to bookstores, There were piles of books on the spine that said "a complex system", but most of them were not worth reading. Those who do not know what kind of research field complex economics is can criticize it as a personal opinion, but it should not be stated as if all economists are in denial. It is subjective to formulate hypotheses, but objectivity is required for hypothesis testing. I dropped out of school without completing my Ph.D. and was cut off from being a researcher, but I know that much. In addition, complex systems are related to research fields such as Artificial Life because of the involvement of Mr. John H. Holland. There is also research that combines these.

Mr. Paul Michael Romer, winner of the 2018 Economics Prize, studied innovation and increasing returns. According to Mr. Romer's paper, in a normal, in increasing returns where innovation occurs, There are markets that have not been infiltrated by monopolies and oligopolies. In other words, a monopoly or oligopoly is an abnormal economy with diminishing returns that is subject to price competition and must be avoided as a matter of economic policy. It may be considered a contributing factor to Japan's long deflationary economy.

In his lecture "Contemporary Economics (' 19)" at the Open University of Japan, Mr. Takanori Yoda explains the Alfred Nobel Memorial Prize of the National Bank of Sweden in Economics, and he also mentions behavioral economics, one of his fields of expertise. Although I am not a student of the Open University of Japan, I watched the program with great interest. In behavioral economics, analysis is attempted by applying psychology to decision making. My idea of a Pigouvian tax on corporate tax rates can also be regarded as a method of encouraging changes in the decision-making of market participants through environmental economics. When building economic models and employing computer simulations in these fields, I recommend the Classifier System for Complex Systems and Deep Learning. In behavioral economics and positive economics, it is necessary to examine what incentives are effective in inducing decision-making on economic problems, especially the oligopoly of labor and distribution, and utilize them in policies. The achievement of the SDGs is really the internalization of external diseconomies. Environmental economics and behavioral economics can help to solve the problems of human survival.

For example, in determining the Pigovian tax rate, it would be necessary to seek Pareto optimization that simultaneously minimizes external diseconomies and maximizes corporate profits. Multi-objective optimization such as Non-dominated Sorting Genetic Algorithm (NSGA) is suitable for finding such an optimal solution. In deep learning, chess research is being attempted. These are decision-making studies themselves. AlphaZero, which is a combination of MCTS and ResNet, and Chess Transformer, which trains GPT-2 to train human game records as a PGN data set, can be applied to economic simulation as they are.

Faulty economic policies based on faulty doctrine lead to misery. The Japanese government hires only those who are quick to fill in the mark sheet as civil servants. We need to change the way we recruit. They should hire people with master's degrees and PhDs as civil servants and work with think tanks. The Nihon Keizai Shimbun and TV Tokyo have reported on companies underestimating the abilities of those who have completed graduate school, but showing the public that they are given preferential treatment in the national civil service will have a positive impact on the hiring of companies.

## The weather map and the double farm

The conditions for comparative advantage always change, but the conditions for urbanization do not change easily and are always one-way. In recent years, refugees have been rushing to Europe in search of security. This mechanism is no different from urbanization.

Like the low and high pressure in the weather map, there is unevenness in areas with a thriving economy due to prices, wages, and location. It is the cause of urbanization and the main cause of the refugee problem that comes from fleeing poverty and conflict. Urbanization leads to rapid population growth and unemployment in urban areas. If these problems are left unchecked, people who are disappointed in the future will become desperate and will be more likely to turn to terrorism and crime. The so-called soft target is targeted and becomes a victim. Amplified feelings of discrimination lead to hate crimes. Many of the incidents we see on a daily basis can be attributed to poverty and discrimination.

Rural stability is essential to the solution of these problems, and the formulation and

implementation of economic policies must proceed immediately. In Sweden and Russia, they have villas in the suburbs and farm on weekends and holidays. In Russia, it helped during a period of economic turmoil. In Japan, central core cities are being developed to combat depopulation.

Some Scandinavian countries, such as Sweden, have villas called summer houses. During the turmoil in Russia after the collapse of the Soviet Union, urban Russians kept body and soul together by growing crops in villas called dacha, which they owned. In Japan, there is a project to support the formation of a network of communities in depopulated areas, mainly in regional cities, to counter depopulation.

Support for establishing an agricultural corporation is necessary. But will the problem be solved by denying small businesses and making them large? Isn't it an act that goes against the opening of land and the dismantling of conglomerates by GHQ after the war? Similarly, in Japan, after the Large-Scale Retail Store Location Law, shopping streets nationwide have become shutter shopping streets, and major distributors dominate the goods that reach the final consumers. Recently, they have advanced to home appliance development. Even if you bully the agricultural cooperative, the problem does not change. Only monopolies and oligopolistic companies are born in agriculture. Today, when online shopping is becoming more widespread, the oligopoly of the distribution industry is collapsing. The use of stable coins is also good. It is important to foster agricultural corporations that are actively expanding into retail and distribution as well as commercialization by utilizing the Internet.

Many of the samurai who lost their jobs in the Meiji era engaged in clearing and returned to farming. Self-sufficiency saved him from poverty. In addition, workers and part-time farmers who migrated from rural areas to urban areas supported the postwar period of high economic miracle. It can be said that they were the ones who supported the consumption by the domestic demand-led economy as the yen strengthened and the dollar weakened. Agricultural efficiency enables large-scale ownership just like before the liberation of farmland by GHQ, but it is not all good. Part-time farmers supplement their income with their own consumption, so they consume stably. You should take advantage of it. For example, as a measure against unemployment, the government buys and distributes abandoned cultivated land to those who have undergone agricultural training in urban areas. This is also a measure against depopulation.

In any case, what is important in a domestic demand-driven economy is consumption. The investment is an expenditure on the future, and if it fails, it will be overcapacity. Under the conventional Keynesian policy, only roads and public facilities are built as public works, and only the builders are enriched. If the above policies are implemented, there will be more consumers who can afford to live, which will have a significant effect on the economy. The important thing is not to keep large corporations dependent on government spending, but to improve the lives of the people, and once their lives are stabilized, consumption will expand beyond the necessities of life.

Environmental tariffs are being implemented in Europe as "border carbon taxes." As seen in the rise of President Trump, the head of state, who does not feel guilty even if the environment deteriorates, has become elected. Global warming has led to a series of natural disasters and can no longer wait for multilateral agreements. Forest fires occurred frequently around the world in 2019. A huge typhoon struck Japan. Countries around the world should reassess their environmental tariffs.

But when you impose tariffs, retaliatory tariffs await you. Then, the tariff rate should be changed for each company, not for each country. If a taxation system based on the abovementioned certification system is concluded as an economic agreement, companies certified as environmentally friendly will benefit at the tax rate. Some developing countries have poor working conditions. Manufacturing dominance is determined by prices and wages, but they force low wages and long working hours. An economic agreement based on unified standards in the world is necessary to correct them. This will be an incentive to correct the external diseconomy of labor. If you make good use of the market principles of the international economy, it will definitely be effective. The economic agreement should also include tax incentives for institutional investors under Socially responsible investing (SRI) and Environmental, Social, and Corporate Governance (ESG). Each country should conclude an agreement that reflects <u>Principles for Responsible Investment (PRI)</u> in the corporate tax rate. This economic agreement will surely help to achieve the UN SDGs.

As of 2019, refugees are rushing to Europe, fleeing civil war and terrorism in the Middle East and Africa. It is no longer acceptable in Europe. Refugee acceptance must be shared among countries around the world. Far-right political parties are emerging in European countries. The influx of refugees is considered to rob Europeans of their jobs. Japan, in particular, should take the lead in accepting refugees to prevent such political instability.

### Technology monopoly or oligopoly

With Lockin, companies grow and accumulate money and technology. Eventually, they began to use their financial power to buy out companies. This prevents new entrants from entering the market, resulting in price competition, and eventually technological development stagnates. With the rise of the Internet, the fledgling U.S. company turned its attention to the software industry, where development funds were cheaper, and grew into a global company. An inexpensive development infrastructure is important when starting a business. The idea of open source is not limited to software; it is also widespread in the manufacturing industry. It 's open architecture and open innovation.

Genetic modification used to cost a lot of money and equipment, but now some people do it as a hobby. Open source software and documentation are co-developed on GitHub and other sites. CAD data is available on the Internet, and with the spread of 3D printers, anyone can enter the manufacturing industry. It is an era when semiconductor circuits can be designed by programming. You can participate in pharmaceuticals and drug repositioning with Cheminformatics. People from all over the world are collaborating, exposing and showcasing their skills, wisdom and art.

The BOJ's support for buying stock prices only encourages monopoly and oligopoly. The S&P 500 in the United States appears to be growing steadily, but its constituents are frequently swapped. It happens much more often than the Nikkei average. I don't know if Buffett is aware of this, but I don't think Masayoshi Son is aware of it. The industrial structure changes with the times. It is useless to forcibly extend the life of a company. The mud boat is sinking, so you can change boats quickly. Few investors have experienced the

Great Depression, so it's dangerous to follow optimists.

Heizo Takenaka may be excellent. However, he made two missteps during his tenure as Minister. The first is to increase non-regular employment and increase the number of people with unstable lives under the slogan of "mobilization of employment." Second, the Industrial Revitalization Corporation of Japan has saved a number of large corporations. The government should not have saved them against market principles, even if they were big banks. What we needed was not "mobilization of employment" but "natural selection of companies" and fostering new industries. Especially in the fields of software and the Internet, Japan has made a big gap in the United States. In Japan, it takes too much time to set up a company. Financing is not easy either. Most of all, many people don't know what programming is like. The more incompetent, the more foolish people want to be. They don't know, don't look up, don't ask, and don't even try to know. They will soon be left out of the world.

### How to hire a programmer

In Japan, we are finally starting programming education in elementary and junior high schools, but I will explain why Japan has fallen far behind in software from overseas, especially from the United States.

With the spread of computers and the Internet, it has become possible to develop software cheaply and in a short time. A constraint on start-up and innovation is the initial investment in development costs, and in order to save money, capital investment and labor costs must be lowered. It is not unreasonable that the U.S. has been forced to move into other areas after losing its market to an export-driven manufacturing countries like Japan. They turned to the Internet and software, which had low initial costs.

Since the Information Superhighway Initiative under the Clinton administration, there has been a spate of start-ups in this field in the US. This is because the support for launching a venture company is substantial. Furthermore, we should not forget that many of the founders, human resource managers, and other executives have programmer backgrounds.

#### What about in Japan?

The government orders system development from <u>large companies</u> under a free contract. The prime contractor throws most of the work to subcontractors and secondary subcontractors. That is the reality of Japan, which is becoming oligopolistic. They do that partly because they don't hire good programmers on their own. Since the order was placed by a national government employee who could not manage the server or program, the discovery of the problem was delayed. Anyone who knows the pension and My Number card systems will know how bad they are. You can use open source software on any system or place an order with open source. I hope it will be resolved by a hacker civil servant who will be hired by the creation of the Digital Agency.

In the Japanese distribution industry, the elimination of middlemen called "nakanuki" has progressed. Similarly, the government should use this method to eliminate intermediaries when ordering the development of public services. The government is increasing outsourcing as an immediate force. However, when outsourcing, they immediately try to rely on a dispatched labor company. As far as data science is concerned, crowdsourcing competition development methods such as <u>Kaggle</u> and <u>SIGNATE</u> allow direct ordering to individual programmers. <u>Patreon</u> and <u>GitHub Sponsors</u> should also be used to pay them. What I would like to propose to development support service providers such as GitHub is that I want them to provide not only project development support but also start-up support using it. For example, if you want to commercialize using software, CAD data, document data, etc., please prepare a service that can recruit employees and investors.

Recently, the number of managers with programmer backgrounds has increased in Japan as well. However, we still see the following recruitment requirements:

- 1. How many years of programming experience do you have?
- 2. science background
- 3. High scorers of TOEIC or other English exams

What is the rationale behind such a recruitment process? Curriculum vitae only proves that you have been interviewed. It has nothing to do with practical skills. Is there a difference in programming ability between liberal arts and science graduates? To top it off, some people even talk about their programming qualifications.

In some areas, programming requires knowledge of mathematics and statistics. That is a fact. Since it is a von Neumann architecture, it is also true that the way of thinking of programming is influenced by mathematics and semiotics. But programming is not math itself, and why do they believe that liberal arts graduates don't know math at all? In the first place, self-taught programmers don't need educational background.

For example, in complexity economics, simulation is used to make decisions on economic models, so it is necessary to know algorithms such as LCS, and graphs are also displayed by statistical processing. Of course, you need that knowledge and you have to read the treatise. In the first place, economics, especially theory, cannot be understood without knowing mathematics.

Science needs various perspectives. There are both basic research and applications. Since the Artificial Neural Network is like a nerve, it would have been naturally influenced by biology. The Deep Neural Network (DNN) has recently made remarkable achievements. Not only the ones created from scratch, but also complex systems, data science, and machine learning, which are newly created by combining the results of various researches. In deep learning, Convolutional Neural Network (CNN), Long Short-Term Memory (LSTM), Generative Adversarial Network (GAN), seq2seq, Transformer, GPT, etc. are born one after another and are being introduced in corporate services.

Currently, object-oriented programming is the mainstream. The ability to pass arguments when creating an instance and overwrite only part of it with class inheritance is required. Even in that case, polymorphism often determines how to write methods. Languages such as Python and Ruby that have good package management and are developed in open source are easy to reuse code and are suitable for these development methods. If you know how to call and extend it, you can write high-performance code, for example by calling deep learning pre-trained models.

Since we borrow the concept of mathematics in programming, it may be useful if we know mathematics. Some will be visible. But not all are related to mathematics. Is there a distinction between humanities and science, even though there are various fields of application? Are the people who talk about such quibble really programmers? Even if they have good programmers in their company, they won't notice their existence.

From scrach will certainly be important in the learning phase. But is it necessary for software designed for joint development? Software that limits functionality and can be imported from other projects will come in handy. Without people writing libraries and frameworks, programmers who write only applications would be in trouble. What is the significance of starting over from scratch and sticking to self-development?

If I were you, I would focus on the following things in the recruitment process:

- 1. Account name on GitHub and other development support sites and the name of the project you were involved in developing.
- 2. Your favorite language and your specialty.
- 3. The reputation of programmers you know.
- 4. Role in open source software development projects such as moderators and mentors.

Depending on the use of the software you develop, you will need more languages and more relevant knowledge. If you've helped develop similar software in the past, it's easy to absorb that knowledge.

Being prepared to be laughed at, let's write my experience from here.

I couldn't get a job when I graduated from college and I have no work history. After going on to graduate school, I registered with a dispatching company called Recruit Staffing and received the training. It is a training on how to use spreadsheet software that even children know. When they found out that I had no work history, they laughed in the waiting room and laughed in the toilet. No matter how many times I applied for a job, they never gave me a job.

Masu Uekusa decided not to review the doctoral dissertations of students who had never presented at an academic conference, so I dropped out of Toyo University Graduate School without getting a PhD. After that, I registered with a dispatching company called Pasona Tech. There was an e-mail invitation to come at 9 o'clock, so I did exactly that. Then he said I came too early and brought me back to the front door of the building and I waited for an hour in the cold. When I replied that I had only self-employed work experience, they, like Recruit Staffing employees, scorned me and laughed in the waiting room as well. Of course, they didn't give me a job either.

Economic news and economics are not the same. Economics makes heavy use of mathematics. Since economics is applied research, basic research in various fields can be utilized in it. From an interdisciplinary perspective, the use of statistics, accounting, mathematical science, computer science, and the incorporation of physics concepts have long been practiced. Don't believe even if the application guidelines say, "Anyone who is motivated may be from a liberal arts background." At the interview with Tokai Soft in

Hamamatsucho, the interviewer told me that people from the liberal arts were in the sales position.

Finally, let's conclude with this word. When I was looking for a job, I was interviewed by JR East Information Systems Company in Shinjuku. The president said, "Why are there students in the liberal arts here?"

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