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**THE ROLE OF MITI IN THE DEVELOPMENT OF THE JAPANESE
ECONOMY**

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ABSTRACT

In post-war period, MITI had played a major role in the success of the Japanese economy. The key function of MITI could be recognized through the execution of industrial policies. Since the liberalization in 1964, MITI often used its administrative tools in order to nurture the Japanese economy. MITI is responsible in the development of several fields, such as the trade sectors, technological development, environmental protection, energy and controlling over foreign exchange.

The main objective of this study is to identify the role of MITI in the development of Japanese economy. In conjunction with this, this study has two fold: first a general view on the role of MITI has been explained. Subsequently, an analytical study based on collected data in four selected industries (machine tool, automobile, steel, and computer) has been conducted.

In the first fold, a brief introduction on MITI's establishment has been provided followed by the objectives and the organization structure of MITI. The major responsibility of MITI in Japan involves the policy-making process. MITI has gone through three major stages in the development of industrial policies. The first two stages are based on the reconstruction period and high growth liberalization period, whereas the third and fourth stages focused more on the diversification role of MITI.

Other policies that have been explained are the trade policies and technology policies, which have been formulated by MITI. MITI also faced a challenging role following the oil crisis. In 1978, MITI assisted the declining industries in an effort to protect them.

In analytical study, a graphical and statistical data support the implication of MITI's role in the development of the Japanese economy. Four industries have been selected (machine tool, automobile, steel, and computer) to examine the policies that MITI has implemented and their effects.

There are also some drawbacks on MITI's policies, which have been discussed. However, the findings in this study conclude that MITI's policies have on the whole positively influenced the Japanese economic development.

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ABBREVIATIONS

AIST	Agency for Industrial Science and Technology
EIBJ	Export-Import Bank of Japan
FILP	Fiscal Investments and Loans Program
GATT	General Agreement on Tariffs and Trade
IMF	International Monetary Fund
JAMA	Japan Automobile Manufacturers Association
JDB	Japan Development Bank
JECC	Japan Electronic Computer Corporation
JETRO	Japan External Trade Organization
JPDC	Japan Petroleum Development Corporation
LDP	Liberal Democratic Party
LSI	Large Scale Integrated Circuits
MCI	Ministry of Commerce and Industry
MEMA	Motor & Equipment Manufacturers Association
METI	Ministry of Economy, Trade and Industry
MITI	Ministry of International Trade and Industry
MM	Ministry of Munitions
MOF	Ministry of Finance
NC	Numerical Control
NEDO	New Energy and Industrial Technology Development Organization
NTT	Nippon Telegraph and Telephone
OECD	Organization for Economic Cooperation and Development
RWC	Real World Computing
RWCP	Real World Computing Partnership
TRC	Tsukuba Research Center
VLSI	Very Large Scale Integration