Chapter 18
Japan

Chapter Outline
- Two Tsunamis
- Thinking about Japan
- The Evolution of Japanese Politics
- Political Culture: Groupism versus Individualism
- Political Participation and Elections: The End of the 1955 System?
- The Japanese State: Beyond the Iron Triangle
- Public Policy: No Longer Number One
- The Media
Many of the profound changes in Japan go unnoticed, but when placed in the broader mosaic of reform, the shape of this sweeping transformation emerges.

Jeff Kingston

The Basics

Japan

<table>
<thead>
<tr>
<th>Size</th>
<th>374,744 sq. km (slightly smaller than California)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>126 million</td>
</tr>
<tr>
<td>Ethnic composition</td>
<td>Largest minority group: Koreans 0.5%</td>
</tr>
<tr>
<td>GNP per capita</td>
<td>$34,100</td>
</tr>
<tr>
<td>Life expectancy</td>
<td>82 years</td>
</tr>
<tr>
<td>Currency</td>
<td>78 yen = $1 (10 November 2011)</td>
</tr>
<tr>
<td>Capital</td>
<td>Tokyo</td>
</tr>
<tr>
<td>Head of State</td>
<td>Emperor Akihito (1989)</td>
</tr>
<tr>
<td>Head of Government</td>
<td>Prime Minister Noda Yoshiko (2011–)</td>
</tr>
</tbody>
</table>

TWO TSUNAMIS

Few analysts used terms like “profound changes” and “transformation” while describing politics in Japan for the half century after the end of World War II. Now they are inescapable.

Until the collapse of the bubble economy in the early 1990s, continuity would have been the word most people used. Prime ministers came and went at a pace that rivaled those of Weimar Germany and Fourth Republic France. However, a regime that integrated a single dominant party with a bureaucratic and business elite had given the country unprecedented stability and economic growth.

That stability and growth, however, have evaporated and may never return. In fact, how and why that happened is the key to this chapter.

The momentous changes of the last generation will help us to first see broader trends in Japan’s history, social structure, and political institutions which are intriguing in their own right. Second and more important, Japan’s situation raises tough questions about the nature, origins, and reality of democracy when Japan is compared with the other countries covered in Part 2 of this book.

With the array of causes and consequences explored here, Japanese politics can seem confusing. The most important aspects of the situation there all overlap. Therefore, we raise each of them several times throughout this chapter. We will emphasize each where it logically belongs, but keep in mind that because they overlap more than those stressed in other chapters, you will see each of them a number of times.
There is also no obvious place to start. We have decided to use the two tsunamis that shook Japan as we were writing this chapter. The first was a physical, unpredictable, and unpreventable shock, albeit one fraught with political implications. The second was a human creation, utterly predictable, preventable, and purely political.

The Physical Tsunami
On March 11, 2011, an earthquake measuring 9.0 on the Richter scale rattled Japan. Its epicenter was about 70 km off the coast. While the earthquake was one of the largest in recent history, most of the damage was caused by the tsunami or tidal wave it produced. Minutes later, a wall of water came and all but destroyed the Fukushima Daiichi power plant. With waves of 85 feet or more, the tsunami swept away all of the seawalls and everything else designed to protect the coast. We will never know the exact number of people who died. Six months after the quake, the best estimate was that more than 20,000 people had been killed or were still missing and presumed dead.

As we will also see later, Japan has few natural resources of its own. Therefore, about fifty years ago the government decided to rely heavily on nuclear power to generate the nation’s electricity. Unfortunately, most of its reactors—especially the older ones—were not designed to handle either an earthquake or a tsunami of that magnitude. Three of the six reactors had already been taken off-line for maintenance. The others shut down automatically as planned. Soon, however, flooding and loss of electrical power to the plants took the reactors close to a full-scale meltdown with the potential to kill hundreds of thousands of people and contaminate millions of acres of land. This worst case scenario was avoided, but the damage to the plant and the global nuclear power industry were both substantial.

The tsunami and the damage to the reactors were natural—not political—disaster. However, the government of Kan Naoto (1946-) faced political problems as a result of the catastrophe which, frankly, it handled disastrously (see Table 18.1 and the box on Japanese names, both of which follow). His government was less than forthcoming about the damage, the casualties, or the long-term health risks caused by the release of radiation. Moreover, the Japanese nuclear power industry had never been tightly regulated. The company that ran most of it (JEPCO) had strong political ties to both major parties and to the bureaucracy, and there were concerns that it, not the government, was calling the shots in responding to the emergency.

The Political Tsunami
As is traditional in Japan, Prime Minister Kan took responsibility for these and other failures and resigned that June, leaving office just before other pressures may have cost him his job anyway. His replacement, Noda Yoshiko (1957-) became the sixth prime minister in five years and the fifteenth since the country’s economic slump began.

Kan’s resignation made it hard to ignore the broader and longer-lasting political tsunami that was already well underway. The so-called Japanese miracle came to an end when the economic “bubble” burst in the early 1980s. It was called the “bubble economy” because the

---

1 There is a massive literature on the tsunami, little of which is systematic or political, at least not yet. One exception is Evan Osnos, “The Fallout.” The New Yorker, October 17, 2011, 46ff.
share prices, real estate, and much financial speculation blew it up like a physical bubble. As happened in other parts of the world a quarter century later, when the bubble burst, it sent the entire economy into a tailspin, producing what some first called the “lost decade” and now the “lost generation.”

The long-dominant **Liberal Democratic Party (LDP)** paid the political price. Its nearly forty-year monopoly on power came to an end along with the bubble in 1993. It was able to regain the prime ministry three years later, but it returned to office without the power it had long wielded. Eventually, it succumbed to mounting popular dissatisfaction with the status quo in 2009 when it lost its first election outright to the **Democratic Party of Japan (DPJ)**.

The DPJ fared little better, which did not come as much of a surprise. It was led mostly by former LDP politicians and suffered from many of its shortcomings, including its penchant for corruption. It also proved no better at devising economic policies that could stimulate economic growth.

Kan was the second of three DPJ prime ministers to hold office since 2009. His predecessor, Hashimoto Yukio, was a **hereditary politician** whose grandfather had been prime minister and therefore could not escape being considered as more of the same. In fact, he succeeded three LDP prime ministers whose fathers or grandfathers had held that post. In the end, Hashimoto lasted 265 days and resigned after his personal popularity ratings hit an all-time low.

Kan was not a hereditary politician, but otherwise he suffered from the same problems, including taking blame for the continued poor economic performance. The tsunami was the last straw. He actually lasted more than any of his four predecessors—a year and three months.

On August 29, 2011, the DPJ chose Noda to replace Kan. As we will see later, Noda was not part of the traditional elite and at least initially said he favors reform, but after his first four months in office, it looked as if little is likely to change.

In time, we will probably learn that the disaster at the power plant was a symptom of a deeper and problem that was, at best, difficult to solve. The combination of the economic doldrums and the lack of decisive political leadership—whoever was in office—could drag on for years.

**Table 18.1**

<table>
<thead>
<tr>
<th>Name</th>
<th>Party</th>
<th>Date Took Office</th>
<th>Days in Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abe Shinzo</td>
<td>LDP</td>
<td>September 26, 2006</td>
<td>365</td>
</tr>
<tr>
<td>Fukuda Yasuo</td>
<td>LDP</td>
<td>September 26, 2007</td>
<td>364</td>
</tr>
<tr>
<td>Aso Taro</td>
<td>LDP</td>
<td>September 24, 2008</td>
<td>364</td>
</tr>
<tr>
<td>Hatoyama Yukio</td>
<td>DJP</td>
<td>September 16, 2009</td>
<td>265</td>
</tr>
<tr>
<td>Kan Naoto</td>
<td>DJP</td>
<td>June 8, 2010</td>
<td>451</td>
</tr>
<tr>
<td>Noda Yoshikoo</td>
<td>DJP</td>
<td>September 12, 2011</td>
<td>??</td>
</tr>
</tbody>
</table>

Hauss/Haussman, Chapter 18: Japan-4
© Cengage Learning. All rights reserved.
Before moving on, we should make one other thing clear. Despite the economy and the leadership turnover, Japan’s regime is not in danger, as were those in Weimar Germany or Third and Fourth Republic France (Chapters 5 and 6) where the regimes often teetered on the brink. That is definitely not the case in Japan where democracy is as strong as it is in Europe or North America today.

**THINKING ABOUT JAPAN**

In other chapters, we began the “thinking about” section with a broad discussion of the society and its people, which we will get to in a few paragraphs. Here, however, we have to start by reiterating and briefly expanding on the two themes of the introduction:

First, the Japanese economic miracle was widely attributed to the governments led by the LDP and its allies from 1955 until 1993, often dubbed the 1955 System. Through it, the LDP and its allies in the business and bureaucratic communities sparked such rapid economic growth that Japan went from a country devastated by war to the second richest on earth in less than four decades.

Second, in the early 1980s, the so-called bubble economy burst (American readers could see parallels in the U.S. situation since 2008). The Japanese economy has not recovered. There have been years of growth, but overall, the economy has been stagnant. Ten years ago, it was referred to as the “lost decade.” Now it has lasted so long we speak of it as a “lost generation.”

**Political Continuity**

These twenty stagnant years took many observers by surprise since Japan had seemed a model of political stability and policy success for so long. The democratic world has seen other political parties dominate their political system for years (India’s Congress, Italy’s former Christian Democrats, Sweden’s Social Democrats). As we saw in Chapter 5, the French Gaullists were in power for nearly a quarter-century after the formation of the Fifth Republic and have controlled either the National Assembly or the presidency since 1986.

None, however, enjoyed anything like the LDP’s string of successes. It won every election to the Diet (parliament) and never had to share control with any other party. Although it did not win a majority of the vote after the 1960s, the LDP secured a working majority of the seats in the all-important lower house of the Diet in every election from the 1950s until 1993. From 1997 until 2009 it was back in office, although it did not always have control of the weaker upper house (see the section on the state).

The LDP will probably be better remembered for its ties to the talented civil service and the equally talented business elite. Top civil servants play an even greater role in formulating Japanese policy than in Germany or France. Furthermore, after leaving government service in their mid-fifties, senior bureaucrats go through a process known as amakudari (literally, descent from heaven) and either take a job on the senior staff of a corporation or serve as an LDP member in the Diet. All but six of the postwar prime ministers began their careers in this way.

This was not just true for those at the very top. In a typical Diet, about 25 percent of the LDP members are former bureaucrats (although that number kept declining), and about 40 percent are hereditary politicians who have followed older relatives into the Diet. An even larger
percentage of LDP candidates are graduates of Tokyo University, the country’s elite institution of higher education that has sent a disproportionate number of its graduates to the higher reaches of politics, bureaucracy, and big business for more than a century.

The ties binding business, LDP politicians, and the bureaucratic elite were much stronger than they ever were in France during the heyday of Gaullist rule. The shared views of the members of these groups -- as well as their ability to work together in defining public policy with little effective opposition -- had much to do with both Japan’s successes and its failures following World War II. Together they pursued microeconomic policies that helped make Japan’s economy the envy of most of the world. Those same policies largely ignored the disfavored social groups, which will be discussed in the next section.

The first unavoidable signs of trouble came in 1993 when thirty-nine LDP members of parliament voted against Prime Minister Miyazawa Kiichi in a vote of confidence and deprived the government of its majority. Miyazawa dissolved parliament and called new elections for July. Then, the unthinkable happened: the LDP lost. For the first time in thirty-eight years, the prime minister came from another party, albeit a newly formed one consisting largely of LDP defectors.

For three years, three opposition prime ministers tried to govern and deal with the first consequences of the economic downturn. These governments were led by career politicians who had quit the LDP and the socialists (JSP). Neither the new parties nor the JSP were able to take even small steps to end the economic crisis. By 1996, it was clear that they were united only by their hostility to the LDP and could not govern together. The LDP emerged from that year’s election with a working majority, which it maintained for the next thirteen years.

Thus began a confusing decade and a half, led by ever more unpopular LDP governments. Along with the economic crisis, nothing would prove more grating and damaging than growing voter dissatisfaction with corruption charges that implicated the party. The LDP did have a brief revival under Koizumi Junichiro (1942-), an LDP outsider who had twice previously lost a bid to become premier. Koizumi was a far cry from the bland former bureaucrats who had led the party through most of the postwar period. He not only had long and unkempt hair, he sang in karaoke bars, all of which undoubtedly shocked his predecessors. Like them, he was a product of the LDP machine (his father and grandfather were high-ranking politicians), but Koizumi tried to change the face of Japanese politics.

Koizumi’s five years in power gave Japan an unexpected period of political calm despite his unusual leadership style, which will be discussed in more detail in the participation, state, and public policy sections. In the end, he probably wanted to push the party further than his timid colleagues wanted. He retired after five years in office, which was a record for a post-war prime minister. He was succeeded by a pair of weak prime ministers from the mainstream of the LDP who governed ineffectually until 2009.

The End of the 1955 System

The LDP kept winning in large part because it could take credit for the remarkable economic growth. That said, even before the economic “bubble” collapsed in the early 1990s, the LDP was already showing signs of strain. To cite but one example, it was as corrupt as any ruling party in an industrialized democracy as we will also see later in this chapter.
The 2009 election proved to be the last straw (see Table 18.2). The LDP was more unpopular than ever and barely won a quarter of the vote in the more representative proportional representation part of the election (see the section on political participation). Although the DPJ and its allies won almost half the vote and well over sixty per cent of the seats, the election should best be interpreted as a defeat for the LDP.

Table 18.2
Diet Election of 2009

<table>
<thead>
<tr>
<th>Party</th>
<th>Percentage of Popular Vote</th>
<th>Seats</th>
<th>Gains/Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPJ and allies</td>
<td>49.8</td>
<td>320</td>
<td>+193</td>
</tr>
<tr>
<td>LDP and allies</td>
<td>38.3</td>
<td>140</td>
<td>-192</td>
</tr>
<tr>
<td>Others</td>
<td>11.9</td>
<td>20</td>
<td>-7</td>
</tr>
</tbody>
</table>

The DPJ proved to be no better. Its first prime minister, Hatoyama Yukio, was by no means a political newcomer. His father, grandfather, and great-grandfather were all prominent politicians and educators, and he had built most of his own career as an LDP loyalist. He was also wealthy. His mother’s family is heir to the Bridgestone Tire Corporation and is held in respect despite her claims to have been transported to outer space in a UFO.

His successor’s problems began long before the earthquake and tsunami. Kan’s personal popularity was not high to begin with and quickly fell to single digits after he announced plans to increase the sales tax. He had been hurt by corruption allegations and his involvement in an extramarital affair. He was also subject to criticism from within the party by Ozawa Ichiro (1942-), another former LDP politician who was the “power behind the throne” in the DPJ. Kan survived and reshuffled his cabinet but to no avail. Jeff Kingston summed up Kan’s dilemma as well as anyone:

*In many respects, PM Kan was an inept politician and his cabinet team lurched from gaffe to gaffe, provoking general dissatisfaction and a media-feeding frenzy. There are good reasons why very people in Japan thought that the Kan cabinet was on top of things and dealing effectively with the crisis. Part of the problem was mixed messages, as the prime minister, cabinet ministers and spokesmen had difficulty staying on the same page or even convincingly conveying empathy.*

It is too early to tell if Noda can break either the downward economic or political spiral. Nonetheless, the 2009 election was a watershed since it finally squashed the 1955 System just as the 2000 election in Mexico permanently altered politics there. As is the case with the Mexican PRI, the LDP is nowhere near dead. It could easily win the next election, which will probably be held in 2013. Whatever happens then or in subsequent elections, the LDP seems unlikely to

---

2 [http://japanfocus.org/-Jeff-Kingston/3610](http://japanfocus.org/-Jeff-Kingston/3610)
regain its position atop Japanese political life because the country has entered a period in which elections are truly competitive for the first time.

The Basics
There is no way to escape the growth and collapse of the 1955 System in introducing Japan today. However, it would be a mistake to ignore the Japanese people, who are far more complex and diverse than their ethnic homogeneity might suggest at first glance.

Names and Language
Before turning to Japanese politics, there is one important preliminary topic. Japanese names can be confusing. In most of Asia, what we in the West call “family” names are presented first, and “first” names come last. Thus, Barack Obama would be Obama Barack. For most of those countries, the practice does not pose much of a problem because journalists and academics alike routinely put last names first and first names last. That is not so for Japan. Western academics usually follow the Asian practice; journalists almost never do. Because it is the form the Japanese prefer, this chapter will use the last-name-first rendering.

The Land and People
Most of the 126 million Japanese live on four main islands that together are about the size of California. In other words, the equivalent of one-third of the population of the United States lives on only one twenty-fifth as much land.

Japan is also mountainous, so only about 12 percent of Japan’s total land area is inhabitable. Cities are so congested that three-hour commutes are not uncommon, and on the Tokyo subway system, people shove each other into the cars, filling up every possible square inch of space.

Japan also has to import most of the natural resources it needs to sustain its large population and advanced industrialized economy. It imports 99 percent of its oil, which leaves it vulnerable to any political crisis in the Middle East and is also one of the reasons why successive Japanese governments chose to rely so heavily on nuclear power. It also has to import more than 90 percent of its wheat, soybeans, corn, and feed grains, as well as most of its iron ore, nonferrous metals, lumber, uranium, coal, and natural gas.

Not surprisingly, land for building houses is also in short supply and therefore, very expensive. Until the downturn of the 1990s, the land in Tokyo occupied by the emperor’s palace was worth more than the entire state of California. At the height of the real estate boom in the late 1980s, a typically tiny Tokyo house of 675 square feet cost well over $400,000. As Marvin Cetron and Owen Davies put it, “A $1,000 bill bought a piece of land in downtown Tokyo roughly the size of the bill itself.”3 Only about sixty percent of the population can realistically hope to ever be able to buy a home. It is not unusual for home buyers to take out

multigenerational mortgages so that children often inherit their parents’ debt rather than their wealth.

Society
Of the countries covered in *Comparative Politics*, none is as ethnically homogeneous as Japan. There are about 60,000 Ainu, the only aboriginal group left that antedates the arrival of what we now call the Japanese two thousand years ago. That homogeneity, however, masks four important ways in which Japanese society is changing, all of which have or will have political implications.

**Japan’s population is aging and shrinking.** The population is getting older in all advanced industrialized societies. None is aging faster than Japan.

Twenty-three per cent of the population is currently over 65. That number is expected to reach forty per cent by 2140. The aging population means that health care costs will rise even faster in Japan than in North America or Europe where they also threaten to be budget-breakers.

The effects of aging are compounded by Japan’s amazingly low birth rate. For a country’s population to remain constant, each woman has to have 2.07 babies during her fertile years. By 2003, the number of babies born had dropped to 1.29 in Japan. If current trends hold, the elderly will outnumber the young by four to one in 2140. There are many reasons for this “baby shortage,” ranging from discrimination against women of child bearing age in the work force to cuts in government programs for infants and children.

The consequences of these demographic trends are already being felt throughout Japanese society. Women are clamoring to join and stay in the work force rather than leave when they first get pregnant to raise their families.

Japan is taking some important steps to meet the looming crisis, including a relatively new law that requires all employees to purchase a form of long-term care insurance. Similarly, more of the people euphemistically known as “later stage seniors” are being moved from very expensive hospitals to cheaper and more appropriate hospice-like settings. Japan has also raised the retirement age and even reduced the amount of silver in the sake cups the 40,000 people who reach 100 years of age each year get as a congratulation gift from the government. Even with the proposed cuts and the existing limits to social service programs, spending on social services will have to increase by more than 40 per cent by 2016.

The problem is not just money. Even a generation or two ago, it was common for aging parents to move in with their children and provide child care for their grandchildren. In an increasingly urbanized society where generations often live far apart, there simply aren’t many three generation households. Last but by no means least, there is a shortage of primary care providers, including nurses and employees of those long-term care facilities.

**Japan’s population is overwhelmingly urban.** At the end of World War II, only a quarter of the population lived in urban areas. Now about two-thirds do. Urbanization is politically important because rural Japan had long been key to keeping the LDP in power. As we will see in the sections on political culture and participation, the LDP machine was based on social and financial institutions at the heart of rural life. As we will also see, fewer of them survive or continue to have much of a political impact in a more urban and middle-class Japan.
Japan’s population is increasingly diverse. Japan does not have a stellar history where social diversity is concerned. Discrimination against anyone who was “different” was widespread. Some 2 million burakumin, whose ancestors had “unclean” jobs, ethnic Koreans, and the Ainu all suffer humiliating racial abuse. Similarly, Sumo officials once did everything in their power to keep the American Akebono (né Chad Rowan) from being named the country’s top wrestler, claiming that no foreigner could be a true Sumo champion.

That helps us understand why Japan has had some of the strictest limits on legal and illegal immigration. It has mostly been allowed when economically necessary. Now, given the labor shortage caused by the aging population, the government has had no choice but to allow more people into the country, some permanently, more on temporary work permits.

In the last decade, the number of immigrants has doubled to more than two million, or about 1.8 per cent of the population. That total is far less than in North America or Western Europe, where immigrants typically make up ten per cent or more of the population. Of the immigrants, only Koreans have been in Japan for a long time, with their first communities established between the two world wars. Since then, most have come from other countries in East Asia to join the Koreans in taking jobs that the Japanese no longer want. Finally, there are more than three hundred thousand people of Japanese origin who were born and raised overseas, most in Brazil. Because few of them speak the Japanese language but nonetheless look Japanese, they have had the hardest time fitting into Japanese society.

It must also be said that the Japanese have not been welcoming. Koreans have had a hard time establishing schools that teach in their own language. There is widespread—if subtle—discrimination against all immigrants in housing, employment, and more. As in immigrant communities around the world, there are more men than women, especially among the overseas Japanese. Japan also has some of the world’s toughest requirements for people who wish to become naturalized citizens. Discrimination is often hard to pin down let alone measure, but the fact that Koizumi—one of the more open-minded politicians—could say the following in public is very revealing.

*If [foreign workers] exceed a certain level, it is bound to cause a clash. It is necessary to consider measures to prevent it and then admit foreign workers as necessary. Just because there is a labor shortage does not mean we should readily allow [foreign workers] to come in.*

Women matter more than in the past. The Japanese also discriminated against women. That, too, is changing.

No matter what indicator of social, political, or economic success you choose, women lag behind men. At the heyday of the economic miracle, it was assumed that women would work for a few years after graduating from high school or university until they married and had their first child. Then they would drop out of the work force. Women today are less and less willing to become stay-at-home mothers. In part, the tough economic times require them to work. In part, the women’s movement has had an impact on Japan. Although women are still discriminated against in Japan’s work place more than in the rest of the democratic world, they are destined to become an increasingly important economic and political force in the future.

---

Today, only about 10 percent of senior managers are women. Women are less likely to have or retain jobs in the companies that provide life-long employment and other benefits. Data on women in politics isn’t any better. Only 11.3 percent of the House of Representatives members are women, leaving Japan ranked ninety-seventh in the world between Romania and Montenegro.

But the same labor shortage that has led to more immigration has opened possibilities for women. They may still hold a disproportionate share of part-time and other jobs outside the “regular” sector of the economy. Nonetheless, women are a more important part of the work force than they were even a decade ago. In many cases, they are working out of necessity to help make ends meet as single mothers or to help keep intact families financially afloat. Women are also becoming more independent as reflected in the declining birth rate, rising average age at first marriage, and an explosion in the number of divorces.

Still, we have yet to see large number of women in prominent political positions. In fact, only one woman has ever led a major political party. But it is just a matter of time before the role of women in Japan reaches or tops that in the other countries covered in Part 2.

The Economy

We should not forget that despite their recent problems Japan is home to the world’s third largest economy. Sixty-eight of Fortune’s top 500 multinational firms are based in Japan. These include such household names as Toyota and such little known ones as Japan Post Holdings, about which we will have more to say later. When we were young, Japan was known for its low priced and often poor quality manufactured goods. Today, it is a leader in most manufacturing and technological sectors of the global economy.

Japan’s status is all the more remarkable given how far it had to come and how fast it did so. At the end of World War II, Japan’s gross national product (GNP) was less than colonial Malaya’s. Allied bombing had destroyed most of its industry, infrastructure, and major cities. Unemployment and homelessness had reached epidemic proportions. Fifteen years later, the annual per capita income was still a mere $477.

Foreign visitors today invariably comment on the absence of slums, homelessness, poverty, and crime. Of all the industrialized democracies, only the United States has a larger share of its eighteen- to twenty-two-year-olds enrolled in higher education. Japan enjoys one of the most equitable income distributions in the industrialized world, relatively little crime, a long life expectancy, and a low unemployment rate.

Even before the bubble collapsed, there were some blemishes on what was generally a positive economic record. Prices have always been quite high especially for products in short supply. Land is expensive, and houses are small and sometimes shoddily built. Food costs up to four times as much as it does in the United States, reflecting both the dependence on imports and the subsidies paid to the politically powerful farmers, who now only constitute about 5 percent of the labor force.

We could write an entire chapter on the collapse of the bubble economy. Here, it is enough to underscore a few points. The stock and real estate markets plummeted. A few banks collapsed, and many others found themselves deeply in debt. The government ran massive
budget deficits while facing growing demands to bail out formerly successful concerns that suddenly found themselves in serious trouble.

Despite repeated pledges to restructure and deregulate the economy, the malaise persists to this day, and government credibility has suffered in the minds of the voters no matter who is in office. The economy was predicted to grow by 2 or 3 percent for the second half of 2009, but then the great recession hit. The effects of the earthquake and tsunami compounded existing economic problems and threw the country back into a recession that will last at least until the end of 2011.

It is hard to underestimate how much the lost generation has meant. Just as it was ending, the late Michael Crichton published the successful novel Rising Sun, which was turned into an even more popular movie the following year. It portrayed a consensual and ruthless style of business in which integrated firms (keiretsu) were becoming the most powerful in the world and seemed poised to overtake capitalism in the rest of the world.

As Steven Davidoff put it, “Flash forward to 2011 and it all seems laughable” because soon after Rising Sun was published, the Japanese economy collapsed. His article concentrates on the downfall of Olympus cameras which went bankrupt after it tried buy a British rival. As Davidoff saw it, the cronyism that helped produce the boom now leads to weak regulation of such integrated firms and, as we will see in the public policy section, left them less and less capable of competing in the increasingly global economy. In 2010, per capita income in Taiwan topped that in Japan. South Korea scores higher on the UN’s Human Development Index, the best single indicator of a country’s overall standard of living.

Key Questions

Put simply, Japan is both very much like, and very different from, other advanced industrialized democracies.

Most authors who include Japan in introductory comparative politics textbooks today stress the similarities. For instance, Japan’s political system seems to resemble those we saw in Britain, France, and Germany, and its economy is clearly capitalistic, if by that we mean one dominated by profit-seeking private corporations. There is good reason to do so.

However, it is just as important to emphasize the differences. Once we dig a little deeper, we find a culture that emphasizes group loyalty rather than the individualism that most political scientists think is needed to sustain democracy. That, and its overlapping networks of power, now throws our conventional definition of democracy into question and raises concerns about the role of the market and the state in a capitalist economy.

Concretely, that leads us to ask questions that cover the basics of comparative politics but also take us farther from the explicitly political than was necessary in most other chapters. As you get toward the end of this list, it will be obvious that we can only offer tentative answers to the ones near the end of this list:

● What minimal criteria must a country meet before we are comfortable calling it democratic?

● How do Japanese institutions and practices compare with those in other advanced industrialized democracies?
● Why was economic performance better in countries like Japan with more interventionist states during the thirty years after World War II? And why have such active states been less successful since the end of the Cold War?
● What will it take for Japan to escape the corrosive impact of money and corruption on politics?
● How will Japanese politics evolve now that the LDP has lost -- at least in the short term -- and the iron triangle and the 1955 System have been discredited?
● How will Japan with its unique institutions and traditions fare in a globalizing world?
● Can a country like Japan adapt to this new global environment making only the kinds of incremental changes it has attempted since the collapse of the bubble economy?

THE EVOLUTION OF JAPANESE POLITICS

As we have already noted, Japanese capitalism and democracy are quite different from what we saw in Part 2. Understanding those differences begins with an exploration of a history that has little in common with what we have seen any place else (library.duke.edu/research/subject/guides/japan/subject/history/index.html).

Before the West Arrived

The Japanese like to point out that they have the oldest continuous monarchy in the world. They celebrate Foundation Day on 11 February, the day in 660 B.C. when tradition has it that Jimmu was enthroned as its first emperor. (See Table 18.3)

Table 18.3

Key Events in Japanese History Until 1945

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>660 BC</td>
<td>Traditional date given for enthronement of first emperor</td>
</tr>
<tr>
<td>1192 AD</td>
<td>First shogun named</td>
</tr>
<tr>
<td>1603</td>
<td>Establishment of Tokugawa shogunate</td>
</tr>
<tr>
<td>1853</td>
<td>Arrival of Admiral Matthew C. Perry</td>
</tr>
<tr>
<td>1867–68</td>
<td>Meiji Restoration</td>
</tr>
<tr>
<td>1894–95</td>
<td>Sino-Japanese War</td>
</tr>
<tr>
<td>1904–05</td>
<td>Russo-Japanese War</td>
</tr>
<tr>
<td>1939–45</td>
<td>World War II</td>
</tr>
<tr>
<td>1945–52</td>
<td>U.S. occupation of Japan</td>
</tr>
</tbody>
</table>
Obviously, much has changed during the last two and a half millennia. Nonetheless, some features that continue to shape Japan apparently took root before there was even a written historical record. Social life revolved around the local community and a single commodity—rice. Although the population was far more diverse ethnically than it is today, almost everyone spoke the same language, which derived from Chinese. The Chinese influence was hard to miss: Confucian and Buddhist values reinforced existing Shinto beliefs, most notably respect for one’s superiors. Last but by no means least, the Japanese had been studying in and trading with China and Korea for centuries.

During the thirteenth century, Korean forces under the command of the Mongol Kublai Khan attacked Japan. After a ferocious two-month battle, the invaders were repulsed in a victory that had two important consequences. First, the war weakened the country so that the authorities could not maintain any semblance of central rule. Second, Japan spent most of the next six hundred years in all but total isolation from the rest of the world, which makes its history dramatically different even from that other trend-setting island nation, Great Britain, where soldiers, politicians, and merchants had regular contact with counterparts on the European continent and beyond.

During that time, the Japanese developed something akin to European feudalism and discarded the more centralized and meritocratic state they inherited from China. The emperor was turned into little more than a figurehead, while the royal family became a symbol of Japanese unity rather than the country’s ruling elite. Power was decentralized and held by feudal lords. Like their European counterparts, the Japanese noblemen offered their vassals protection in exchange for subservience and a share of what they produced. Feudal rule was sustained by a class of warriors known as samurai who were members of feudal clans. Even before the Korean invasion, the leader of one of them, Minamoto Yoritomo, seized control of much of the country and declared himself the supreme military leader, or shogun (which literally means “barbarian-subduing generalissimo”), which gave Japanese feudalism a distinctly militaristic bent.

For the next seven centuries, the Japanese state gradually evolved, but all its variations shared one key common denominator: feudal and military leaders—who were often one and the same—shared power. Over time, the nobility systematized rules regarding property ownership and tied warriors to their lords. The Japanese version of Buddhism—Zen—emphasized self-discipline. Bushido (the way of the warrior) required that the samurai carry out his lord’s wishes. Should he fail to do so and thereby bring shame on his superior, a samurai was expected to commit seppuku, a ritualistic form of suicide.

By the sixteenth century, independent military lords (daimyo) gained control of most regions and operated with virtually no supervision from above. A civil war broke out as one after another of them tried to recentralize the state. That struggle finally ended when Tokugawa Ieyasu seized power as shogun in 1603, creating a regime that would last until the Americans arrived 250 years later.

The Tokugawa shogunate’s (1603–1867) ruling style has been called “centralized feudalism.” The daimyo grew more important as they consolidated their control over ever-larger territories. At the same time, the Tokugawa family established its capital in the backwater fishing village of Edo, today’s Tokyo. The new elite made it abundantly clear who was in power by forcing the emperor to remain in the traditional capital city of Kyoto while real power was
transferred to Edo. As with the nobility in the France of Louis XIV, the shogun made the daimyo spend much of the year in the capital and used them to enforce the rules and regulations of the central government.

Tokugawa social structure was strictly hierarchical. The nobility, of course, was at the top. Just below them were the samurai, whose military role all but disappeared over the centuries of relative calm. Many attended one of the more than two hundred academies that trained civil administrators for the shogun and the daimyo, thereby becoming Japan’s first bureaucrats.

There was a huge gap between the samurai and the next group down the social ladder—the peasant-cultivators. Although Confucianism supposedly valued agriculture, the farmers had a difficult life. There were few opportunities for upward mobility. Their standard of living was at or below the subsistence level. Symbolically, the peasants’ low social position was made clear in the policy that denied them the right to have family names.

Below them were two other groups. Next to last were the artisans—self-employed people who manufactured whichever commercial goods that were needed. Last, and definitely least, were the merchants. By the nineteenth century, many lords and samurai found themselves heavily in debt to the growing merchant class who were still largely viewed as social parasites. Unlike their European counterparts, the merchants made next to no attempt to gain political power or enhance their social status.

The conventional wisdom is that Japan changed very little under Tokugawa rule. Recent historians have questioned that interpretation, for example showing that there were more contacts with the outside world and more technological change than had previously been thought. Nonetheless, by the nineteenth century, the shogunate had declined precipitously precisely because it was far more resistant to change than the countries it suddenly had to confront. As a result, when the West first arrived in 1853, Japan was vulnerable to say the least.

The Meiji Restoration and the Rise of Imperial Japan

When U.S. Commodore Matthew C. Perry’s fleet steamed into Tokyo Bay in 1853, most samurai were armed only with swords and thus didn’t have the slightest chance of defeating the Western troops. Prudence and military impotence combined to force the shogunate to open the country. This effectively burst the bubble of island consciousness that had nurtured feelings of national greatness and led to 250 years of near isolation. Suddenly, the samurai and others found themselves in a new environment with which their feudal social, economic, and political order could not cope.

Western nations did not attempt to colonize Japan as they did other parts of China. Yet their very presence forced Japanese leaders to confront their powerlessness as never before. Japanese leaders decided that they had to play “catch up” with the West.

As in past regime changes, the victorious oligarchs seized power in the name of the emperor, ostensibly “restoring” the sixteen-year-old emperor. In fact, the emperor had little or nothing to do with the revolution that was led by young, rural samurai, and he never played a significant role in the dramatic changes that were then carried out in his name.

Most scholars agree that the modern Japanese state began with the Meiji Restoration in 1867–68, when the civil war precipitated by the arrival of the Americans came to an end.
Because aristocrats of the old order dominated the Meiji period (1868–1912), many longstanding practices survived. The feudal notion, for example, of “government praised, people despised” remained a central theme of the Meiji regime’s ruling ideology. The same was true of the emperor who had no real power. Bureaucrats, known as the Meiji oligarchs or genro were the hidden hand behind the throne and ran just about everything until World War I.

The antidemocratic, elitist, and nationalistic genro refused to tolerate opposition and were single-minded in their efforts to turn Japan into a rich country and with a strong military. They toppled almost every feudal institution at the very same historical moment that they reinforced many feudal values. They abolished the roughly 250 domains that had become the administrative units in the Tokugawa period and replaced them with one-fifth as many more centralized prefectures. To further symbolize the centralization of power, the boy-emperor Meiji was moved to Tokyo. Along with the destruction of feudal domains came the elimination of samurai privileges by abolishing the feudal practice of supporting them financially simply because they were samurai. The government turned their stipends into bonds that served as start-up capital for new businesses and large farms they created. However, proud of their traditional warrior status, thousands of other samurai rebelled against the elimination of their class privileges. By 1877 the government’s new peasant-based conscript army had easily suppressed the last of their rebellions.

Japan and the West in Comparative Perspective

It is worth underscoring just how different the Japanese experience was from those we saw in Europe. On the one hand, Japan developed a semblance of national unity and centralized government earlier and more easily than any of the European democracies. On the other, it was far behind them in terms of most of the other factors stressed in Part 2 of Comparative Politics.

For example, by the nineteenth century, individualism had taken root everywhere except in parts of Germany. The industrial revolution was transforming not just the economy but society as a whole. The British were well on their way toward consolidating a democratic regime, and pro-democratic groups had staged revolutions in France and much of present-day Germany.

In Japan, by contrast, the themes of national unity and centralized government were still at the heart of its culture. Ardath Burks sums them up well: “Values are achieved in groups (the family, the community). These values are endowed with an almost sacred Japanese quality and are best implemented by, or in the name of, symbolic heads of family-style groups. Individual Japanese receive a continuous flow of blessings that establish obligations; in this way individuals demonstrate morality. Social, political, ethical, and religious norms are of value only as they are valuable to the group.”


Samurai privileges were not the only obstacle to building a modern state. In the feudal era, peasants were forbidden from owning land and changing their residence or occupation. The oligarchs understood that these feudal holdovers would hinder industrial development. Hence, they stripped the daimyo of their domains and implemented land reforms which gave peasants...
ownership of the land that they once worked at their lord’s pleasure. In so doing, the leaders transformed peasants living on the edge of subsistence into tax-paying farmers who produced a surplus for the market.

After centuries of isolation, the new elite realized that it, too, had a lot to learn from the outside world. Therefore, groups of young Japanese were sent to study abroad. The genro borrowed what they learned to establish an educational system based on France’s and a bureaucracy based on Germany’s. Industrial know-how came from the United States and Britain. Along similar lines, they drafted young men not only to create a strong military but to turn peasants into patriotic defenders of law and order.

In short, the genro reached the same basic conclusion that Otto von Bismarck and his colleagues did at about the same time in the newly unified Germany. Both countries found themselves lagging behind the great powers. Both realized, too, that they could not rely on “natural” market forces to industrialize and close the gap. Instead, they decided to use the state to forge a more rapid revolution from above. If anything, the Japanese went further than the Germans, perhaps because they had a larger gap to close (www.japan-guide.com/e/e2129.html).

None of this happened without objection. Some of the samurai rebellions and subsequent peasant rebellions had a distinctly democratic bent. The farmers were particularly important in this respect. They had benefited from Meiji land reform, but by the late 1870s and early 1880s, the economy slid into a depression. Property taxes became onerous, forcing many farmers who worked small and medium sized plots into bankruptcy and back into tenancy. Many of the newly dispossessed farmers began allying themselves with former samurai intellectuals and reformers who endorsed American, British, and French notions of “natural rights” and agitated for a more democratic form of government in which elected officials could be held accountable to the governed.

Japan’s first political parties provided an organizational home for this growing popular discontent. The oligarchs responded by forming their own Imperial Party. In what would prove to be just as important in the long term, they used the police and the military to smash the new groups that threatened to invoke the “natural right” of rebellion to defend what they believed was their inherent right to own property. In so doing, they destroyed the two main opposition parties by 1885. Nonetheless, the protesters succeeded in linking property and political rights in mass opinion and demonstrating that free enterprise would inevitably lead to grassroots demands for more open government.

The Meiji oligarchs hedged their bets by writing an imperial constitution in 1889 that was in effect until the end of World War II. It established a bicameral legislature—the Diet—with a lower house of elected commoners and an upper House of Peers composed of appointed noblemen.

In a setback for democracy, the constitution focused on the people’s duties at the expense of their rights. The oligarchs kept all executive powers for themselves, including appointing the prime minister. The cabinet could adopt a budget without parliamentary approval, much as in imperial Germany. The constitution also limited the right to vote to about 1 percent of the male population, which was far lower than comparable rate anywhere in Western Europe or North America.
Because they understandably feared the West, the *genro* raised taxes to generate new revenue they could use to strengthen state power by expanding key war related industries as shipbuilding, armaments, steel, mining, railroads, and the telegraph. Once these state-owned companies began showing a profit, the genro sold them to entrepreneurs who had personal connections with the leadership, connections that would strengthen over the years. Giving new life to their long-standing goal of a “rich state and strong military” left them with no choice but to discriminate against average people whose taxes and bodies they needed. The oligarchs were so successful that in less than a generation they could win wars against China (1894–95) and Russia (1904–05), colonize Korea (1910), violently suppress political dissent at home, and be hailed as heroes by a not surprisingly jingoistic public.

In 1912 the emperor died, and his mentally challenged son ascended to the throne. Although his reign lasted only until his death in 1925, socioeconomic change during this period helped give rise to what historians call Taisho democracy which flourished for a few short years after World War I.

Japan entered the war as a minor partner on the Allied side. Only about 800,000 men were mobilized, of whom almost one thousand were killed or wounded in action. Nonetheless, the Japanese forces played a significant role by occupying German colonies and suppressing revolts by Indians and others that could have hurt the Allied cause.

According to President Woodrow Wilson, the war was an ideological campaign which, among other things, would “make the world safe for democracy.” Japan had other reasons for its involvement. Its primary goal was to expand by taking permanent control of those German possessions.

By the end of World War I, Japan had become more than a nation of peasants and *samurai*. Events in Russia at the end of the war had the unintended effect of making what might have been a transition to democracy anything but smooth. In 1917 the Bolshevik revolution toppled what seemed to be a firmly entrenched monarchy in the name of socialism and equality. In Japan, that led to a strike wave organized by unions who wanted to block factory owners from making excessive profits from the hard work of their members. Social democrats and communists kept organizing the working class even though most of their unions and parties remained illegal and their members risked arrest. Many farmers who had their land taken from them and followed suit by mounting strikes of their own. When rice riots engulfed almost the entire nation in 1918, leaders who feared a full-scale revolution helped to discredit the militarist regime and voted in the first commoner prime minister who was not a nobleman, Hara Kei of the Seiyukai Party.

Hara dealt with popular pressure by expanding the franchise and by reducing, but not eliminating, the tax requirement for voting. His successors further expanded the franchise, permitting all adult males to vote in national elections in 1925.

Universal male suffrage, however, did little more than force the military, *genro*, bureaucracy, big business, and aristocracy to include what had become major political parties in the elite. New, more popular political parties were formed following the adoption of universal suffrage, but they lacked the funds, organization, and networks to compete with the now dominant ones that had been active since the first years of Meiji. For their part, the older parties were easily co-opted. Censorship and police repression were used to stifle democratic dissent.
Thus, even with the expansion of the franchise, the state easily imposed the Peace Preservation Law which made advocating fundamental constitutional change illegal.

The economic situation worsened when the Great Depression struck in 1929 and added the threat of new popular pressures on the state. The state sought to deal with the twin challenges from average citizens and a worsening economy by tightening controls even further. The state took on more and more of the features of European fascism and turned the regime into one that was totalitarian in everything but its name. The state took over most religious, educational, journalistic, academic, agricultural, business, and other interest groups. By 1938, the military and civilian leadership had built a one-party state nominally under the emperor’s control. Two years later, it formed an alliance with Adolf Hitler’s Nazis and Benito Mussolini’s Fascists.

Like its fascist allies, Japan started flexing its muscles abroad. Its interwar imperialism began with the invasion of Manchuria in 1931 and its annexation the following year. By 1937 Japan was fighting a full-scale war with China. On December 7, 1941, Japanese planes bombed Pearl Harbor, bringing the United States into World War II. At the height of its power, Japan conquered much of the eastern half of China and all of Korea, Taiwan, the Philippines, Indochina, Malaya, Thailand, Burma, and Indonesia.

But its empire proved to be one of the world’s shortest lived. By 1944 Japanese troops were being pushed back toward the home islands. In early 1945, American planes began bombing Japanese cities, utterly destroying Tokyo with fire bombs and, of course, destroying Hiroshima and Nagasaki with the first (and so far, only) two atomic bombs used in combat.

In the meantime, democracy in Japan had died—if, indeed, it had ever truly been alive.

**Occupation and Creating the Contemporary Japanese State**

Once again, a shock from the United States opened the door to one of the most important turning points in Japanese history, culminating in Japan’s successful adoption of its unique versions of democracy and capitalism.

Like Germany, Japan was in shambles after its unconditional surrender ended the war. Nearly 3 million people had been killed, the industrial infrastructure was destroyed, about half of the population was unemployed, and agricultural production was reduced by two thirds. The psychological damage to Japan’s historical sense of racial and cultural superiority is impossible to measure, but it was clearly substantial. As Ienaga Saburo put it, “Defeat had been unthinkable, surrender inconceivable, but the unthinkable and inconceivable had happened.” The supposed glories of conquest, imperialism, and war had been thoroughly discredited. Defeat and destruction made it clear that many of Japan’s leaders were liars and war criminals.

In one key respect, however, the occupation and reconstruction of Japan were quite different from the ones in Europe. In Germany, the four Allied powers—the United States, Britain, France, and the Soviet Union—officially shared responsibility for the occupation. In Japan, the United States was able to keep the other victorious allies out and ran the occupation by itself.

---

The occupation lasted from August 1945 until April 1952. It was headed by General Douglas MacArthur (1880–1964) during its all-important first years. His title was Supreme Commander of the Allied Powers (SCAP). His influence was so profound that the term SCAP is often used to refer to the occupation as a whole. MacArthur believed that his task was “simply” to rebuild Japan from the top to bottom.

Most of all, the occupiers set out to demilitarize and then democratize Japan.

Of the two, demilitarization was by far easier to achieve. It began when Emperor Hirohito announced Japan’s unconditional surrender on August 14, 1945. Long taught to revere the emperor as a god whom they had never heard or seen, the Japanese people, including the military, accepted the emperor’s pronouncement as authoritative, even as they gasped at the squeaky sound of his voice. In October, MacArthur cleverly arranged a photo session with Hirohito. The public was shocked to see just how short the emperor was when he stood beside MacArthur who was a full head taller. The process of demystifying the fallen man who had officially been considered a god had begun, clearing the way for practical steps toward demilitarization, including:

- Purging 202,000 military officers, colonial officials, wartime politicians, and zaibatsu (financial clique) leaders.
- Disbanding all wartime right-wing associations and parties and overturning the repressive legislation they had introduced.
- Prosecuting leading or Type A war criminals before an international war crimes tribunal.
- Dismantling the zaibatsu and other war industries.
- Liberating political prisoners—primarily socialists, communists, and religious leaders who had been imprisoned because of their antimilitaristic views.
- Turning the monarch into a figurehead and the imperial system into a constitutional monarchy.
- Adopting land reform that gave peasants plots of their own which enabled most of them to escape poverty and become a key support group for the LDP from 1955 on.
- Including the Peace Clause --Article 9-- in the new constitution, in which Japan “forever” renounced war as a sovereign right.

The occupation authorities always assumed that democratization would take longer and be harder to achieve. MacArthur assumed that the Occupation would have to begin undoing Japan’s long-standing traditions of hierarchy and authority and create a more market-driven and decentralized economy for democracy to truly take root. This second set of goals would take more time and, it was assumed, encounter more resistance.

To begin with, the U.S. officials assumed that they would have to write a new constitution and introduce sweeping reforms in all areas of Japanese social, economic, and political, life. SCAP left no area of Japanese life untouched. Education, law enforcement, and even family inheritance practices were democratized. By the end of the occupation in 1952, the legal, social, economic, and political orders had been radically refashioned to the point that Japan was one of the most democratic nations in the world—at least on paper.

Just as important, MacArthur and his colleagues assumed that a democratic Japan would need a very different kind of economy. They shared the common American assumption that trusts, conglomerates, and monopolies of any sort were anti-democratic. Similarly, they believed
that inequality in the distribution of wealth in a few hands was as dangerous to the health of a
democracy as any uneven distribution of political power.

Therefore, breaking up the zaibatsu was very high on MacArthur’s initial agenda. Roughly a
dozen of them had controlled 80 percent of all manufacturing and financial companies in
prewar Japan, and they used their economic leverage to encourage and then profit from
 imperialist conquest. Hence, some 250 of them, as well as a thousand or so smaller companies,
were scheduled to be broken up, including Mitsui, Mitsubishi, and Sumitomo.

The Occupation authorities also targeted the concentration of land ownership. Inspired by
another core American value that the yeoman farmer was the backbone of a democracy, about 5
million acres of land were taken from landlords and given to their former tenants.

The Occupation also started by empowering the tenant farmer’s urban counterpart, the
factory worker. Before the war, less than 10 percent of the industrial workforce was belonged to
a union because of laws that protected factory owners. SCAP’s labor reforms, modeled after the
1935 U.S. National Labor Relations Act, gave workers the right to organize and engage in
collective bargaining.

For the first three or four years of the occupation, things seemed to go as planned. SCAP
did not rule as unilaterally as the occupation powers in Germany. Far fewer leaders were purged.
In particular, the Americans left most of the wartime bureaucrats in their posts. Indeed, within a
year of taking charge, MacArthur proclaimed that a “spiritual revolution” had put an end to
Japan’s traditional “feudalistic overlordship.”

But by 1947 or so, the Cold War brought the Occupation’s reformist zeal to what seemed
like a dead halt in what came to be known as the reverse course. As in Germany, it shifted
occupation policy away from democratization and toward rebuilding the country so it could help
in the burgeoning struggle with communism (see Part 3).

As idealism gave way to more practical concerns, the Occupation came to doubt much of
what they had enthusiastically championed a year or two earlier. In the end, only nine zaibatsu
were significantly “deconcentrated,” and they reconstituted themselves once the Occupation
ended. The Occupation had to come to grips with the unintended and unanticipated consequences
of many of its cherished initial policies. For example, liberating industrial workers had given rise
to a new, more militant labor movement. Now, however, economic efficiency became a far more
important short term goal than democratization. Therefore, when railway workers threatened a
general strike in early 1947, MacArthur answered by threatening to use the military to thwart the
unions and their socialist allies. That draconian measure was followed by an outright prohibition
on strikes by government employees in 1948. After the Korean War began in 1950, leftist union
leaders were purged, even though the Communist and Socialist parties remained legal.

The most important about-face occurred in international relations as Japan gradually
regained its sovereignty. The communist victory in China and the outbreak of fighting in Korea
brought the Cold War to Japan’s doorstep. American strategists became convinced that they
needed Japan as an ally in their efforts to contain communism and to prevent communists from
taking over more and more of the Pacific Rim. Before long, the National Police Reserve of
seventy-five thousand troops was converted into the Self-Defense Force (SDF), which is now
one of the best-funded, most technologically sophisticated, and well-armed militaries in the
world.
Democratization
In Japan

There are important parallels between the way the Japanese and Germans built their democracies.

The most obvious similarity is that they both failed until after the end of World War II. Neither had a strongly individualistic culture, which historians have determined is important for the development of both democracy and entrepreneurial capitalism. Each spent nearly three quarters of a century under authoritarian (or worse) regimes.

Both, however, developed strong democratic regimes after the war as a result of three overlapping factors: new regimes imposed by the victorious allies, the political consequences of long-term economic growth, and generational change.

Japan is different from Germany, however, in the sense that its democracy has developed without much in the way of individualism as we know it in the West, though that, too, may be changing as we head deeper into the twenty-first century.

By the time the U.S. returned formal sovereignty to Japan in 1952, two seemingly contradictory political patterns had emerged. First, Japan was already governed under one of the world’s most democratic constitutions. Second, the “pragmatic necessities” of the Cold War world were pulling Japan in a less democratic direction, making it possible for the postwar successors of the old elites to assume power that led to the establishment of the 1955 System. Both will be at the heart of the rest of this chapter.

At the end of the Occupation, Japan faced the same uncertainties as Germany. Economic recovery was under way, but no one knew how long it would continue. Many also worried about what would happen when and if there was a sharp and sudden slump.

In addition, no one knew what the political future would hold. The Japanese constitution, like the Basic Law in Germany, called for a regime that would be democratic along the lines of the conventional definitions used throughout this book. But it was too early to tell if either regime would take hold. Both countries had had significant pro-democratic parties and interest groups before the fascist takeovers in the 1930s. However, they both had had far stronger anti-democratic and authoritarian traditions, which had by no means disappeared as a result of defeat and occupation.

Again, as in Germany, most of those uncertainties were resolved rather quickly. Economic growth continued, and Japan became one of the world’s leading economic powers before the 1960s were over. And although there have been flaws in Japanese democracy as there are in all industrialized countries, the politicians and bureaucrats created a strong state that sustained the economy and enabled Japan to respond even more successfully to global pressures than the Germans could.
The 1955 System

To the surprise of many, the constitution seemed to work almost from the day it took effect, and it is therefore tempting to end the section on the evolution of the Japanese state here. (see Table 18.4). However, given the last twenty years, it makes sense to go ahead and at least note five key events since the occupiers left.

Table 18.4
Key Events in Japanese History Since 1945

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>End of the Occupation</td>
</tr>
<tr>
<td>1955</td>
<td>Formation of the LDP</td>
</tr>
<tr>
<td>1960</td>
<td>Crisis over the Treaty of Mutual Cooperation and Security between the United States and Japan</td>
</tr>
<tr>
<td>1992</td>
<td>Collapse of the Bubble Economy</td>
</tr>
<tr>
<td>1993</td>
<td>First non-LDP Prime Minister</td>
</tr>
<tr>
<td>2009</td>
<td>First non-LDP Majority Elected</td>
</tr>
</tbody>
</table>

Japanese politics were tumultuous until 1955 because everything revolved around the ongoing power struggle between the conservative parties and the left, which was dominated by the Socialist and Communist parties and most of the trade unions. Groups that had at least some ties to the pre-war elite dominated the Liberal and Democratic parties, one or the other of which led every post-war government but one.

For reasons we will discuss in the section on political parties, the Liberals and Democrats decided to merge in 1955 to form the LDP. By uniting the forces of the center and right, it quickly became the dominant party that, as we saw earlier, ran the country for the next half century with just one brief interruption. In the process, it equally quickly reinforced the political bases of sustained economic growth, the critical importance of money in politics, and eventually the reasons for Japan’s economic decline.

The one real crisis in post-war Japan accompanied the debate over the renewal of the Treaty of Mutual Cooperation and Security between the United States and Japan in 1960. As part of regaining its sovereignty, the Japanese government agreed to a treaty with the United States which gave Washington the right to retain its Japanese bases and solidified Tokyo’s place in the western anti-communist alliance. That treaty was up for renewal in 1960.

This time, it was controversial indeed. The left bitterly opposed continuing the procedures established in the original agreements, fearing in particular that they would again make Japan militaristic and place it on the side of what the left was beginning to see as imperialist powers. The street demonstrations and occasional violence could not block passage of the treaty in summer 1960. In the longer term, the treaty solidified both Japan’s position on the American side of the Cold War and the LDP’s hold on power (while fatally weakening the left).
The 1955 System kept Japanese politics calm and consensual through the end of the 1980s. It did have an anti-war movement during the Vietnam War, significant protests against the construction of Tokyo’s Narita International Airport, and even a major terrorist attack on Tokyo’s subway system. However, it is safe to say that Japan had nothing approaching the new left we saw in the United States, Britain, France, or Germany.

The first major shift came when the LDP lost its majority in the first election after the start of the economic crisis. As noted earlier, that led to the first two prime ministers from a party other than the LDP since 1955 and the shift to a new electoral system which we will consider later in the chapter. Otherwise, little changed until the smashing defeat suffered by the LDP in 2009, which will also be the subject of much of the rest of the chapter.

**POLITICAL CULTURE: GROUPISM VERSUS INDIVIDUALISM**

Political scientists have long tried to determine which—if any—cultural values are needed to sustain a liberal democracy. Most research on that score has been conducted in Europe and North America and, not surprisingly, focused on individualism and other core beliefs discussed at length in Part 2.

Although political scientists disagree about exactly what those values are, any list of them would feature individualism, which, in turn, is an outgrowth of the broad sweep of western history. Many of our colleagues assume that democracy and capitalism as well cannot thrive without a strong dose of individualism. Japan forces us to question that assumption. Because the history we have just seen is quite different from that of Britain, France, Germany, or the United States, Japanese culture is different as well.

Individualism is simply not as important in Japan. Indeed, group attachments outrank individualism in all areas of life (www.thejapanfaq.com/FAQ-Primer.html). The values themselves are straightforward enough that we can dispose of them quickly. Note, however, that there is considerable doubt about both how widespread they are and how much they still shape political behavior, democratic or otherwise.

More than in Europe and North America, Japanese tradition and culture tend to support cooperation and group harmony. Most Westerners, who are products of a highly individualistic culture, find this collectivist side of Japan disconcerting because it places the good of the group ahead of that of the individual. Some go so far as to condemn it outright as nondemocratic.

However one interprets that culture, there is widespread agreement that most Japanese readily accept their role in social hierarchies. Indeed, many of them only feel comfortable when they know where they stand in relation to everyone else. Critical here are patron-client relationships that reflect the continuing importance of the feudal past in today’s value systems. In Japanese, they are known as oyabun-kobun “parent role, child role” and rest on reciprocity and mutual support. To be sure, the patron is more powerful than the client. However, clients give him loyalty (patrons are almost always men), but they do so in exchange for money, protection, or other tangible benefits.

It is easiest to see those values by taking a step back from politics and considering culture as a broader social phenomenon. T. R. Reid has perhaps best summed up the impact of groupism, which he connects to Confucian traditions and values. In *Confucius Lives Next Door*, he
documents dozens of ways in which group loyalty contributes to social and economic success not just in Japan but in much of East Asia.

These start with the amazingly low crime rate, which led him to allow his ten year-old daughter and her friends to take public transportation to Japan’s Disneyland without an adult chaperone, something he would never have dreamed of doing in the United States. Similarly, the teachers in his children’s school told him not to worry about how his daughters would do when grades came out because group loyalty among their classmates would ensure that they passed with flying colors. Finally, he relates the remarkable tale of Wild Blue Yokohama, Japan’s once popular chain of indoor beaches. In the late 1980s the NKK Corporation’s icebreaker manufacturing business collapsed because of competition from countries with much lower labor costs. Instead of laying off the workers who built them—as U.S. or British corporations would have done—NKK executives gave their employees time to create new products the company could sell for a profit. Because the workers had experience testing models of their ships on simulated oceans, they knew how to make waves and other natural phenomena common to beaches. And because getting to the shore is time-consuming and expensive in heavily urbanized Japan, they had the brilliant idea of manufacturing beaches in huge warehouse-like building, with sand, pulsing surf, and blue sky painted on the ceiling. Not only did they invent Wild Blue Yokohama, but they also harnessed their ability to make small, simulated icebergs to create the technology that made indoor ski slopes possible—in this case taking those same warehouse structures, turning them on their ends, and installing chairlifts.7

Such relationships permeate Japanese society. Political parties, labor unions, sports clubs, student groups, university faculties, and most other Japanese organizations are structured along lines that reflect this basic sociological dynamic.

Therein lies the dispute.

If Japanese society is structured in this kind of way, how can democracy work? Group loyalty, cooperation, and hierarchy may have been critical for Japan’s postwar growth but they are also seen as a central reason for doubting the legitimacy of its democracy. If nothing else, critics note that these are the kinds of values that led most Japanese to accept the anti-democratic regimes before the war and are a far cry from individualism, self-reliance, tolerance, and independence which are key bulwarks of democracy in the West.

By contrast, oyabun-kobun relationships reinforce an inferior’s dependency on his or her superior. They discourage individualism for collectivism or an attitude in which the individual sacrifices for the sake of the group.

If apologists for Japan are right, it has broken the western paradigm in which individualism is a prerequisite for both capitalism and democracy. Polls have shown that the Japanese support their democratic regime as much as the British or Americans approve of the one they live under. They believe that the civil liberties guaranteed by the constitution are important for protecting their rights and promoting their interests. What is different is that, if we dig deeper than the pollsters can go and extend our analysis beyond daily politics, we see the centrality of loyalty to and cooperation within groups for most Japanese. In other words,

although it is hard to generalize on the basis of a single and unusual case, individualism may not be a necessary precondition for a stable liberal democracy.

This debate over the relationship between culture and democracy in Japan may be disappearing. As should be clear already, the “groupist” side of Japanese culture is eroding, especially among young people due to all the social change the country has experienced since 1945.

Two generations have grown up in far more affluent and open societies than their parents or grandparents could have dreamed of. As in Europe, the best educated and the young tend to be most affected by these social changes. There is little hard evidence on the spread of postmaterial values to Japan. But the existence of the environmental and women’s movements, the growing dissatisfaction with the money politics we will soon encounter, and the mushrooming interest in western culture all suggest that Japanese young people, like their counterparts in Europe and North America, are becoming more individualistic.

It is too early to tell if the 2009 election was part of a sharp break from the groupist past, but many observers at the time thought it might be the culmination of the way these demographic and other trends have been reshaping Japan for years. What we can say with some certainty is that urbanization, the weakening of the extended family, the entry of more women into the work force, the increasing divorce rate, and the decline in long-term guaranteed employment have all undermined oyabun-kobun relations to some considerable extent.

It is unclear how these social changes will play out politically. Cultures typically change more slowly than the rest of a political system. And even when values do change, it often takes a long time before the new ones shape the day-to-day realities of political life.

In the end, we can probably only reach two tentative and not very satisfying conclusions about Japanese political culture. First, it is far more group oriented than any found in the West, which takes us at least part of the way toward understanding both the country’s economic might and the long-term success of the LDP. Second, it is probably changing in ways that contributed to the end of the Japanese miracle.

POLITICAL PARTICIPATION AND ELECTIONS: THE END OF THE LDP ERA?

Political participation in Japan is very different from anything one finds in other democracies. That is, of course, partially an outgrowth of the unique political culture we just saw. Its unusual political patterns themselves will go a long toward helping you understand the most important features of its rise and decline, few if any of which are included in the statute books.

What follows is not, however, a repetition of what we have already seen. To begin with, the opposition has traditionally been so weak that it was rarely a contender for power. Even more important, the LDP’s dominance rested heavily on a peculiar electoral system that gave rise to three even more peculiar organizational features—factionalism, money politics, and weak leadership within the party.

All are in limbo today as Japan undergoes the social and economic changes discussed above and the political tsunamis they have produced. However, because the nature of those political changes is still very much up in the air, we have to focus on the 1955 System and what seems to have undermined it.
The Liberal Democratic Party

There was no such uncertainty about party politics prior to 1993. The LDP called the political shots.

In many ways, it was not a new party despite the fact that it has only been in existence since 1955. It had antecedents in the pre-war parties that dominated Taisho democracy and, some would say, even to the genro and Japan’s first modernizers. Two conservative parties emerged after the defeat in 1945. However, given their joint and intense competition with the socialists and unions—not to mention the growing stakes of the Cold War—the Liberals and Conservatives merged to form the LDP to ensure center-right control of the government (www.jimin.jp/english).

Critics of the LDP often start with the quip that it is neither liberal nor democratic. That it is not liberal as we have used the term in this book is not particularly worrisome. After all, none of the leading conservative parties in Europe are unquestioning supporters of free-market capitalism either. More worrisome is the fact that it has had a definitively non-democratic side to its organization throughout its history.

No one doubts that the LDP is clearly pro-capitalist. However, as we saw in Chapters 2 through 5, support for capitalism and a largely free market are not one and the same. Although LDP and other Japanese leaders have talked more in recent years about ending regulation and letting market forces shape more of the economy, one of the key lessons to learn about Japan is that it has always endorsed a version of capitalism in which the state and big business cooperate and call most of the political shots. We will put off discussing what state-led capitalism led to until the section on public policy. Here, it is enough to know that it has often been hard to tell the preferences of the LDP, big business, and the American government apart.

As with almost everything else, political scientists disagree about how and why the LDP turned out this way, as well as how and why that matters. We cannot hope to settle their differences here. What we can do is draw on the interrelated and common themes we find in just about all of their work and emphasize four main points that help us understand that while the LDP has much in common with European catch-all parties, it has three other distinctive characteristics, namely:

• The party is divided into factions, and competition among them was the primary mechanism for controlling the party and, therefore, of the government.

• This extreme form of factionalism could not continue to exist were it not for the massive supply of funds politicians needed to succeed under the country’s strange electoral system.

• Organizationally, the LDP as a whole has always been very weak. Unlike other parties we have considered, the factions and personal support networks were far more important, something that is reflected, for example, in the rapid turnover rate for Prime Ministers.

A Conservative Catch All Party

On one level, the LDP is like other strong right of center parties we covered in Part 2. It, too, tries to woo voters from all points on the political spectrum. But, as we will begin to see
throughout this section, it is a conservative catch-all party with distinctively Japanese characteristics that, in turn, reflect its history and culture as well as its unusual organization.

At first, it had a limited appeal, drawing its vote heavily, for example, from farmers and then big business. Since the 1970s, however, the LDP has done well with almost every major segment of the population.

Even with its not unexpected defeat in the most recent election, the LDP shares one characteristic with other catch-all parties. Its top priority has been to stay in power. It adapted its positions and changed its leaders whenever it thought doing so would help bolster its support at the polls. That holds even with its recent disastrous results (see Tables 18.2 and 18.4)

The LDP is often portrayed as little more than a front group for big business. Although we will see plenty of evidence for that point of view toward the end of the chapter, the LDP has had to be much more than that electorally. Because Japan has always had somewhat competitive elections, the LDP could only stay in power by appealing to a reasonably broad cross-section of Japanese society, including farmers, small-business owners, middle-class salaried men, and blue-collar workers.

Table 18.4 presents data to that effect from the 2005 World Values Survey (www.worldvalues.org). We used data from that year because public opinion was roughly equally divided between the LDP and DPJ, unlike the skewed results four years later. That year, 30.7 percent of the population declared an intention to vote for the LDP in the next election; the DPJ had the support of 26.0 percent or just under five percent less. The table shows how much that gap varied from group to group. The bottom line from these and other data is clear; there was not a lot of difference except among the relatively small number of farmer and self-employed workers. In one case—manual workers—the results differ from what one might have anticipated on the basis of what we find in other countries, because significantly more of them supported what was arguably a more conservative party on class-related issues. In reading the table, a positive figure shows the degree of the LDP’s lead, while a negative one measures its deficit.

Table 18.4
Support for LDP and DPJ in 2005

<table>
<thead>
<tr>
<th>Group</th>
<th>Per Cent Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>+4.7</td>
</tr>
<tr>
<td>Professionals</td>
<td>-2.7</td>
</tr>
<tr>
<td>Non-manual supervisors</td>
<td>+1.1</td>
</tr>
<tr>
<td>Manual workers</td>
<td>+11.1</td>
</tr>
<tr>
<td>Farmers</td>
<td>+29.0</td>
</tr>
<tr>
<td>Under 20 years of age</td>
<td>+3.8</td>
</tr>
<tr>
<td>50 and older</td>
<td>+10.4</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Men</td>
<td>-2.8</td>
</tr>
<tr>
<td>Women</td>
<td>+12.5</td>
</tr>
<tr>
<td>Full time employees</td>
<td>-7.5</td>
</tr>
<tr>
<td>Part time employees</td>
<td>+5.6</td>
</tr>
<tr>
<td>Self-employed</td>
<td>+20.8</td>
</tr>
</tbody>
</table>

**Factionalism**

Many parties considered in other chapters also have factions. More often than not, their roots lie in differences over the party’s policy or broader ideology. In the LDP, however, factional competition has little to do with beliefs of any sort. Instead, the LDP usually has had four or five major factions that are little more than personal support networks for their leaders.

Unlike most other parties, factional membership was all but universal and openly acknowledged. And, along with the personal support groups we will encounter next, they helped keep the LDP in power while leaving it open to the charge that it was far less than democratic.

Political scientists have realized that all political organizations—including political parties—are at least somewhat oligarchical for more than a century. All observers agree that such hierarchical tendencies were particularly pronounced in the LDP because of the unusual way its factions operated especially when it was also the most powerful.

The LDP’s factions exist for one reason and one reason only. They determine the party president, who always became prime minister whenever the LDP had a parliamentary majority. Therefore, senior party officials who sought to lead the country had no choice but to identify rising young stars in the party who would become loyal members of their faction after they were elected.

As early as 1958, the unwritten rules for factional competition were mostly set. The party president was the head of the largest faction. Positions in the cabinet and other party leadership posts were given to the factions roughly in proportion to their voting strength in the House of Representatives. Within factions, those positions were determined on the basis of seniority.

The factions were generally referred to by the names of their founders and/or current leaders. Their strengths ebbed and flowed over time, but not because individual members switched allegiance but because blocs of MPs (sub-factions, if you will) chose to back a new contender who was thought to have a better chance of winning.

Factions were not only the pathway to advancement within the LDP. They also were used to channel money to their members for what we will see were extremely expensive election campaigns. Along those same lines, each faction typically only supported a single LDP candidate in each of Japan’s peculiar multi-member constituencies.

Factions are less important than they were in the heyday of LDP power for a number of reasons that will become familiar by the end of the chapter and for the simple reason that the LDP no longer always decides who becomes prime minister. What’s more, the new electoral system put more of an emphasis on individual candidates’ popularity and resources, which are
largely beyond factional control. Factions no longer even determine who the party president will be, having given way to something like the American primary system in which personal popularity counts the most. Last but by no means least, in Japan’s increasingly competitive political system, a candidate’s ability to reach out to average voters is far more important than any deal-making by factional powerbrokers.

Factions still exist, but only 20 per cent of LDP Diet members bothered to join one as recently as 2007. In fact, only one faction was larger than the motley collection “non-faction” MPs. Ironically, as we will see, factionalism also contributed to the LDP’s organizational shortcomings.

Women in Japanese Politics

It is safe to say that women have made less progress in Japan than in any of the other industrialized democracies covered in Part 2. No woman has been prime minister or held a senior leadership position in the LDP. Doi Takako was twice head of different incarnations of opposition socialist parties, but she is pretty much the exception that proves the rule.

The LDP is the most male-dominated party in a country which has fewer female members of parliament than any of the other major democracies. After the 2009 election, Japan ranked ninety-fifth in the world in the number of women members of parliament. The LDP has the weakest track record of them all, having only run twenty-seven women on its ticket that year. Japan does have a feminist movement. However, an Internet search provides fewer feminist references than for any other established democracy, suggesting that it is relatively weak. But that has not been adequately demonstrated through research. Like the left, the women’s movement has spent a lot of time and energy on foreign policy and militarism, which critics think is at the expense of obstacles to empowerment in political, social, or economic life.

The Koenkei and Money Politics

Elections cost a lot of money everywhere. That is true in Japan mostly for reasons that are unique to its electoral system. There are strict limits on what Diet candidates can spend. That has not kept Japanese elections from being among the most costly in the world. Accurate and up-to-date figures are hard to come by. In the 1990 lower-house election alone, roughly $1 billion was spent by all the candidates. Contrast that figure with the $445 million spent in that year’s U.S. congressional elections. Even allowing for the differences between presidential and parliamentary systems, LDP politicians have to be better fundraisers than their American counterparts.

As we will see below, the Japanese cast one ballot for a single candidate in districts that elected between three and six members until the electoral law was changed in 1993. In other words, several LDP candidates typically ran against each other. To maximize the number of LDP candidates likely to win in a given district, the party had to “know” in advance who was likely to get which votes and hand out nominations accordingly. That took money, which individual candidates accumulated and distributed through their personal support networks or *koenkai*. One
can also think of them as contemporary manifestations of the Confucian tradition and *oyabun-kobun* relations.

LDP politicians formed *koenkai* for the same reason they joined factions—to win elections. The *koenkai* amassed money from the candidate’s faction, business and other allies and wealthy supporters inside and outside the district.

Candidates did not use these funds to openly buy votes, but they did come close. Diet members supported their members believe in both by giving money and appearing at educational and social events. Politicians did everything from sending constituents wedding presents to attending their funerals—several Diet members claimed to attend more than 2,000 of them each year.

There was no single way of organizing a *koenkai*. More often than not, a candidate was affiliated with two types of networks that concentrated his or her vote in “needed” and predictable ways. First, they focused on the geographical areas within the district where they already had the most support. Thus, it was common for candidates to seek votes all but exclusively in some area and ignore the rest. One of the most successful LDP politicians enrolled four out of every five voters in those local groups. Second, they targeted specific groups of voters within the district. There was a quid pro quo policy here. Loyal voters were rewarded with government programs, as we will see in the material on pork barrel legislation and social services.

Only LDP politicians in the safest districts considered running without a *koenkai*. In fact, prudent politicians started them long before they first ran for office, often beginning by enrolling their high school classmates. Then, at the end of their careers, they typically pass their network on to the candidate they wanted to take their place.

Their origins are a bit murky. *Koenkai*, as we now know them, came to the fore after the 1955 merger. At that point, distributing LDP votes within a district became more important to the candidates and the party than its share of the total vote. Too much competition among too many candidates cost LDP seats.

There is nothing murky about the fact that they were part and parcel of why the LDP stayed in office for so long. Reliance on them led to the Japanese equivalent of American pork barrel politics in which, frankly, it was hard to keep the roles of the LDP and the state separate.

The former Speaker of the United States House of Representatives, Thomas P. (Tip) O’Neill once claimed that “all politics is local.” In many ways he was right. Members of Congress base their reelection campaigns heavily on what they have done for the “folks back home” in large part through earmarks and other pork barrel bills designed to meet the wishes of their constituents and their constituents only. Occasionally, the pork barrel leads to scandals, as with former Senator Ted Stevens support for a “bridge to nowhere” in Alaska.

Elected LDP officials also used their influence in the Diet to secure new roads, bridges, and so forth for their constituencies. The term “a bridge to nowhere” may have been coined to describe politics in Alaska, but nowhere were there more bridges, high speed rail lines, and superhighways to nowhere than in LDP Japan.

The construction industry (which, of course, built all that infrastructure to nowhere) was a key component of the iron triangle. Its leading representative, former Prime Minister *Tanaka*
Kakuei (1918-1993) figured heavily in the corruption associated with money politics, was once the LDP’s kingmaker but spent most of the last years of his life in prison on corruption charges.

Especially under the old electoral system, politicians found ways to skirt most provisions of the law restricting campaign expenses. They used their koenkai to gather and distribute funds which were not legally considered campaign contributions. For example, Abe Shintaro, supposedly one of the least corrupt leaders, had twenty-seven koenkai in 1984.

The pork and everything associated with it lost some of its ability to attract voters as a result of the social and economic changes discussed in the “Thinking About Japan” section. If nothing else, the growing urban middle class no longer put the benefits of “all politics is local” Japanese-style near the top of their list of priorities in determining how to vote. In other words, the declining support for the LDP caused by the new electoral system and the reduced importance of factionalism and money politics paved the way for its only two defeats. Nonetheless, koenkai are still important in the 300 districts in which a single Diet member is chosen even though the LDP no longer has to worry about the “proper” distribution of votes.

Koenkai membership and influence have both declined since 1993. They are harder to organize in urban and suburban districts. Younger people are less likely to join them than members of their parents’ generation because the candidate’s largesse ironically offers little that directly appeals to them. Geographical appeals within a district no longer work. Therefore, koenkai matter mostly in targeting specific groups of voters who are still drawn to a system in which benefits are exchanged for votes. In all, LDP koenkai membership declined from about a third of the population at their peak in 1993 to less than 20 per cent in 2005, the latest year for which data are available. There are many reasons for this drop in membership ranging from the electoral reforms to the increased popularity of television as a leisure activity and a news source. Still, with at least one sixth of the population enrolled, it would be a mistake to ignore their impact.

Finally, factions and the koenkai were inextricably interlinked, and neither could have persisted without the other. In many ways, the koenkai were the glue that held the factions together. They not only provided the funds that individual candidates needed but those personal networks were often fed or even created by factional leaders. Candidates and koenkai needed the factions, but the factions needed the support of what were known as LDP Dietmen whose loyalty was assumed and ensured by those very same networks.

Weak Leadership

Together, factionalism and money politics led to the third unusual feature of the LDP’s organization—weak leadership. Between them, they defined power in the LDP by controlling both careers and finances inside the party.

Return for a moment to the quip mentioned earlier that the Liberal Democratic Party was neither liberal nor democratic. Here, we might add that it wasn’t very organized either.

We can easily see that weakness in two ways, beginning with the rapid turnover of party leaders and prime ministers who were one and the same (see Table 18.5). It lists all of them since the end of World War II other than the most recent ones who are in Table 18.1. The obvious conclusion to draw from it is that prime ministers spent less time in office than those we saw in any other stable parliamentary system.

Hauss/Haussman, Chapter 18: Japan-32
© Cengage Learning. All rights reserved.
Table 18.5

Japanese Prime Ministers 1945-2006

<table>
<thead>
<tr>
<th>Date</th>
<th>Prime Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>Yoshida Shigeru</td>
</tr>
<tr>
<td>1947</td>
<td>Katayama Tetsu</td>
</tr>
<tr>
<td>1948</td>
<td>Ashida Hitoshi</td>
</tr>
<tr>
<td>1948</td>
<td>Yoshida Shigeru</td>
</tr>
<tr>
<td>1954</td>
<td>Hatoyama Ichiro</td>
</tr>
<tr>
<td>1956</td>
<td>Ishibashi Tanzan</td>
</tr>
<tr>
<td>1957</td>
<td>Kishi Nobusuke</td>
</tr>
<tr>
<td>1960</td>
<td>Ikeda Hayato</td>
</tr>
<tr>
<td>1964</td>
<td>Sato Eisaku</td>
</tr>
<tr>
<td>1972</td>
<td>Tanaka Kakue</td>
</tr>
<tr>
<td>1974</td>
<td>Miki Takeo</td>
</tr>
<tr>
<td>1976</td>
<td>Fukuda Takeo</td>
</tr>
<tr>
<td>1978</td>
<td>Ohira Masayoshi</td>
</tr>
<tr>
<td>1980</td>
<td>Suzuki Zengo</td>
</tr>
<tr>
<td>1982</td>
<td>Nakasone Yasuhiro</td>
</tr>
<tr>
<td>1987</td>
<td>Takeshita Noburu</td>
</tr>
<tr>
<td>1989</td>
<td>Uno Sosuke</td>
</tr>
<tr>
<td>1989</td>
<td>Kaifu Toshiki</td>
</tr>
<tr>
<td>1991</td>
<td>Miyazawa Kiichi</td>
</tr>
<tr>
<td>1993</td>
<td>Hosokawa Morohiro</td>
</tr>
<tr>
<td>1994</td>
<td>Hata Tsutomu</td>
</tr>
<tr>
<td>1994</td>
<td>Murayama Tomiichi</td>
</tr>
<tr>
<td>1996</td>
<td>Hashimoto Ryutaro</td>
</tr>
<tr>
<td>1998</td>
<td>Obuchi Keizo</td>
</tr>
<tr>
<td>2000</td>
<td>Mori Yoshiro</td>
</tr>
<tr>
<td>2001</td>
<td>Koizumi Junichiro</td>
</tr>
<tr>
<td>2006</td>
<td>Abe Shinzo</td>
</tr>
</tbody>
</table>
All but four of them lasted two years or less. That was the length of two terms as LDP president. Given the importance of the factional balance of power, it quickly became the norm that a prime minister did not seek reelection to the party post. Some were forced to resign even sooner because they lost the support of a key factional leader or leaders.

The LDP’s leaders were also weak because of the way it was structured at the all important level of its Diet members. Critical in that respect was its Policy Affairs Research Council (PARC). Like all other LDP bodies, its members were chosen by factional leaders on the basis of seniority.

But that is not where its power lay. On a practical level, it often had more control over the final shape of legislation than either the cabinet or the bureaucracy. What matters here is that party statutes required that the PARC approve proposed bills before the cabinet could even submit them to the Diet, giving it a de facto veto power over legislation.

Although most of its members rotated from sub-committee to sub-committee, enough stayed on one of them long enough that it became the internal LDP body that developed both substantive expertise and decision-making power. In keeping with what we have already seen about the factions and the koenkai, PARC members first and foremost represented the interests of the groups that supported them.

It was in the PARC that the zoku giin (literally policy tribes) wielded the most influence. Some member of these informal organizations joined out of personal commitment, while others did because of who supported them. Whatever the case, zoku members used the PARC and less influential bodies to line up support for legislation if and when it got to the Diet. Frankly, the prime minister and cabinet had little or no expertise or leverage to successfully defy them. One not so trivial example of the PARC’s power is that the LDP did not have anything like the system of party whips we saw most prominently in the United Kingdom. It didn’t need whips. The PARC did what would have been their work.

Like everything else, LDP leadership has been changing since its first defeat in 1993 and the adoption of the new electoral system. As we have seen time and again, the forces that kept the LDP in power were already eroding. The LDP did soon regain its working majority. However, it then had three less than successful prime ministers. Hashimoto had to resign when it looked as if he would become embroiled in a damaging scandal. He was replaced by the reasonably effective Obuchi who, unfortunately, died in office. While he was literally at his death bed, the LDP leaders chose Mori, who was forced to resign after a mere four months in office.

At that point, the LDP had little choice but to open up the process for choosing a new party leader. While those procedures are still somewhat in flux, the party has given local organizations and individual members more of a say and curbed the influence of Diet members and, hence, the factions as well.

That allowed Koizumi to surprisingly become party leader and prime minister. Koizumi had run for the position before but never got anywhere because he was not a factional leader. In 2001, he was able to ride dissatisfaction with the LDP leadership and use the new procedures to win 87 per cent of the prefectural party members’ votes, which made his candidacy unstoppable.
Koizumi forever changed the nature of the prime ministry (see the Profile Box on him below) and gave hints of what the prime ministry could be like. He started off by appointing members to the cabinet irrespective of factional alignments. He endorsed the kinds of policies no LDP leader had ever supported before, including the adoption of more market-driven economic policies. He defied tradition by publicly visiting shrines honoring Japanese war dead and argued for a more assertive foreign policy, including sending troops to assist the American-led efforts in Afghanistan and Iraq. He is perhaps best remembered for his punishment of LDP incumbents in the 2005 election because they opposed his plans to privatize parts of the Post Office. That may not seem like a major issue, but as we will see in the public policy section, the postal savings system was a major source of both investment funds and LDP support.

Since Koizumi voluntarily left office, Japan has had more traditional prime ministers under both the LDP and the DPJ. However, their personal views and personalities are now far more important than they were before 1993. We are not likely to see another politician with Koizumi’s flair or hints of charisma until after the 2013 election. But it seems all but certain that pathways to power will gradually make individual leaders—even those without Koizumi’s supposed assets—more powerful and continue to weaken the LDP machine.

**Profile**

**Koizumi Junichiro**

Koizumi Junichiro was by far the most unusual prime minister the LDP has produced. He is probably best known for his quirky personal style which included doing Elvis Presley imitations, singing in Karaoke bars, and wearing his hair long (at least for an LDP politician).

Koizumi was in office for almost five years, which was a long time for an LDP prime minister. Moreover, he left office on his own terms when his popularity was nearly at an all-time high. For our purposes, it is most important to see how he seemed to come from nowhere, outside of the factional dynamics described in the text. That was only partially his doing. He succeeded in large part because the LDP establishment was already discredited. To be sure, his own personal skills were critical to his selection. But without the disintegrating LDP machine, he probably would not have fared any better than he did in his earlier attempts.

Koizumi was probably more like an American conservative Republican than any of his LDP counterparts. More than any other Japanese politician, he supported market principles and deregulation. And like American politicians of all ideological stripes, he rode a personality that some thought was at least vaguely charismatic to the prime ministry.

In the end, it is not clear what his legacy will be because he failed to see most of his reforms implement. Those that were often fell short of his ambitious goals.

**The Other Parties**

Modern democratic theory assumes that a country has a multi-party system and competitive elections in which two or more parties could reasonably hope to win. Post-war Japan met the first criterion. It always had several parties. It fell short on the second since the opposition had
next to no chance of winning until 1993. Although the LDP has now lost twice, it is hard to argue that the erstwhile opposition has yet to become a viable, long-term alternative to it.

The Democratic Party of Japan

The DPJ took the first step toward becoming that kind when it finally unseated the LDP in 2009. Sixteen years earlier, the LDP lost to a diverse coalition that quickly proved it could not govern itself or to turn frustration with the LDP into a lasting challenge to the 1955 System.

The DPJ is by no means a new phenomenon. Its pre-history is complicated, but a new party would not have come into existence were it not for the LDP’s internal problems during the 1980s and 1990s. At the time, a number of politicians quit to form new parties. All were small. Although they were part of the coalition that defeated the LDP in 1993, none was large enough to win power and govern on its own. Needless to say, none had a credible proposal for restarting the economy.

By the time the LDP returned to power three years later, most of those small parties were either dead or dying. In 1998, four of them (their names are historical footnotes and are confusing enough to omit here) merged to form the DPJ.

That the DPJ was not really new is clear from its first leaders, including the Hatoyama brothers. Both had started in the LDP and were the grandson of Hatoyama Ichiro who was purged after the war, readmitted to political life, and led the campaign against the demilitarization of Japan. However, many of the DPJ’s founders were vaguely left of center, including one of the disappearing socialist factions.

Its reformist image did not last long. One of its first stars, future Prime Minister Kan Naoto, burst onto the scene by helping lead an inquiry into the LDP cover-up of the use of HIV-tainted blood. But Kan soon seemed a lot like an LDP politician after he admitted that he had not paid legally-required pension contributions and having had an extramarital affair. That the DPJ would not be all that different became clear in 2003 when Ozawa Ichiro (1942-) joined. He was a well-known hereditary politician and had been quite close to the LDP kingmaker, Kanemaru Shin, who admitted to taking bribes and accumulating other illegal contributions that may have been worth more than $50 million.

Many observers think the DPJ should have won in 2005. However, as we have seen, Koizumi and the LDP somehow managed to position themselves as the leading advocates of reform. Two years later, the DPJ did win the most seats in the upper house. In 2009, it finally won control of the country. Hatoyama, the DPJ, and its allies ran on a populist platform that stressed the need for economic reform, entrepreneurship, and greater social equality. The appointment of Hatoyama and Kan sapped the new party of much of its reformist zeal and will probably do so as long as Ozawa and his allies are near the heart of its leadership.

There is some hope that things will change under Noda who had never been in the LDP. However, a now familiar downturn began soon after Noda took office. He enjoyed a brief honeymoon, as did most of his predecessors. However, his popularity and that of his government quickly started to plummet. According to one poll, both fell by ten per cent in his first full month in office alone. A bare majority approved of the way the prime minister was handling his job. More than a quarter disapproved of the government’s performance, especially its plans for post-
tsunami reconstruction. And perhaps most telling of all, only a little more than a quarter of the voters said they would vote for the DPJ in the next elections, which must be held by 2013.

The difficulties facing the DPJ are easiest to see today in what might seem like a trivial issue. In October 2011, the Diet began a 51-day session to deal with the government’s proposal to fund tsunami reconstruction. The government proposed doing so by raising the tobacco tax which will be no mean feat. There is less social stigma attached to smoking in Japan than in the other industrialized democracies—Noda himself smokes two packs a day. What’s more, the state still owns half of Japan Tobacco, which is the world’s third largest producer of cigarettes. Last but by no means least, the DPJ does not have a majority in the upper house, which means that it will need votes from the LDP which enjoys the support of almost all of the more than 10,000 tobacco farmers. In all likelihood, the tobacco tax and privatization of Japan Tobacco will die in the upper house and the government will have to take the even more unpopular step of increasing the income tax and seeing its popularity drop further.

How it fares in the next election is very much up in the air. Nonetheless, it is strong enough that it should come in at worst a strong second and provide Japan with a competitive two-plus party system for years to come.

There is one note of caution here. Like the LDP, the DPJ is composed of factions, some of which are more ideological than those in the erstwhile dominant party. Some of its leaders, like incumbent Prime Minister Noda, are cut from a reformist cloth. While it does seem to be more entrepreneurial than the LDP and has talked about ending the practice of amakudari as a first step toward dismantling the iron triangle (see the section on the state), the DPJ has actually changed surprisingly little so far given the size of its majority in the lower house of the Diet.

Profile

Noda Yoshihiko

All chapters have a profile box on the life and career of the current leader. We might have been able to skip one for Japan where the average tenure of prime ministers over the last decade has been less than a year. In other words, the odds are good that Noda will be out of office by the time you read these words! Still, in many ways, Noda is emblematic of the uncertainty paralyzing Japan, and as such, he is worth including here.

Noda is an unusual politician. For example, he lacks family political connections. His father was in the military and was apparently too poor to pay for his son’s wedding reception. He also has no personal ties with the LDP, having been elected to the Diet for the first time in 1993, representing one of the new parties that later merged to form the DPJ. He was named Finance Minister in 2010 and introduced plans to cut spending and Japan’s deficit before they were derailed by the tsunami and his subsequent selection as prime minister.

He was in the first class to attend the Matsushita Institute of Government and Management (http://www.mskj.or.jp/english/index_e.html), which was created in 1979 by the founder of Panasonic. It is an unusual school that combines meditation, training with the Self-Defense Forces, and traditional management courses. It was designed to train a new generation of creative leaders in a country which has sorely lacked them. About half of its graduates are in politics, and
some observers think that it could be a main source of the elite should the amakudari-based system disappear.

He is also the third youngest prime minister in post-war history and is almost one of the poorest. When he lost his bid for re-election in 1996 he temporarily was out of work. When he gained a position within the new DPJ, he joked, "It's nice to buy your kids new pants and shoes when they grow out of their old ones. But without a job, it was difficult for me to do that." He won his first seat in the Chiba prefectural assembly after giving a thirteen-hour speech in front of a train station.

In his spare time, he watches wrestling and earned a black belt in judo.

The Traditional Opposition

Despite the political tidal wave of 2009, what might be called the traditional opposition is in disarray. That is especially true of the left.

Chief among the traditional opposition is the DSP (Democratic Socialist Party of Japan) which is the most recent version of the socialist party. It has changed its name several times as a result of its many schisms and mergers and is most frequently referred simply as the socialists.

It is hard to believe that it was considered a major threat to what became the LDP little more than a half century ago. The Japan Socialist Party was formed in 1945 and briefly held power under the Occupation. After a split, it was strengthened in 1955 when the two wings of the socialist movement reunited in hopes of recapturing control of the government. The Socialists’ electoral fortunes peaked in the lower house election of 1958, when they captured 166 of 467 seats with 32.9 percent of the popular vote. Afterward, their popularity steadily declined. By 2003, it was down to 5 percent of the vote and only six seats. It did even worse in 2009 when it ran as part of the DPJ coalition, winning but four per cent of the vote and seven seats.

The reasons for the Socialists’ declining popularity are easy to see. In particular, factionalism (in this case along ideological lines) resulted in numerous splits, which made it impossible for the various socialist parties to broaden their electoral base beyond organized labor. As we will see toward the end of this section, the union movement also peaked in the late 1950 and has not emerged again with a credible alternative to LDP and big business economic policy. Socialists have always been torn, too, by their message, which has often been little more than a rejection of the United States–Japan Security Treaty (see the public policy section), a topic that has not been a divisive issue in the country as a whole for years.

During the 1950s the Socialist Party followed the suit of its European counterparts and moderated its appeal, but it never again was competitive at the national level. For all practical purposes, we can argue that Japan no longer has a functioning non-communist left.

Also on the left is the somewhat larger Japan Communist Party (JCP—www.jcp.or.jp/english). The party was formed after the Russian Revolution, but government repression before World War II and the American purges afterward kept it from gaining a foothold beyond the most militant wing of the working class until the 1960s. At that time, it was able to build on its small core of supporters by being one of the first communist parties in the world to devise its own strategy which was different from that of the Soviet Union.
The JCP peaked in the 1970s, when several of its more populist leaders raised questions about further economic growth and appealed to citizens who were increasingly wary of the environmental risks that followed in industrialization’s wake. Since the 1980s, the JCP has moderated even further and briefly benefited from the decline of the social democrats.

Nonetheless, its electoral fortunes have stagnated. In the last generation, it has also suffered from the sharply declining global support for Marxist parties that began even before the end of the Cold War. It has won about 7 percent of the vote in the last three parliamentary elections but only nine seats in each of them.

The final not-so-major party that has been in opposition most of the time is Komeito, or the Clean Government Party (www.komei.or.jp/en). It is the only one not to have roots in the prewar party system. Komeito was founded in 1964 as an arm of the Buddhist Soka Gakkai sect. Soka Gakkai appeals to those segments of the urban population that have benefited the least from Japan’s remarkable economic growth, much like the politicized evangelical churches in the United States.

By the end of the 1960s, nearly 10 percent of the adult population belonged to Soka Gakkai. Unlike other Japanese religious movements, it has always actively proselytized and has never shied away from political involvement.

At first, Komeito took populist and progressive stands not terribly different from the Socialists’ on most issues. It staked out its own turf by claiming that it wanted to clean up politics and defend the interests of the common people. Its spiritual roots make it much like the Quakers (Society of Friends), Mennonites, Brethren, and other “peace churches.” Generally speaking, it supports a people-centered government that stresses humanitarianism and respect for others. It tends to be conservative on economic issues but is also the strongest advocate for transparency in government among the major parties.

Komeito was able to build on the support for its spirituality to become Japan’s third largest party, capturing 8 to 11 percent of the vote in every election after 1967. But Komeito leaders realized early on that the party’s identification with Soka Gakkai limited its popular appeal. It therefore broke all formal ties with the sect. Nonetheless, most of its campaign workers, candidates, and funds still come from Soka Gakkai, and the party has always suffered from the perception that it is the sect’s political wing.

Komeito support has been remarkably consistent, normally hovering around 10 percent. In 1996 it joined the opposition coalition and almost disappeared as an independent entity. It merged with a number of other peace-oriented movements in 1998 as the New Komeito Party. It now is closer to the LDP than the DJP.

**Conflict**

**In Japan**

Political scientists have not been able to agree on a single way of measuring the impact of political conflict comparatively. That said, it is safe to say that there has been little radical protest in Japan during the past half-century, and its absence has to be due, in part, to the groupism of its culture.
However, do not read this as meaning that there have been no protest movements. Japan was home to one of the longest and most bitter environmental movements of our times against the Narita airport outside of Tokyo and has even spawned one of the most notorious terrorist organizations of the 1970s, the Red Army Faction.

**Minor, Minor Parties**

As the last few paragraphs have suggested, other than the LDP and DPJ Japan’s party system is fragmented to the point that most organizations are barely worth mentioning. Many new parties have been formed since the early 1990s, most of which have disappeared. In 2009, two parties whose names were a variation of the Japanese for “new party” combined for 2.5 percent of the vote. Your Party, the Essential Party, The Freeway Club Party, the Forest Sea Party, and last but by no means least, the Smile Japan Party won a total of just five seats. All can therefore be ignored.

**A Peculiar Electoral System**

Factionalism and money politics can take us a long way toward understanding the LDP’s dominance. However, those factors alone are not enough. To some degree, the peculiar electoral system used through the 1993 election was also needed to ensure the string of LDP victories. Since the LDP lost for the first time under that system, it clearly was not enough to assure what seemed like its permanent position in first place.

The Japanese constitution is like most others in not specifying how elections are to be conducted. After the first post-war election, using an even more unusual procedure, Japan turned to a multi-member district with single non-transferable voting (MMD/SNTV) that all but made something like money politics and factionalism inevitable.

In 1990 the country was divided into 130 constituencies. Each elected between two and five members of the House of Representatives (hence multi-member district), and a voter could only cast a ballot for one candidate (hence single non-transferable vote). Parties were allowed to nominate as many candidates as there were seats up for election in any district.

To have a chance of winning control of the all-important lower house of the Diet, a party has to win an average of two seats or more per constituency. In other words, a party that aspired to national power (which, of course, was only the LDP) not only had to get out the vote like any party anywhere but also make certain that enough people voted for each of the candidates who could conceivably get elected. If it ran too few candidates, winners would get too many votes and could deprive the party of a seat or two. Worse yet, if it ran too many candidates or couldn’t know in advance who would vote for whom, it might get fewer seats than its proportion of the vote could or should have yielded.

To ensure that the votes went to the right candidates, the parties had to be very well organized so they could anticipate both the total number of votes they could win in each district and how they would be distributed among the candidates. Therefore, if the LDP expected to win a bit more than half the vote in a four-member district, it would not run four candidates because they might split that vote evenly, meaning that none of them would be elected. Even after it
decided how many candidates to run, the LDP’s calculations still were not finished. It had to make certain that each of them received the “right” proportion of the vote.

Campaigns were therefore locally-based and expensive. The *koenkai* were particularly useful because they could organize the vote, albeit at tremendous cost in money and other favors. The factions recruited candidates and supporters primarily because of the money they could bring in and their organizing skills. The national organization had little to say about who ran or who won.

The system served the LDP well. Although the opposition parties collectively won nearly 54 percent of the popular vote in the 1990 election, for example, they won only 44 percent of the seats as a result of gerrymandering that overrepresented rural, LDP-leaning areas and competition in the multimember constituencies. In other words, the LDP, with 46 percent of the popular vote, nevertheless controlled 56 percent of the seats in the lower house. Then, the LDP’s tight party discipline guaranteed that its important bills would pass.

Starting with the 1996 election, Japan shifted to an electoral system patterned on Germany’s. The House of Representatives now has 300 members chosen in single-member districts and 180 more (originally 200) elected by proportional representation. LDP candidates no longer run against each other for more than sixty percent of the seats. Other changes in the law have made direct contributions to the parties the only legal way to give money in election campaigns. In short, both the factions and *koenkai* have seen their role reduced in recruiting and funding candidates. Campaigns are also more national in scope, ideological in nature, and to some degree more focused on the candidates for prime minister. Also, given the strengths of the LDP’s local organizations, it tends to do better in the single-member districts although most observers expect that lead to erode over time.

The *koenkai* and factions still matter. In Japan as in other countries, political institutions rarely simply disappear. The candidate’s personality is more important than ever, which leaves a role for the *koenkai*. Also, candidates can run for both constituency and PR seats and can be elected to the latter despite losing at the district level, so factions still count because they control the all-important positions on the proportional lists. Unlike Germany where the PR tier is used to give each party its share of the overall vote, winners and losers in the two parts of the elections are determined separately. This served to artificially increase the LDP’s Diet delegation from 1996 until 2009. It is probably too early to tell if the electoral system will help produce truly competitive races in the long run because the new rules have only been used five times and always under unusual circumstances.

For now at least, elections are likely to produce either an LDP or DPJ-led government. Given the uncertainties affecting Japanese politics, most are likely to yield some kind of coalition because neither party can assume that it will consistently win a majority of the seats.

**Interest Groups**

Japan has the same range of interest groups one finds in most industrialized democracies. Some groups that are relatively weak elsewhere have been major cogs in the LDP machine, including doctors and postmasters, who we will encounter in the public policy section. Here, it is enough to use three of them to emphasize two of the trends that have preoccupied us so far in this chapter—the domination of the LDP-business alliance and the legacy of a group-centered culture.
Keidanren

Keidanren (Japanese Business Federation) is the most influential business association in Japan (www.keidanren.or.jp/english/profile/pro001.html). It is much bigger than the Japanese Chambers of Commerce and Industry and the Japan Committee for Economic Development. It is dominated by the largest firms and is therefore seen as both more authoritative and more conservative than the other two trade associations. Its leaders are either CEOs or Chairs of the Board of such well-known firms as Sumitomo, Mitsubishi, Toyota, and the Tokyo Electrical Power Company, which owns and runs the Fukushima Daiichi complex. As of June 2011, it had about 1,500 members, almost all of which were businesses or trade associations.

As such, Keidanren supports policies that would stimulate economic growth and is best known for efforts on behalf of business interests writ large. Their ties often include shared backgrounds such as careers in the civil service, meaning that they have the ear of both conservative politicians and civil servants. Because of its close ties to both the LDP and DPJ, Keidanren has not openly tried to exert its influence all that often. It has not had to.

Trade Unions

The history of trade unions in Japan is a mixed one. Only company-sponsored unions were tolerated before World War II. Following the war, SCAP encouraged new ones which were quite militant. After an initial flurry of activism, Cold War pressures led the authorities to limit their power, if not their formal rights. Nonetheless, they were strong enough to make the left a credible alternative to conservative hegemony. However, as we have seen for the left as a whole, a combination of shrewd LDP moves and mistakes by the unions turned them into a shadow of their former selves no later than the 1970s.

The unions seemed to devote more of their energy to debating national security than to the material interests of their rank and file members. The LDP and their business allies worked on two complementary fronts. First, to meet their deeply desired goals of destroying the challenge from the left, they had to undermine its bases of support. As a result, as we will again see in the policy section, their policies led to one of the most equal distributions of income in the industrialized world. Second, in another attempt to undercut the unions, businesses fostered the development of “second” unions organized within a single company which were often created by management and invariably more amenable to cooperating with it. The two trends had a further joint impact, dividing the more militant public sector and more docile private sector unions.

The union movement tried to rebuild in the 1980s and 1990s when most of the major union federations in both the public and private sector merged to form RENGO, which is quite weak despite its claim of six million members (http://www.jtuc-rengo.org/about/index.html). RENGO has three constituent units. First are the unions organized at the enterprise level, which do most of the actual negotiating on contracts. Second, industrial federations coordinate the work and share information among the company-based units. Finally, RENGO has one unique component. Its 47 local RENGOs (one per prefecture) try to organize working people on a geographical basis and are, to some degree, an outgrowth of the shimin groups to be discussed next.
The unions concentrate on what it called the “spring struggle.” Japan’s fiscal year begins in April, which is also when big companies do the bulk of their hiring. During the boom, the campaign focused on raising wages as much as possible. Over the last twenty years, the emphasis has obviously shifted to broader issues related to employment, including reducing the number of people who are out of work or hold part-time and temporary positions. Frankly, since the collapse of the bubble economy, the annual campaign might have been exciting to watch, but has not been terribly productive.

Shimin
The most distinctive kind of interest group in Japan are the so-called shimin or citizens groups that started as left-wing protest movements with a groupist flair in the 1950s and gradually evolved into problem-solving, locally oriented, and cooperative bodies before they began to die out in the 1980s.

There is no simple translation of the term into English. Western scholars usually call them “citizens groups” to convey the image of civil society. The ambiguity partially revolves around the word “citizen” in English, which is derived from people who lived in cities and has equivalent terms such as bourgeois. In all of its western manifestations, the term starts out with the individual as its focus. Whatever the best translation, shimin introduced everything from opposition to a consumption-oriented society to nuclear power to the inability of people to affect decisions in their cities or prefectures.

In Japan, it almost always comes with a group context as implied in the title of the most recent book, Making Japanese Citizens. We emphasized “making” in the previous sentence because it was a collective effort not by the state but through groups and not primarily the result of individual endeavor.

THE JAPANESE STATE: THE IRON TRIANGLE
No county covered in Comparative Politics better illustrates the fact that there can be quite a difference between what a constitution authorizes and what actually happens, even in an established democracy.

On paper, Japan has a standard parliamentary system. The emperor is a figurehead. The cabinet is chosen by and is responsible to the House of Representatives. As long as its majority holds firm, the government can expect its core legislative proposals to be passed quickly and virtually intact. There are very few ways in which the institutional arrangements laid out in it differ from the norm. The House of Councillors does have a bit more power than most other upper houses, but such examples are few and far between. Therefore, we can give relatively short shrift to the formal state institutions.

We cannot do so for the institutions and practices that fall between the constitutional cracks, which will be at the heart of our analysis for the rest of this chapter. As we dig more deeply, we come intellectually face to face with the unwritten provisions that made the Japanese state so successful and brought it “back down to earth.”

---

Before going any further, we should dispel the myth that Japan has a strong state because it has a big state. In fact, the Japanese state is quite small. It spends a smaller proportion of total GNP on domestic programs than any other liberal democracy, including the United States. Its tax rate is also low in comparative terms. The government employs only about 4.5 percent of the total workforce, compared with more than 10 percent in most other liberal democracies.

**Constitutional Basics**

Like the German Basic Law, the Japanese constitution was imposed by the victorious allies.

On paper, it is one of the most democratic in the world (www.solon.org/Constitutions/Japan/English/english-Constitution.html). For example, it guarantees citizens a wide array of political and personal rights, including equality before the law; the right to vote and to petition the authorities; freedoms of thought, religion, assembly, association, speech, and press; equal education; “minimum standards of wholesome and cultured living;” the right to a job; and legal equality between the sexes.

The constitution also has one novel feature—Article 9, known as the Peace Clause—in which Japan “forever” renounced war and “the threat or use of force” in settling disputes with other nations. It commits Japan to refrain from establishing “land, sea, and air forces, as well as other war potential.” Many conservatives tried to modify or abolish Article 9 just before and after sovereignty was restored. Since then, it has become one of the most popular constitutional provisions, even though the military is much larger than observers at the time expected or wanted it to be.

Japan’s constitution is all but impossible to amend, which helps explain why Article 9 and everything else has remained intact. Any amendment has two be approved by two-thirds of the members of each house of the Diet before it can be sent out for a popular referendum. A commission on constitutional reform was established in 2005 and has solicited hundreds of ideas for reform. None have gotten anywhere despite the DPJ’s rhetorical support for revision. In fact, recent polls suggest that only the slimmest majority of voters endorse any constitutional change.

In sum, the constitution lays out a standard parliamentary system that is centered on a bicameral parliament—a lower House of Representatives and an upper, but far less powerful, House of Councillors (www.sangiin.go.jp) to replace the old House of Peers which was chosen from the nobility. Only the lower house participates in choosing the government, and only it can vote it out of office (See Figure 18.1). As in most other parliamentary systems, the prime minister is the chief executive and is responsible to the lower house. He (there has not yet been a female prime minister and will not likely be one in the foreseeable future) loses his job if the Diet passes a motion of no confidence. He, as well as his cabinet ministers, now must appear before parliament to answer questions about policy on a regular basis.
The Diet is more than a rubber stamp. Even when the LDP was at its strongest, rank and file members sometimes exercised a de facto veto over legislation albeit through the PARC rather than formal House committees.

Koizumi’s government did produce a number of reforms that enable the cabinet to blunt these kinds of obstructionist tools. The government can submit legislation without getting the prior approval of party organizations like the PARC, although the need for that alternative disappeared when the LDP lost its majority. Planning bodies independent of the Representatives were created. Each minister now makes more political appointments, which should help them vis-à-vis the bureaucracy in addition to the back-benchers.

The 242 members of the House of Councillors has no control over who is in the government, but it probably is more powerful than most other upper houses. The Councillors have to approve all legislation. If they vote down a bill that has passed the House of Representatives, it only becomes law if two thirds of the members of the lower house later
approve it. However, the upper house can only delay passage of treaties and the budget and the naming of a new prime minister.

It also has an independent base of support, because it cannot be dissolved by the prime minister and has regular elections every three years in which half of its members are chosen. Its greatest impact has occurred when the two houses have majorities from different parties or coalitions, which could prove to be the case more and more often given what we saw in the material on political parties.

The 1955 System

As with so much of Japanese politics, the 1955 System was anchored in the unwritten and informal practices noted above, two of which stand out.

The first is the way the prime minister is chosen for LDP governments, some of which we have already seen. The LDP changed its selection procedures over the years to give at least the appearance of being more democratic. In fact, party elders (i.e., faction leaders) almost always made the choice behind closed doors.

The balance of power among them at a given moment determined who became leader of the party and government. In one form or another, that is the case in most parliamentary systems. What makes Japan different is the fact that LDP rules required party presidential elections every two years. It was rare that any individual was allowed to hold that post for more than two two-year terms. Few survived even that long. In short, the party’s informal practices contributed to rapid turnover at the top, which made the shifting strength and preferences of factional leaders all the more important. Individual prime ministers in Japan rarely leave a lasting mark on their country.

Factional size is also important because another unwritten rule allotted cabinet positions largely along proportional lines so that virtually all were represented and could have a tremendous impact on what happened. The strength of factional leaders was also enhanced by the fact cabinet ministers rarely spent more than a year in one job, which meant that there was little opportunity to develop the substantive skills we see in long-term incumbents in other countries.

Profile

Tanaka Kakuei

Tanaka Kakuei was the most notorious prime minister in postwar Japan. He was also one of the most unusual.

Unlike many of his fellow LDP leaders, Tanaka was not born to privilege. He was one of seven children of a man who failed at business. Tanaka started a career as a draftsman before World War II, was wounded, and took over his wife’s family’s construction business during the war.

He was first elected to the Diet in 1947 where he became a protégé of Yoshida Shigeru who soon named him the youngest Vice Minister of Justice in history. In 1949, he was arrested and jailed for taking bribes but was soon able to resume his business and political careers. He
rose through the LDP ranks, becoming prime minister in 1972, the first person in that office who had not started his career as a bureaucrat.

Tanaka was always dogged by allegations that he used his political connections to benefit his booming construction business. Among other things, they led to his resignation from the prime ministry in 1974. He retained his seat in the Diet and was the LDP’s power behind the throne for the next decade despite his 1983 conviction on corruption charges.

In the mid-1980s, his political power based in the faction that bore his name collapsed. He kept appealing his conviction and avoided jail until he died of diabetes in 1993.

There have been some changes in this system since Koizumi became LDP leader in 2001. That year, the party adopted a mixed system in which elections akin to American primaries would occur before the senior MPs made the final decision.

The second, more important and even more informal part of the LDP’s political machine is what we have loosely called the iron triangle. Political scientists first used the term to describe the close links tying together lobbyists, congressional committee staffs, and mid-level civil servants in the United States. The term is now also used to describe similar connections most notably in France (see Chapter 5) and Japan that are far more influential and, critics argue, far more insidious.

American critics claim that their iron triangles are elitist and freeze most people and interest groups out of specialized legislation on, say, housing or agriculture. If there is any truth to such arguments, they are magnified for France and Japan where these integrated elites have helped shape the most important and sweeping public policy initiative.

In both countries, we have to start with the bureaucracy in order to understand how the iron triangle works. As is the case in most parliamentary systems, senior civil servants are held in high esteem. Their expertise and experience are needed in drafting legislation and regulations, especially because they have technical skills that most politicians lack. However, it is only in France and Japan that the bureaucracy has been a critical stepping stone to political power in the broadest sense of the term. At times, it has been the stepping stone.
To understand why that is the case, it is easiest to start with the history and organization of the key ministries and their employees.

Bureaucrats have long held senior policy making positions, going back to the first days of the Meiji restoration. As was the case in Germany which also relied heavily on civil servants, they bore a good bit of the responsibility for the authoritarianism, racism, and imperialism of the 1930s.

Not surprisingly, the occupation wanted to make a clean break with the past. As we saw above, the adoption of the reverse course nixed most of those plans.

Even before then, SCAP had decided to retain most of the pre-war and wartime bureaucrats, largely because there were so few Americans who spoke Japanese or knew much about the country’s history and culture who could do their jobs. That continuity kept the government working smoothly during those difficult times, but it also had the unintended consequence of making bureaucratic power even more deeply entrenched. The Americans reinforced bureaucratic strength when they purged Hatoyama Ichiro and turned instead to a civil servant, Yoshida Shigeru, and cemented the link between upper-level bureaucrats and conservative politicians. As a result, in comparison with the badly fragmented party system in the Diet before the LDP was created, the bureaucracy remained better organized and more powerful.

Until the reforms introduced by the Koizumi government, each of the dozen or so cabinet members (the exact number varied) could only name one other politician who served as vice minister. The rest of the people were civil servants, led by an administrative vice minister who
had day-to-day control and power that was also enhanced by the high turnover rate of cabinet ministers and vice ministers.

Even with the increased number of political appointees in each ministry, the bureaucracy is still extremely powerful. About 90 percent of all legislation originates there and does little more than outline basic principles. Details of the legislation are written later by the bureaucrats, giving them an impact rarely enjoyed by their counterparts in other countries.

Because the public held bureaucrats in high regard, the ministries were able to recruit the top graduates of Japan’s best universities. Unlike the United States, joining the civil service is as prestigious a job as any a young graduate can get. Entry is based on highly competitive exams, with over fifty applicants vying for every opening. There was virtually no lateral or mid-career entry into the senior civil service, which meant no fresh blood was added after this initial round of recruitment.

Because few ministers stay in their jobs for more than a year, the civil servants rather than the politicians knew the most about their policy area and exercised day-to-day power in each department. Typically, the administrative vice minister (the top civil servant) has between twenty-five and thirty years of service, all of it in the same ministry.

The ministries have unusually wide ranging responsibilities and clear lines of authority. That has led to a practice known as “administrative guidance” in which they led the private sector as well as the government in desired directions. Fully 80 percent of the top civil servants surveyed in one study readily acknowledged that they—and not the elected politicians—were primarily in charge of solving the country’s problems. In no other country did the figure reach 25 percent.

Three ministries deserve attention here.

The most famous of them was the Ministry of International Trade and Industry (MITI) (www.mti.go.jp/english/index.html). It was renamed the Ministry of Economy, Trade, and Industry in 2000, but we will continue to use the older but more familiar acronym because that was its name at the peak of its influence. MITI was responsible for virtually all micro-economic policy, including foreign trade, resource management, the development of new technology, and much of commerce. In the United States, these responsibilities are scattered among many departments and agencies, and many are not even part of the government at all. As Clyde Prestowitz put it, “A hypothetical U.S. version of MITI would include the departments of Commerce and Energy, the Office of the U.S. Trade Representative, the Export-Import Bank, the Small Business Administration, the National Science Foundation, the Overseas Private Investment Corporation, the Environmental Protection Agency, and parts of the departments of Defense and Justice.”

No other capitalist democracy has ever had a single unit with so much leverage over the economy as a whole.

As befits the term “administrative guidance,” MITI did not wield power by controlling which firms got (or didn’t get) vast sums of government money. Rather, the bureaucrats tried to provide “guidance” to help companies make the “right” decisions—in other words, the ones they favored. Among other things, that included helping form cartels that would essentially parcel up

---

domestic and international markets among “member” firms. It could also issue licenses, a power it used to keep foreign access to the Japanese market to a minimum.

The Ministry of Finance (MOF) has equally far-reaching control over the treasury and macro-economic policy. In other words, it was the most important factor in determining which taxes to impose and how much companies and individuals would pay. Among other things, MOF gave companies tax breaks that allowed them to provide extensive housing, health care, and related benefits to their employees, which helped destroy union power and wedded many workers to a single firm for their entire careers. It also controlled the Fiscal Investment and Loan Program, which used post office savings to fund investments in companies it targeted that often exceeded the government’s general accounts budget in size.

Finally, we cannot ignore the Ministry of Posts and Telecommunications (MPT) before it was broken up and privatized early in this century. The ministry did more than deliver the mail and regulate the telecommunications industry; it also managed the country’s largest saving bank that regularly ran a huge surplus. MOF and, to a lesser extent MITI, used those funds to support companies whose business plans and markets coincided with the growth-first priorities of the government and civil servants.

The bureaucrats never had anything approaching dictatorial power. The various ministries disagreed with each other. Occasionally, the LDP made concessions in the Diet. At other times, the “guidance” did not produce the desired results, as we will see shortly was the case with the automobile industry. Still, on balance the Japanese bureaucrats were far more powerful policymakers than their counterparts in other industrial democracies, and they are likely to remain so no matter what happens electorally.

The iron triangle existed because of the way bureaucratic careers develop and end. Promotion during the first twenty-five years or so of a civil servant’s career is determined almost exclusively by seniority. Civil servants develop close ties with people who entered the ministry with them as well as retirees and other contacts in the companies they work with. Beginning when they are in their late forties or early fifties, seniority matters less in determining who gets promoted to the small number of top jobs. At about age fifty-five, a final cut is made.

The bureaucrats who don’t make it to the very top retire, but that does not mean that they leave professional life. They engage in what the Japanese call *amakudari* or descent from heaven, which is reminiscent of the French *pantouflage*, and start second careers in either big business or party politics.

Some became leading LDP politicians who used their relationships with former colleagues to streamline the legislative process in ways the civil service wanted. Especially early on when the cost of campaigns was not yet prohibitive, the party put retired civil servants on a fast track in their new careers. Before 1993, former civil servants made up between 20 and 40 percent of the membership in LDP cabinets. In 1972, Tanaka became the first postwar prime minister who had not begun his career in the civil service.

Former civil servants’ political clout has declined in recent years. Most retire too late in life to have the time or money needed to build an effective *koenkai*. The DPJ has criticized *amakudari* and has used fewer former civil servants in its senior ranks. Nonetheless, there are more ex-bureaucrats in elected office in Japan than in any of the other countries covered in *Comparative Politics* other than France.
Even more important in making the triangle truly ironclad are the former civil servants who took jobs at or near the top of most major corporations. The ministries help retiring civil servants find these jobs, and the “old boy” ties are used to build strong but informal links between the remaining bureaucrats and their former colleagues in big business.

Taken as a whole, the iron triangle served to integrate the Japanese elite at least as far as economic policy making was concerned. As we discuss this in the rest of this section, recall the distinction between the government and the state made in the first few chapters of this book. The corporations were rarely officially part of the government. However, they were definitely a key component of the state, because what they did had a tremendous bearing on the decisions that shaped everyone’s lives.

Recall that the Occupation tried to break up the zaibatsu. The American leaders seemed well on the way to their goal until the reverse course changed so many of its priorities. The zaibatsu were allowed to rebuild themselves in slightly different form as keiretsu or industrial groups, many of which are household names around the world. They incorporate vast networks of businesses that share management, resources, and markets. The Sumitomo group, for example, includes a bank, a metallurgical company, and a chemical firm at the top. They, in turn, have links to other firms in construction, trade, real estate, finance, insurance, warehousing, machinery, electronics, forestry, mining, glass, cement, rubber, and more. Although these firms do not do all their business within the Sumitomo group, they raise the bulk of their investment funds, buy most of the materials they need, and sell most of what they make within the conglomerate. In other words, the forty or so large keiretsu concentrate wealth and power together in ways rarely seen elsewhere.

The iron triangle also helped create what amounts to a two-tiered economy (three if you count agriculture, although it is of ever diminishing importance). The large firms, including those in keiretsu, are themselves highly integrated. Their “regular workers” are typically hired for life, enjoy social benefits not offered by the welfare state, and are fiercely loyal to their firms. At most, the conglomerates employ about one-third of the Japanese workforce. But they include the most important firms and the ones that have been most responsible for Japan’s remarkable economic performance since the end of World War II.

The Iron Triangle and Democracy

The iron triangle is also highly controversial.

It has led many scholars and non-academic observers to question how democratic Japan really is. They acknowledge that Japan meets the minimal criteria of a democracy laid out in Chapter 2—personal freedoms, free and competitive elections, the rule of law, and the like. However, they worry about how the iron triangle limits the degree to which average citizens can even hope to hold decision makers accountable, as hinted at in Figure 18.3.

The left side of the chart depicts an important trade off in any political system, democratic or otherwise. More often or not, it seems that as a state gets stronger, it does so at the expense of the influence its citizens can exert and vice versa (this is also Figure 1.2 in the print edition of Comparative Politics; we will add its third component in the next section).
Of any of the established democracies covered in this book, Japan gives us the clearest example of how and why this seems to be the case. From the 1950s well into the 1980s, there is little doubt that the Japanese state was able to direct resources and guide a predominantly capitalist economy through the most remarkable period of growth the world had ever seen up to that point. At the same time, it was also responsible for the corruption and pork barrel politics that have taken some of the luster away from the state’s accomplishments.

The iron triangle is not as strong as it was in its heyday. By 1993 career politicians were already challenging former bureaucrats for power in the LDP, and today the bureaucrats themselves are the subject of heightened criticism. The business elite is probably less homogeneous because the leaders of small companies without bureaucratic experience are gaining more leverage and visibility. Still, all the signs suggest that current and former bureaucrats remain very powerful and may have become even more so at least for now given that they are the one source of continuity at a time when the party system and the economy are in flux.

Whatever happens to it, the ebbs and flows of the iron triangle’s fortunes should not keep us from seeing that it raises one of the most vexing issues in democratic theory today in Japan and beyond: How can we create states that are both effective and are responsive to the interests and wishes of their citizens, especially as we enter a world in which issues are increasingly complicated and interconnected?
The Rest of the State

The rest of the Japanese state does not get much attention from political scientists, because, as in Britain, it is not terribly important. There are courts, local governments, and other institutions we have explored in more depth in other chapters, but Japanese sub-national governments have not amounted to much in policy terms.

Japan has 47 subnational governments, 43 of which are prefectures. They are further subdivided into cities, towns, villages, and other units. Each prefecture has an elected government and a unicameral legislature. Opposition-run prefectures and large cities have helped spark the growth of the opposition and gave rise to community organizations such as the shimin. However, prefectural and local governments have received relatively little attention from outside observers because Japan is a unitary rather than a federal state. On a practical level, that is easiest to see in the fact that subnational units get at least seventy percent of their income from the national government which determines how and to whom they are allocated.

The courts have been a bit more assertive during the slump (http://www.courts.go.jp/english/v). The constitution provides for a fifteen-member supreme court whose members are appointed by the cabinet. On paper, it has full powers of judicial review and also names judges to the lower courts. The constitution also created an unusual way of determining the length of a justice’s term. Article 79 subjects justices to regular referenda or “people’s reviews.” The first is held along with the first election to the House of Representative after the justice is first appointment. A similar election takes place at the first general election each time a justice has served ten years on the bench.

Until 1993, it rarely exercised its right to review the constitutionality of laws and other decisions. As with everything else, the LDP determined who was appointed and ruled out most independent-minded justices for any court. In all, the supreme court only overturned eight statutes on constitutional grounds in its first sixty years of existence in sharp contrast with over 600 such reversals by the Federal Constitutional Court in Germany.

Since the weakening of the LDP and the collapse of the bubble economy, the court has been somewhat more assertive. It has issued rulings that compel national and prefectural governments to conduct environmental impact studies of highway and other public works projects and, more generally, promoted more open and transparent policy making. Not all of its recent rulings have supported progressive causes however. Thus, in 2011, it upheld a series of prefectural and lower level laws that require teachers to stand and sing the national anthem with their students at school assemblies and ceremonies.

PUBLIC POLICY: NO LONGER NUMBER ONE?

It is now time to weave the disparate yet interlocking pieces of this chapter together by considering Japanese public policy. As in any country, there are many kinds of public policy. The focus here will be on the two in which Japan is most distinctive. Economic policy will show us the iron triangle in action as it helped produce but not sustain the Japanese economic miracle. Then we will turn to an area that has received short shrift so far in this chapter--foreign policy--in which the postwar Japanese state has always been weak despite the iron triangle. The two, of course, are not unrelated.
Economic Policy

Unlike the United States where business leaders frequently see the government as an adversary, Japanese elites believe that cooperation between the state and the private sector is the best mechanism to promote economic growth. The product of this cooperation is what has been called centrally managed capitalism or “Japan, Inc.” to its many detractors. Some even deny that it is capitalist at all.

Here, we want to cast Japan in a more neutral light. From this perspective, Japan is definitely capitalist because almost all of the economy is privately owned. What Japan does not have is a neo-liberal state in which market forces determine the key economic outcomes. In the United States and, to a lesser degree in Great Britain, the preference is for government to keep its distance from private enterprise. By contrast, in Japan as in Germany and France, the most important public and private actors collaborate and thus can often work together more effectively and efficiently than Anglo-American theories would predict.

Japan as Number One

Few Japanese agree with Americans who believe that the government that governs least governs best. Instead, Japanese companies worked more with the government to achieve long-term growth and increase a company’s share of the market than do their American and British counterparts, who have to pay more attention to quarterly profit-and-loss statements. That does not mean that Japanese companies ignore the profit motive. Instead, the iron triangle has (or at least had) built-in incentives that allowed them to plan and calculate their earnings and losses over much longer periods of time.

There is nothing new to this. As we saw in the historical section, the Meiji oligarchs joined their German counterparts in using the state to spearhead their attempt to catch up with the already industrialized countries as rapidly as possible. After the tragedy of World War II, Japan turned to a different and somewhat subtler version of state intervention that T. J. Pempel calls embedded mercantilism. Mercantilism is a term international relations experts use to describe foreign policies in which a state tries to promote its national interest economically. In Japan’s case, it was embedded because it was etched so strongly into virtually everything the 1955 System governments did.

The interventionist state was initially used to catch-up with its rivals once again. However, after recovery was assured by the late 1950s or early 1960s, the LDP state acted to reinforce and expand Japan’s position as a global economic power, and analysts took seriously book titles such as Ezra Vogel’s Japan as Number One.

Right after the war, no one dreamed of Japan being number one. The government and the private sector had no choice but to make rebuilding its tattered economy the top priority.

That led Japanese bureaucrats to reintroduce prewar collaborative practices with at least the tacit support of the American occupation forces. Together, they rebuilt and modernized the infrastructure by building rail lines, ports, and communications facilities. They encouraged firms that specialized in heavy industries so the economy could satisfy the pent-up demand built up over a decade of rationing and war. Tariffs and import licenses made it extremely difficult for foreign firms to sell their goods in Japan. In later years, that produced some seemingly absurd policies that banned the importation of rice and beef because they supposedly upset Japanese
stomachs and aluminum baseball bats because they were accused of splintering too easily, which may actually have been true. Foreign investment was rarely permitted and then only when those firms shared their technologies with Japanese companies who could then make the same products for less. The early governments also kept taxes low to maximize the funds companies would have for further investment and expansion. As Pempel put it, “the result was that the Japanese government became the doorman determining what came into and out of Japan.”

The economic base soon recovered, and Japan found itself in a position to expand internationally in ways that MITI and the rest of the iron triangle controlled. It was at this stage that the government encouraged an average of one thousand companies a year to merge and create “national champions,” a term the French also used to describe their largest and most export-driven firms. The state also helped companies add automobiles, heavy equipment, and electronic goods to the more basic industries it had stressed during the recovery.

Moreover, during the 1950s and 1960s, the United States did not complain about those policies, because it wanted an economically secure Japan. The U.S. therefore encouraged a kind of “hothouse capitalism” that would give Japan free access to the American market, while at the same time defending Japan’s policy of protecting its own industry from foreign competition. The government continued to offer firms lower tax rates, low-interest loans, and access to foreign currency at favorable exchange rates. It was at that stage that products from the likes of Honda, Nissan, Panasonic, Nikon, Sony, and the like swept North American and European markets.

MITI and its allies did not get everything right. At the height of its power in the early 1960s, it pressured Mazda and Honda to “rationalize” the automobile industry by merging with Nissan and Toyota. MITI assumed that the international automobile market could not sustain four major Japanese manufacturers. At considerable risk to their prospects, Mazda and Honda defied MITI-- much to Detroit’s chagrin and to MITI’s delight later on.

The economy grew at an average rate of about 7 percent per year, which meant that its overall size doubled in size once a decade. Although the companies that produced the growth benefited more than average consumers, everyone’s standard of living improved to the point that three quarters of the population routinely told pollsters that they were part of the middle class.

Japanese industrial policies were consistent enough that we can focus on a single example here—the manufacture and sale of semiconductors. These tiny chips are an essential part of almost any electronic product. Although many people assume that Americans dominate the industry given the near-monopoly Intel has in personal computers, Japanese firms actually produced far more semiconductors before labor costs moved most of the industry elsewhere in Asia. What is important here is that the Japanese semiconductor industry flourished for a decade or more because of the close links between the state and the highly concentrated companies.

The first generation of semiconductors was developed in American labs. In the 1980s, however, Japanese manufacturers began making dramatic inroads by producing state-of-the-art chips. With the help of MITI, they were able to cut manufacturing costs. Most producers were also able to take advantage of the close links they already had with suppliers, which were part of their keiretsu.

In this and so many other industries, the goal was not to maximize their profits in the short term, but rather to build Japanese firms’ market share for the long haul. That meant that Japanese firms were willing to sell chips below cost and thus incur accusations of dumping from their U.S. and European competitors. MITI was also committed to protecting the market share of Japanese companies by making it hard for foreign companies like Intel or Motorola to locate production facilities there. The upshot was that Japanese firms were seizing an ever larger share of the global market while U.S. firms were selling only about 9 percent of the chips sold in Japan.

### Economic Liberalization

#### In Japan

Japan provides us with a very different perspective on liberalization. In Britain and France in particular, the debate has been over whether publicly-owned companies should be privatized. That has not been a major issue in Japan because the state did not own many companies in the post-war period. There were some exceptions, including the NTT telephone monopoly and the country’s largest savings bank, which is part of the post office. However, compared with the other countries covered in this book, there was simply less to privatize.

This does not mean we can ignore liberalization issues in Japan. If its critics are to be believed, it has farther to go than any other industrialized democracy in opening its markets both to new companies at home and, especially, to competition from abroad.

The only counter trend has been the recent support for deregulation from Koizumi’s wing of the LDP and part of the DPJ. Even with those changes, the state plays a greater role in economic life in Japan than it does in any other industrialized democracy.

It is important to see a rather common pattern here. In more liberal economies, but their reliance on the market and the “arm’s length” distance between private companies and the state mean that the latter often have trouble taking their technological innovations to market, such as solar power in the United States. In Japan, however, the close links among companies, and between them and the state have eased rapid improvements in manufacturing technologies and marketing strategies.

### The Welfare State—or the Lack Thereof

There seems to be a paradox in Japanese public policy. Whatever indicator you use—unemployment insurance, health care coverage, pension coverage, and so on—Japan ranks at or near the bottom in terms of government spending. In total, it spends less than any other major democracy. Its total tax revenues are lower than those anywhere else, including the United States. Yet, until recently, not many people seemed to care. In part, most people were satisfied for two reasons. First, the income was more evenly distributed than in most other capitalist countries. Second, although the state did not offer much in the way of comprehensive or
integrated social service programs, alternatives to them were available, most notably through benefits offered by the very employers who had taken such strong anti-socialist positions.

Recent research by Margarita Estévez-Abe suggests that the paradox isn’t very paradoxical and is instead an outgrowth of the iron triangle. She may overstate the importance of what she calls the structural logic of the 1955 System, but there is no question that it played an important role. Instead of relying on the state, the LDP and its bureaucratic allies offered companies incentives to create their own programs. Thus, it was not uncommon for the employees of a major company to rent housing at bargain rates from their employer and then put money aside in an employer-sponsored tax-free account toward the down payment in the purchase of a home on their own. The company, in turn, could deduct most of the expenses it incurred off from its taxes.

Furthermore, these programs meshed neatly with the LDP’s electoral needs in a system dominated by factions and koenkai. The arrangements are quite complicated, but they shared a common denominator. The LDP secured the support of specific groups by targeting benefit packages and tax breaks at them and them alone.

Some of them are well known to even casual observers of Japanese politics—farmers, small business owners, and doctors. Perhaps more revealing because they are so unusual are the special postmasters, whose power was largely ended with the privatization of Japan Post under Koizumi.

Most men and women who were employed by Japan Post were civil servants who worked in large post offices or in sorting and distributing the mail. That was not true of the then roughly 18,000 rural and small town post offices, which were run by “special postmasters” who owned and ran them as part of a local general store. Initially, the LDP gave them special privileges in dealing with their customers to try to stave off socialist organizers in their midst. By the 1960s, they had become as entrepreneurial as owners of a small post office could be. Thus, it was common for them to make change for anyone walking in off the street or to deliver benefit payments to ill or handicapped customers. More important for our purposes, they managed the local operations of the postal savings system whose surpluses provided a third or more of all the available funds in the entire country. In exchange, the postmasters got special pension and health care coverage. Of course, they became loyal LDP voters as well.

There was one glitch to this entire system, however, which only became obvious after the bubble burst. Most benefits went to what are known as regular employees of large corporations, some of their subsidiaries, and designated LDP loyalists such as doctors and special postmasters. That helps us understand why workers often spent their entire careers working for a single firm and gave it tremendous loyalty.

The Japanese refer to people who lack that kind of all but permanent tenure as “part-time workers.” Even though they may work full time in American or European terms, they lack the long-term contracts and benefits that regular workers receive. Since the bubble collapsed, the number of regular workers has declined a bit while that of part-timers has almost doubled, putting more and more strain on what everyone acknowledges are inadequate publicly provided services, in particular for Japan’s aging population.

---

No Longer Number One?

The 1955 System stopped working when the economic bubble collapsed. Japan’s was not the first or last economic bubble. European and North American readers have been through one with the recent near collapse of their real estate markets, financial systems, and more. In fact, the popping of economic bubbles has been widely studied, often through the lens of one its first historical examples, the so-called tulip effect.

Tulips were introduced to the Netherlands from Turkey in 1593. Soon, a strange disease hit the plants, and all of sudden, tulips mutated and began blooming in dozens of colors which turned them into a commercial rage. Prices soared. In one month alone their price went up twenty times and soon cost far more than any tulip bulbs could realistically be worth. Some people hoarded tulips. Others invested in them and then made a killing selling tulips to foreigners. Sooner rather than later, economic realities caught up with the tulip market. There was now a glut of tulips. Prices fell. The tulip bubble ended.

The Japanese bubble was based on real estate and finance, not tulips. Nonetheless, the economic dynamic was much the same. In the late 1980s, Japanese stock prices were worth just about half of all the world’s equity markets combined. Banks that were desperate to earn money underwrote mortgages that drove the price of domestic and commercial real estate through the roof. In so doing, they undermined the ability of consumers to buy the goods and services that could, in turn, continue to fuel the kind of growth Japan had experienced since the 1950s. In 1992 the bubble economy collapsed. And a second recession set in as a result of the general crisis that hit all of East Asia in 1997. The third was part of the global downturn that began in 2008 and continues to this day.

Unlike the end of the tulip craze, the collapse of the bubble was filled with political implications. It brought to an end the growth partially produced by the politics of the 1955 System. There had been earlier signs that it was no longer that effective, but the end of the bubble made the new economic reality inescapable.

As economic conditions deteriorated, the costs of a poorly developed infrastructure, inadequately funded public works, and dangerously high levels of pollution began to take a political toll. By the early 1970s, citizens’ movements began emerging throughout the country. These groups called on the government to adopt policies that would improve the quality of life. The Tanaka and successive governments responded by spending more on housing, roads, pollution abatement, education, and welfare. Most of those moves, however, were designed to strengthen the LDP more than improve the quality of life of average citizens.

In retrospect, it is easy to see five overlapping reasons why the 1955 System no longer could “work” as well as it had for nearly half a century, the first four of which have been featured above and can therefore be dealt with briefly here. The last one not only is new to our analysis but reflects forces largely beyond any Japanese government’s control and will thus have to be developed in more depth.

First, there are indirect signs that young people and women no longer value the security and, perhaps monotony, of a life-time career as much as their parents’ generation did. Indicators of this trend include the growth of an entrepreneurial values which are at odds with those of a groupist culture, a desire for more creative opportunities at work and at home, and women who
want to escape the tradition that has had them work for a few years before becoming full-time mothers.

Second, more and more voters are unwilling to accept the corruption, waste, and expense of money politics. It was tolerated by many Japanese—including the new middle class discussed above—as long as the economy was booming. Even before the early 1990s, dissatisfaction with what some have called the “sleaze factor” in Japanese politics has been on the rise.

Third and related, although the *shimin* movement per se is not as strong as it was thirty years ago, organized citizens groups have put pressure on the state that have helped undercut the impact of the networks Estévan-Abe and others have studied. Many are weaker than their European or North American counterparts, but there are viable peace, environmental, religious, and other NGOs that have footholds in the mainstream of Japanese society. And, like the first two changes, it is hard to reconcile participation in them with the quiescent politics that was integral to the 1955 System.

Fourth are two demographic trends that are themselves interconnected—Japan’s declining birth rate and its reluctance to admit and embrace immigrants. Neither of these is unique to Japan. Nonetheless, they are putting an unusual strain on its social service system which, for instance, already had a shortage of affordable child care centers or beds for long-term health care for the elderly.

Fifth and perhaps most important of all, Japanese firms had to compete in what are increasingly global and integrated markets (also see Chapter 17). In the simplest possible terms, it is hard to make an autarchic economy work today as we saw to a lesser degree in Chapters 5 and 6 on France and Germany. The impetus for growth may have once rested in what former President François Mitterrand called “reconquering the domestic market.”

Now, few companies can profit by “hiding” behind protectionist walls erected by MITI and the rest of the iron triangle because domestic success is no longer enough to ensure rapid growth. The Japanese market simply isn’t big enough to sustain the expansion corporations want and need. International agreements have made it harder and harder to keep foreign goods and services out. Many of them can no longer compete with cheaper goods from the rest of Asia in ways that echo Japan’s own success making goods at the lower end of the technological market a half century ago. Japanese products manufactured even in part abroad return relatively little profit back home. As labor costs soared, efficiency plummeted. It became too expensive to make many electronic goods in Japan for the same reasons it costs too much for American firms to produce televisions at home. It is much, much cheaper to assemble them in Taiwan, China, or Southeast Asia where labor costs are much lower. Even groups that were naturally protected from globalization fell on hard times. For example, the once wildly popular Wild Blue Yokohama chain of indoor beaches was forced to close in 1999 because their popularity (and novelty) evaporated.

In other words, Japanese firms increasingly have to compete abroad and often come up short. Take the case of Nike. Long before the Swoosh logo was invented, the company began by marketing low-cost Japanese imitations of Adidas and other European running shoes. When its founders decided to make their own shoes, they used Japanese subcontractors because sneakers could be made more cheaply there than in Beaverton, Oregon, where the company has its headquarters. By the late 1980s and into the early 1990s, Nike could not afford to keep making its increasingly expensive shoes and other apparel in Japan.
The same holds for many Japanese-based companies. The automobile companies, for instance, make more and more of the parts for their cars in Southeast Asia so they can compete with the upstart companies based in Korea. Some are even made in Europe and the United States to both reduce transportation costs and to respond to critics there. If nothing else, this kind of outsourcing has meant that the guarantee of lifetime employment is getting harder and harder to maintain.

The Japanese companies that are doing well globally thrive because they are becoming global companies that make many of their goods and many of their corporate decisions abroad. The one bright spot for the Japanese economy has been foreign expansion. In 2011, Japanese firms bought 466 companies worth a record $80 billion, up from the previous record of $75 billion three years earlier. Most were in industries that are not highly visible, such as electricity meter readers and beer bottlers. The reasons are simple. As one executive put it, “unless we grow we’re not able to stay alive simply by staying in Japan.”

At this point, consider the third box and the two arrows leading from it in Figure 18.3. Global forces are getting stronger and reducing the ability of either a state or its citizens to shape economic policy primarily using domestic political levers. As we also saw as explicitly in the case of Great Britain, no country—including Japan with its iron triangle—is anywhere near master of its own political or economic destiny any more.

Globalization
In Japan
Japan illustrates just how much globalization has become a double-edged sword politically. More than any other industrialized democracy, by the 1980s, Japanese firms were already a major beneficiary of shrinking world markets for industrial goods and financial services. To see this, simply take a glance at the number of Japanese products in your stores or the number of Japanese corporations with outlets or offices in your area.

But as the text shows, Japan is less competitive now than it was then. Japan has clung to its political and economic model based on the iron triangle even though it was no longer leading to rapid and sustained growth. Companies that relied so heavily on protecting and dominating its domestic market could not compete as well as they did thirty years ago in an economy and polity that is increasingly defined globally.

These trends were already important even before globalization became a household word. There were early signs that industrialized economies were not as secure as we thought, the most important of which was the 1973-4 OPEC oil embargo which hit Japan particularly hard since it has to import almost all of its oil and petroleum-based products.

The obvious difficulties began when the bubble collapsed. Successive LDP government made misstep after misstep. Most notably, they worked on the assumption that the downturn was 12 “Armed With a Strong Yen.” The Economist. December 17, 2011: 114.
temporary and not the result of sweeping structural changes that all but rendered the 1955 System obsolete. Therefore, post-bubble politicians tried to find solutions while continuing to rely on the conventional, but now-dated, paradigm. Among other things, the government hid kept number of companies that defaulted on loans secret along with its policies designed to help once profitable subsidiaries of the keiretsu stay afloat. Taxes, interest rates, and almost every feasible macroeconomic lever were tried. Nothing much happened—at least for the better.

Koizumi was the one prime minister to try to break the mold, leading the fight to privatize industries, open the market, and deregulate industry. Koizumi had relatively few connections to the iron triangle for an LDP politician. Therefore, he staked his premiership on eliminating or reforming, for example, most of the 150-odd state-owned corporations and on privatizing the postal savings system. It was not easy. The old guard within the LDP resisted the prime minister’s attempts to reduce the role of the iron triangle. The power of the old vested interests remains strong.

He may be best remembered for breaking up the post office, which he had to force through a reluctant LDP. Most western readers live in countries with weak or dying postal systems. In Japan, however, because the post office held so many individual bank accounts, it was de facto one of the country’s top investment banks controlling nearly one-third of all individual savings accounts. It was also a key support of the 1955 System and its emphasis on big business. Little has changed for the better since he left office.

As important as privatizing the post office was, it fell far short of a system-wide shift in the way Japanese politicians try to deal with the new, globalizing world. In fact, the economy has continued to sputter under LDP and DPJ prime ministers alike.

The iron triangle obviously cannot be blamed for the growing global pressure on the Japanese economy. It is responsible, however, to the degree that it contributes to the inertia in Japanese economic policy making that, in turn, delay the country’s adaptation to the new international reality.

National Security Policy

Despite its problems, Japan is an economic powerhouse. It produces about 15 percent of the world’s goods and services, trailing only the United States and China. Until recently, it ran huge trade surpluses with both Europe and the United States. Japan is the most generous provider of foreign development assistance, the largest exporter of capital, and the leading creditor nation on a per capita basis.

The same does not hold geopolitically. Japan cannot have an assertive foreign policy because of Article 9. That, and the fact that it has to import most of its natural resources, led some to label it a “fragile superpower” even at the height of the economic miracle.

Despite Article 9, the Self-Defense Force (SDF) is one of the most modern and best-equipped militaries in the world. Only five countries spent more than Japan did on defense in 2011. However, when seeing statistics like this, it is important to keep three things in mind. First, Japan only spent an estimated one percent (other calculations reach as much as 1.5 percent) on defense, which made it 129th in the world in those terms. Second, despite the sophistication of its troops and equipment, Japan has never come close to putting them in a potentially offensive position since 1945. Finally and most important, Japan has largely deferred to the United States,
spending the Cold War under its so-called “nuclear umbrella” and almost always following the American lead since the collapse of the Soviet Union.

There has not always been a consensus among postwar politicians that Japan should be a minor military power. As we noted earlier, some conservative leaders wanted to rebuild the army after World War II, including former Prime Minister Hatoyama’s father. A decade later, the left opposed renewal of the treaty, which allowed the United States to keep almost all of its Japanese bases open to this day. In this century, most of the doubts raised about Japanese foreign policy have been symbolic, such as the six visits by Koizumi to the Yasukuni Shrine. The shrine and the neighboring Yushukan Museum are controversial because they honor Japan’s nearly two and a half million war dead, including fourteen Class A war criminals from World War II. The shrines also do not reflect much remorse about the war crimes committed by Japanese soldiers and, especially, leaders in the 1930s and 1940s. But if viewed as a whole, there is widespread acceptance of Japan’s position as a second-tier power (like Britain or France) and its subordination to American wishes.

During the Cold War, the SDF was not big enough to either protect Japan itself or contribute to the containment of the former Soviet Union and China. Even though many question whether such thinking ever made sense, the fact is that the U.S. and Japanese governments believed that the United States “had” to ensure much of Japan’s defense. Upwards of fifty thousand American troops still operate from more than a hundred bases in Japan. The United States–Japan Security Treaty, in place since the end of the Occupation, put Japan under the American “nuclear umbrella.” The United States has never ordered Japan around. And at times the United States has even respected Japanese sensitivities—for instance, by not placing nuclear weapons on any of its bases there. Nonetheless, as has been the case with Britain, Japan routinely has gone along with U.S. wishes in most foreign policy arenas.

Japanese foreign policy has become slightly more assertive since the end of the Cold War. When Iraq invaded Kuwait in 2001, the United States and the European Community nations immediately imposed an embargo on Iraqi goods and on oil from occupied Kuwait. Japan delayed before following suit. In the end, Japan agreed to donate a total of $13 billion in nonmilitary aid to the allied coalition and in economic assistance to Middle Eastern nations hurt by the war. Critics argued that Japan was engaging in “mere” checkbook diplomacy and not shouldering its burden. We should not lose sight of the fact that the Japanese government did what it legally could and faced some criticism at home from peace activists and others who felt it had gone beyond Article 9’s limitations.

Since then, Japan has taken a number of bold steps—at least given the limits imposed by Article 9. Peacekeepers have been sent to Cambodia. Japanese troops were sent to Iraq after the U.S.-led invasion toppled Saddam Hussein’s regime. To be sure, in keeping with Article 9, the Japanese have avoided anything approaching a combat role, concentrating solely on postwar reconstruction. Finally, Japan has been one of the leading members of the international community trying to stop the North Korean nuclear weapons program in its tracks. Some Japanese leaders hope that such efforts will earn it a permanent seat on an expanded United Nations Security Council in the near future.

Japan’s new assertiveness should not blind us to the fact that it has been—and has had to be—a loyal U.S. ally for more than half a century. That is such a common theme in its foreign policy that virtually everyone takes it for granted and few people other than the aging survivors
of the war remember Japan as anything else. To give a sense of how far Japan has come, an international team of experts ranked it third of 153 countries in the 2011 Global Peace Index (www.visionofhumanity.org)

THE MEDIA

The Japanese media are extremely important despite the fact that they have not received much attention from political scientists. That lack of critical attention from our colleagues may simply reflect the fact that their impact is hard to pin down.

Japanese newspaper readership ranks highest in the world. Japan has well over 120 newspapers. The best-selling newspaper, Yomiuri Shimbun, has a daily circulation of 10 million or about five times that of the New York Times.

Most Japanese newspapers are national, and their format and editorial slant are virtually identical. Reading, for example, the Asahi is virtually the same as reading the Mainichi on any particular day. Political neutrality on issues is common. Investigative reporting is rare because it threatens the contacts reporters have with newsmakers. A similar level of uniformity characterizes television programming, whether public (NHK) or private (Fuji or Asahi).

The main television networks and print media outlets long had a cozy relationship with the state, trading privileged access for a large degree of self-censorship. That began to change following the Kobe earthquake in 1995. Now, it is common to see coverage not only of disasters such as the earthquakes and tsunamis, but of social consequences of the lost decade, including unemployment, discrimination along gender lines, domestic violence, and suicide.

Japanese television news is different from the European and North American norm in two ways. First, it is surprisingly far behind in the shift to cable or satellite service, and even its equivalent of CNN is broadcast through a series of terrestrial outlets. Second, it has pioneered what are known as “wide shows” which appear during the daytime and appeal largely to housewives. In addition to the gossip, scandal, cooking, and romance stories one would find elsewhere, politicians have made these programs into one of the few ways they have of seeming popular and “down to earth” for mass audiences.

CONCLUSION: REGIME CHANGE?

Ever since the invasion of Iraq in 2003, regime change has become one of the more frequently used terms in everyday political discussion as well as a key concept in political science. In Japan, the possibility and even the need for regime change has been on the academic agenda even longer, dating back to the collapse of the bubble and the LDP’s first short-lived defeat.

The debate over whether Japan needs to adopt a wholesale alternative to the 1955 System is best left to Japan specialists. Nonetheless, as comparativists who have covered a number of regime changes in the course of this book, we think that Japan has not (yet) reached that level.

We included “yet” in the previous sentence because we are convinced that some—but not all—of the preconditions for deep and lasting institutional change are in place. In making that case, we will be drawing on the argument about political paradigm shifts made in Chapter 17.
An ongoing crisis like the one in Japan makes such a shift possible but does not make it inevitable. Japanese leaders seem to be falling short on the two more difficult phases of the four component parts of any paradigm shift.

There is little doubt that the system is not working very well. At first, Japanese policymakers tried to deny that they faced deep-seated problems. Then, they tried to make the difficulties “fit” the dominant paradigm, as they searched for solutions within the 1955 System. Neither worked. Observers of Japanese politics and economics now are convinced that something more dramatic and drastic is needed.

Viewed from afar, Japanese leaders do not seem to have made much progress in developing a new strategy for managing the relationship between state and society in a globalizing world. To be fair, no one else has done much better. As a result, the Japanese have not even begun the political power struggle a paradigm shift would bring. It might even prove to be more intense than it would be elsewhere, given how deeply the values of the 1955 system are entrenched in both major political parties as well as the leading civil servants and business executives.

Politics as usual is still the norm. To see that, let’s return very briefly to the political response to the 2011 earthquake and tsunami which began the chapter. In his lengthy article, Evan Osnos identifies quite a few obstacles to a quick and decisive recovery effort that should be familiar given this chapter, which is all the more amazing since he is not an expert on Japanese politics.

Leaders of both the LDP and DPJ had a hard time thinking “outside the box” to come up with a far-reaching response. That was all the more surprising since the country had dealt with the Kobe earthquake in 1995 that was almost as devastating. But retired civil servants were among the top leaders of JEPCO, the company that owns the ruined reactors. Former JEPCO officials and regulators are also to be found in both the LDP and DPJ Diet delegations. They and others like them exert far more power in both parties than any environmental activists or advocates for the poor or for people who were displaced by the catastrophe.

In the end, it is not satisfying to end a chapter with an intellectual shrug of the shoulders. But, that seems to be the best we can do for Japan.

**Key Terms**

**Concepts**

1955 System
amakudari
bubble economy
daimyo
faction
genro
groupism
hereditary politician
iron triangle
keiretsu
koenkai
lost decade
money politics
multimember constituency
oyabun-kobun
patron-client relationship
shogun
Supreme Commander of the Allied Powers
Taisho democracy

People
Hashimoto Ichiro
Hashimoto Ryutaro
Hirohito
Koizumi Junichiro
Kan Naoto
Noda Yoshio
Ozawa Ichiro
MacArthur, Douglas
Tanaka Kakuei

Acronyms
DPJ
DSP
JCP
LDP
MITI
MMD/SNTV
PARC
SCAP
SDPJ

Organizations, Places, and Events
Article 9
Democratic Party of Japan
Democratic Socialist Party
Diet
Hereditary politician
House of Councillors
House of Representatives
Japan Communist Party
Komeito
Liberal Democratic Party of Japan
Meiji Restoration
Ministry of International Trade and Industry
Peace Clause
Regime change
Reverse Course
Social Democratic Party of Japan
Soka Gakkai
Tokugawa shogunate
Treaty of Mutual Cooperation and Security between the United States and Japan
Tulip Craze

Useful Websites
One of the best portals to all things Japanese.
www.japan-guide.com

Professor Leonard Schoppa at the University of Virginia manages the single best site on Japanese politics.
http://jpcentral.virginia.edu

The official website of the prime minister, which can direct you to all official ministry pages.
http://www.kantei.go.jp/foreign/index-e.html
Further Reading


Reid, T. R. Confucius Lives Next Door. New York: Random House, 1999. Easily, the most accessible (and enjoyable) book on how political culture in general and Confucian values in particular have contributed to the remarkable economic growth and social stability in Japan and most of the rest of East Asia.

