



*Lech Walesa, who was a Solidarity hero in 1980, lost the presidency in 1995, despite the Catholic Church's support.*

Church there has been strongly linked with Polish nationalism. In popular folklore and nationalist literature, Poland is the “Christ of nations,” its suffering and serial dismemberment to be followed by national rebirth and international Christian renewal.

“Pope John Paul II and many of the Polish bishops see their homeland as sitting once again astride the great religious and political divisions of the European continent,” Byrnes writes. “They want an authentically Catholic Poland to serve as an instrument of the re-evangelization of the Orthodox East, and as a spiritual and moral exemplar to the secular West.” Church leaders see their agenda in Poland—banning abortion, reintroducing Catholic instruction into public schools, and ensuring a legally protected role for the church—not only as morally right but as “essential prerequisites to Poland’s playing its proper role in the European community of nations.”

## *Asia's Senior Citizen*

“Japan’s Aging Economics” by Milton Ezrati, in *Foreign Affairs* (May–June 1997), 58 E. 68th St., New York, N.Y. 10021.

Japan’s population is aging so fast that the nation may soon resemble an Asian Leisure World. In the early 21st century, thanks to low birthrates and longer life spans, fewer than two Japanese will be at work for every retiree. Unlike the United States, Japan has no influx of youthful immigrants to replenish the work force. The result will be a radically reshaped Japan, with a new role in the region and the world, contends Ezrati, chief investment officer at Nomura Capital Management, in New York.

Japan built its postwar economic success on the prodigious saving of its citizens, who now put away 12–15 percent of income. But as Japan goes gray, more and more Japanese will be consuming their savings. At the same time, meeting the government’s public pension obligations will probably put Tokyo’s budgets more deeply in the red, Ezrati says. “The combined impact on public and private budgets could cut the nation’s savings rate in half.”

With a shrinking pool of workers, moreover, Japan will lose the surplus output that it has been exporting. Retirees will keep consumer demand up, increasing imports. Tokyo

will be forced to abandon its postwar policy of promoting exports while limiting imports with regulatory barriers. Japan’s \$130 billion global trade surplus of early 1993 fell to \$77 billion last year; in time, Ezrati predicts, it will turn into a deficit.

Labor shortages will drive up wages, prompting Japanese industry to set up production in other Asian countries. This, too, has already begun to happen. Eventually, Ezrati says, Japan will become a “headquarters nation.” Already, manufacturing there has shrunk from nearly 50 percent of gross domestic product during the 1960s and ’70s to little more than half that.

Since World War II, Japan has been content to remain under the U.S. defense umbrella. But no nation, Ezrati says, can afford to put its industrial base on foreign soil without being able to protect it. Japan “will have to act for itself, diplomatically and, if necessary, militarily.” The change is bound to cause unease not only in Japan, long a reluctant power in its region, but throughout Asia, where memories of Japanese military aggression in the 1930s and ’40s are still fresh.