

Part I

A HISTORICAL TURNING POINT

IMAI, Ko; YAMAMORI, Nobuhiro

Part I summarizes the status quo of the world's major countries which are facing a historical turning point. We analyze the challenges major economies at a historical turning point in the world order, with a particular focus on the Asia-Pacific region.

Section 1 discusses the destabilization of the world economy. First, we discuss the political instability caused by the inequality of income distribution in China and the U.S. We then analyze the vulnerabilities of global supply chains in the semiconductor industry, as well as the geopolitical challenges in the energy market from the viewpoint of economic security.

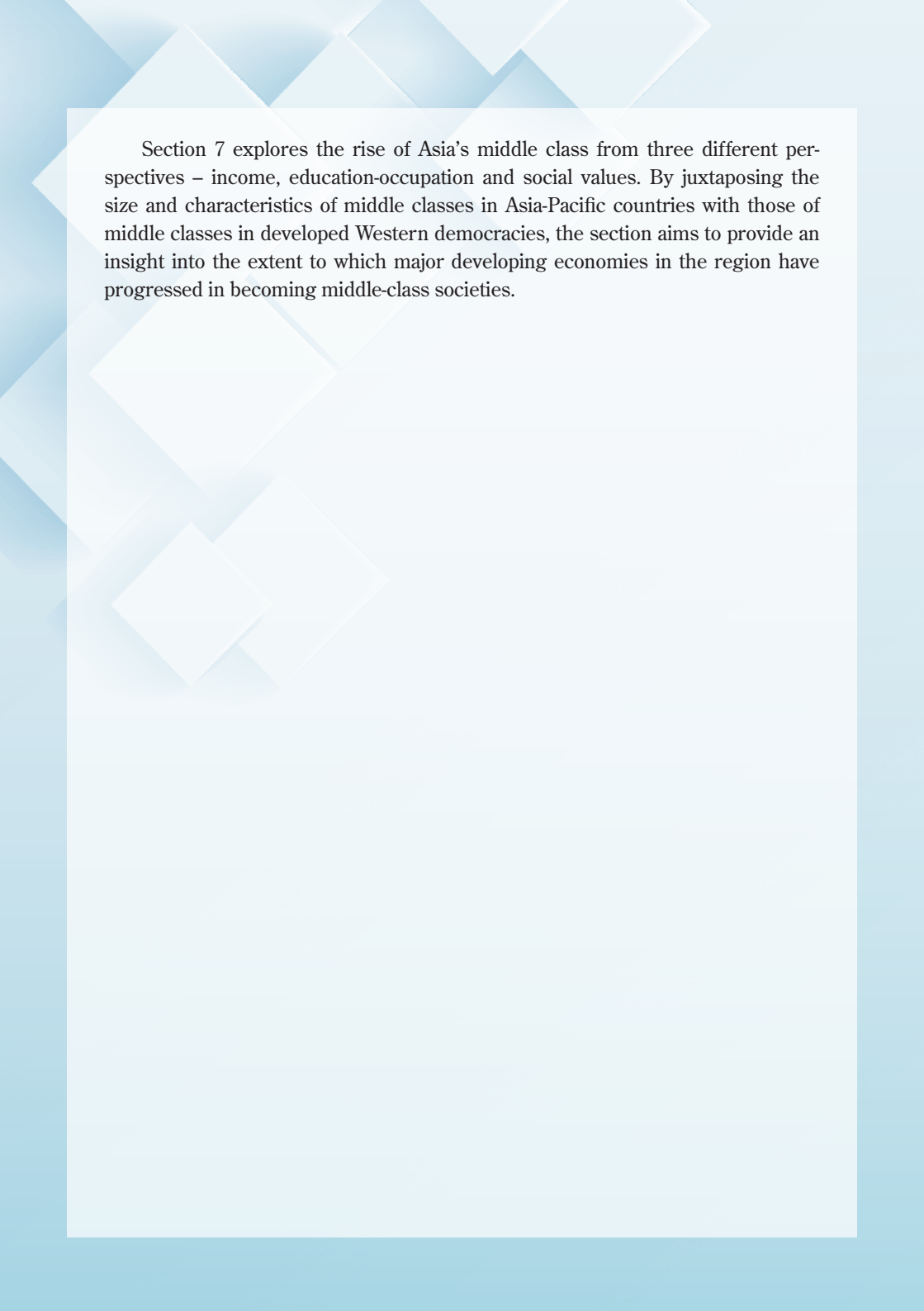
Section 2 analyzes the causes of high inflation in the U.S. economy, and discusses the past and future measures taken by the Federal Reserve with regard to inflation. We elucidate the impact of trends in the U.S. economy on the Japanese economy, and we discuss the inflation outlook for Japan.

In the first half of Section 3, we discuss the status quo of China's zero-COVID policy and the challenges China is facing with regard to its fiscal and monetary policies. In the second half, we provide an outline of China's 'Common Prosperity Policy' by making reference to past policies.

Section 4 addresses two challenges facing the so-called "Factory Asia". In the first half, we analyze empirically the impact of the COVID pandemic on East Asia's international production networks. In the second half, we outline the future challenges and prospects for Japan and East Asia, including growing geopolitical tensions.

Section 5 discusses human rights issues in business. It explains how companies should respond to human rights issues and reflect them in their activities in the age of globalization. Finally, it discusses human rights responses and future challenges in Japan and around the world.

Section 6 discusses the characteristics of human resource development in major Asian countries. The analysis is situated within the framework of the Quadrilateral Security Dialogue (the Quad), a strategic security dialogue between Australia, India, Japan, and the US. We also analyze the possibility of developing "bridge human resources" as a way of promoting economic cooperation based on a questionnaire survey of foreign engineers working for Japanese companies.



Section 7 explores the rise of Asia's middle class from three different perspectives – income, education-occupation and social values. By juxtaposing the size and characteristics of middle classes in Asia-Pacific countries with those of middle classes in developed Western democracies, the section aims to provide an insight into the extent to which major developing economies in the region have progressed in becoming middle-class societies.