# Chapter 20
# Japan


**Chapter Outline**

- From Tsunamis to Abenomics
- The Context
- The Evolution of Japanese Politics
- Japanese Political Culture
- Political Participation and Elections
- The Japanese State: Beyond the Iron Triangle
- Public Policy: No Longer Number One
- Womenomics: Japan's Wicked Problems

*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

| | |
|---|---|
| **Size** | 374,744 sq. km (slightly smaller than California) |
| **Population** | 126 million |
| **Ethnic composition** | Largest minority group: Koreans 0.5% |
| **GNP per capita** | $41,200 |
| **Currency** | 112.6 yen = $1 (January 4, 2018) |
| **Capital** | Tokyo |
| **Head of State** | Emperor Akihito (1989-) |
| **Head of Government** | Prime Minister Abe Shinzo (2012–) |

## From Tsunamis to Abenomics

The last quarter century has not been kind to Japan.

Toward the end of the twentieth century, people in North American and Western Europe worried about the rise of Japan in much the way that they about China today. Michael Crichton's novel, *Rising Sun*, painted a picture of a Japan that controlled the United States. More dispassionate and scholarly observers like Ezra Vogel wrote books with ominous sounding titles like *Japan as Number One*.[1]

There were reasons to be concerned. In the 1970s, Japanese companies pivoted from making low quality goods that sold in discount stores to making high quality products that seemed to outcompete anything the West had to offer. No longer did Japanese countries make cheap transistor radios or subcompact cars. Now, companies like Sony and Panasonic dominated the consumer electronics markets at the high end, its computer chip manufacturers seemed on the verge of undercutting their American competitors, and, seemingly all of a sudden, the likes of Toyota,

[1] Michael Crichton, *Rising Sun.* (New York: Knopf, 1992) and Ezra Vogel, *Japan as Number One* (New York: Harper Colophon, 1979). Crichton is, of course, much better known as the author of *Jurassic Park*.

Honda, and Nissan were building cars that outperformed anything made by the big three automakers based in Detroit.

Then, in 1992, the so-called **bubble economy** burst for reasons we will explore later in this chapter. To be sure, Japan remained one of the world's leading powers whose prosperity and global economic clout were not about to disappear.

Nonetheless, authors started writing about Japan as a fragile superpower because its strength lay primarily in its economy and it was vulnerable to disruptions in the supply of oil and the other natural resources it had to import. More importantly, real economic growth hovered around zero. Successive government doubled down on the state-driven economic model (also to be discussed later in the chapter) that had served the country so well in previous decades but now seemed to keep it in a stagnant rut.

## *Two Tsunamis*

Both before and after the bubble collapsed, the political system was remarkably stable. For reasons we will also explore later, a single political party—the **Liberal Democrats (LDP)**—dominated just about every government from the end of World War II onward. Prime ministers came and went at at a pace that rivaled that of Weimar Germany or Fourth Republic France. However, the close links between the national government and major corporations that supported the growth in exports in dozens of industries continued even on those rare occasions when the LDP was out of power.

That political stability and the growth model that sustained it, 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. More importantly, 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.

Although there is no obvious place to start our analysis of that decline, there is probably no better way to start than with the two tsunamis that hit the country as I was writing the ninth edition of *Comparative Politics* in 2011. 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 whose ramifications did not play themselves out until Abe Shinzo solidified his control over the government after he became prime minister in December 2012.

### 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 the seawalls and everything else that had been built to protect the coast. We will never know the exact number of people who died. The best estimate is that more than 20,000 people were killed and another 2,500 are still unaccounted for and presumably dead.

The tsunami had an even greater impact than you might have thought. Because Japan has few natural resources of its own, the government had decided to rely heavily on nuclear power in generating the nation's electricity about fifty years ago. 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 Fukushima Daiichi reactors had already been taken off-line for maintenance. The others shut down automatically as planned once the earthquake hit. Soon, however, flooding and the subsequent 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. Much of the region remains off limits to most visitors, and some parts of the area will be uninhabitable for generations.

*Tsunami Devastation. Source Wikimedia Commons*

The tsunami and the damage to the reactors were a natural--not a political--disaster. However, the government of Kan Naoto (see the box on Japanese names below) of the **Democratic Party of Japan** (**DPJ**) could not overcome its political ramifications. The government was less than forthcoming about the damage to the plant, 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.

### Names and Language

Before turning to Japanese politics, there is one important topic to cover first. 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, Donald Trump would be Trump Donald. 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 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. As veteran Japan observer Jeff Kingston put it:

> **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.**[2]

[2] http://japanfocus.org/-Jeff-Kingston/3610

His replacement, Noda Yoshiko, became the sixth prime minister in five years and the fifteenth since the country's economic slump began. He did not fare any better which did not come as much of a surprise. The DPJ was led by former LDP politicians and suffered from many of its shortcomings, including its penchant for corruption. Even more importantly, the former opposition turned out to be no better than the LDP at devising economic policies that could stimulate economic growth.

In other words, the political tsunami occurred because 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—seemed likely to drag on for years.

## *Abenomics*

Then something surprising happened.

As a result of negotiations that are too complicated to go into here, early elections were held in December 2012 which the LDP won under the leadership of former Prime Minister **Abe Shinzo (**1954-). There was little in Abe's past to indicate that he might break the logjam. Both sides of his family tree included prominent post-war LDP leaders. He had served in the office before for exactly a year in 2006-7. At the time, he was the youngest prime minister in post-war Japanese history and the first to have been born after his country's defeat.

Otherwise, he was a typical LDP leader who supported the limited economic reforms introduced by his predecessors. If he stood out, it was because he took more nationalistic positions than most prime ministers, including visits to controversial Shinto shrines that many critics associated with Japan's imperial past.

His first period as prime minister was by no means successful. His government had a comfortable majority in the House of Representatives as the lower house of the **Diet** or parliament is known with 339 of its 480 seats. However, like most LDP leaders, Abe faced factional infighting within his party. His standing wasn't helped by a series of scandals that cost him popular support, although, as we will also see in more detail, corruption is a common feature of Japanese political life. After exactly one year in office, he suddenly resigned, citing unspecified health issues as his reason.

He was replaced by two other LDP prime ministers and then three DJP leaders after the 2009 election gave power to the opposition. In the meantime, Abe regained his leadership position in the LDP which he rode to a landslide victory in 2012 which gave his coalition government with **Komeito** a two third majority in the House of Representatives.

This time, Abe made it clear that he was planning to be a different kind of leader. Within days, he drew on an old proverb and announced his "three arrows" program of economic reforms which will preoccupy us in the last third or so of this chapter. For now, it is enough to see that he wanted to move the country in three new economic directions that could unblock what had turned into a generation of stagnation by adopting policies that were in use in the United States and elsewhere:

- Expanding the amount of money in circulation and getting inflation up to a "normal" rate of about two percent.
- Increasing government spending especially on infrastructure projects.

- (Re)kindling Japanese innovation with a package of policies ranging from reducing regulation, empowering women, and encouraging the country's involvement in the proposed **Trans Pacific Partnership (TPP)**.

It is hard to argue that **Abenomics** has had the results he promised, but the policies seem to have been as effective as anything else governments in other industrialized democracies have tried. More importantly, Abe proved to be surprisingly popular for other reasons. As North Korea continued developing and testing its nuclear weapons and missiles, Abe's more nationalistic foreign policy gained support. As a result, he and the LDP won prematurely held elections in 2014 and 2017. The latter victory gave him the two thirds majority in the Diet he would need to pass a constitutional amendment modifying **Article 9**—the so-called peace clause—of the constitution so that Japan could have a full military rather than the "self-defense force" it has had since the end of World War II.

## Think About It

Most authors who include Japan in introductory comparative politics textbooks stress its similarities with other industrialized democracies. 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 many political scientists still think is needed to sustain democracy. That, and its intertwined networks of power, throw conventional definitions of democracy into question and raisss 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?

In short, Japan is still in a kind of limbo which we will be exploring in the pages that follow. Japan does not suffer from the kind of political or economic paralysis one finds in France or the United Kingdom. Yet, its political leadership is nowhere near as dynamic or as effective as what we saw in Germany or Canada. In other words, while Japan's regime is in no danger of falling apart, the country no longer evokes the kind of fear and panic evoked by authors like Crichton and Vogel a generation ago.

## The Context

I began every other "context" section in *Comparative Politics* with a general discussion of the society and its people. I will get to that material here in a few paragraphs. In the case of Japan, however, we have to start with one theme in its political life because it is also the key to the way the country's economy and society have evolved since World War II—the dominant role played by the LDP,

### *Political Continuity*

Put simply, the modern Japanese economy and almost everything else relevant to this book about the country are directly or indirectly the result of 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.

There have been major changes in the political system in the last 20 years. However, the LDP's control of the system has, if anything, been strengthened. As of this writing in 2017, it is hard to imagine the party losing power for long. And more importantly, if and when it does, it is likely to be to other politicans who share the LDP's core values.

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, the French Gaullists). None, however, enjoyed anything like the LDP's string of successes through the mid-1990s. It won every election and never had to share control with any other party. Although it has not won a majority of the vote since 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. Since then, it has only spent a total of four years out of office when the country was governed by men (and just a handful of women) most of whom had been LDP members at one point or another.

Just as important as its electoral success are the LDP's 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 has been declining), and about 40 percent are hereditary politicians who have followed older relatives into the Diet. An even largerpercentage 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. 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 over the last 70 years. 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 Economy*

Despite its recent problems, Japan is home to the world's third largest economy. Fifty-one 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.

Today's Japanese economy 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.

By contrast, foreign visitors to Japan today are often (pleasantly) surprised by 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 economic bubble collapsed, there were some blemishes on what was generally a positive economic record. Prices have always been quite high. 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 five percent of the labor force. Land in the cities is expensive, so houses are small and sometimes shoddily built.

Second, in the early 1990s, the so-called bubble economy burst (American readers could see parallels in the U.S. situation since 2008). Entire books have been written 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.

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.

That has not stopped the urbanization of Japan. At the end of World War II, only a quarter of the population lived in urban areas. Now than ninety percent 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.

## *Society*

### A Crowded Country

The vast majority 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.

*Typical Urban Scene: Source Wikimedia*

Japan is also mountainous, which means that 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 does not have 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 last 1980s Marvin Cetron and Owen Davies claimed that "A $1,000 bill bought a piece of land in downtown Tokyo roughly the size of the bill itself."[3] While land prices have dropped since the bubble collapsed, the average Japanese home only measures about 1,300 square feet and costs about $400,000. Housing is so expensive that it is not unusual for home buyers to take out multigenerational mortgages so that children often inherit their parents' debt rather than their wealth.

### A Homogeneous and Aging Country

No other country covered in *Comparative Politics* is as ethnically homogeneous as Japan. There are about 60,000 Ainu, the only remaining aboriginal group left that antedates the arrival of what we now call the Japanese two thousand years ago.

That apparent homogeneity, however, masks four important ways in which Japanese society is changing, all of which have or will have political implications. Ethnic Japanese make up a whopping 98.5 percent of the total population. About one half of one percent of the people are of Korean and 0.4 percent of Chinese extraction.

The population is getting older in all advanced industrialized societies. None is aging faster than Japan's.

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[3] Marvin Cetron and Owen Davies, *Crystal Globe: The Haves and Have-Nots of the New World* (NewYork: St. Martin's Press, 1991), 137.

Twenty-six per cent of the population is currently over 65. That number is expected to reach 40 per cent by 2040. 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 effect of aging is 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 2016, the number of babies born had dropped to 1.41 in Japan.

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 demographic 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 where robots increasingly provide basic health care services. Japan has also raised the retirement age and even reduced the amount of silver in the sake cups the 30,000 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 per year.

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 does not have a stellar history as far as social diversity is concerned. Discrimination against anyone who was "different" has always existed. Some 2 million *burakumin*, whose ancestors had "unclean" jobs, ethnic Koreans, and the Ainu all suffer humiliating racial abuse.

Despite its demographic pressures, Japan has also had some of the strictest limits on legal and illegal immigration. For all intents and purposes, it has only 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, a few permanently, but most on temporary work permits.

In the last decade, the number of temporary 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. That even includes the

growing number of ethic Japanese who move back to their country of origin after two or more generations in countries such as the Brazil, Peru, or the United States.

### Gender Imbalance

It's not only racial and ethnic minorities. The Japanese also do not have a good track record when it comes to the status of women.

No matter what indicator of social, political, or economic success you choose, women lag behind men. At the heyday of the economic miracle, most women worked 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.

The effects of that pattern linger, since 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 nine percent of the House of Representatives members are women, leaving Japan ranked one hundred sixty fifth in the world between Belize and Brunei. Only one woman has ever led a major political party.

But the same labor shortage that has led to more immigration has opened possibilities for women in economic life and probably will in politics as well. They may still hold a disproportionate share of part-time and other jobs outside the highly compensated 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.

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.

All of this helps us understand why empowering women is a key part of the third "arrow" in Abenomics as we will see in more detail in the public policy section later. In the simplest terms, women are among the few underutilized resources the Japanese elite can turn to, which means that sheer self-interest could finally address the lack of gender equality that characterize almost all areas of life in in Japan.

## The Evolution of Japanese Politics

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.

### *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 20.1)

Obviously, much has changed during the last two and a half millennia. Nonetheless, some features that date that far back still shape aspects of Japanese life today (https://www.japan-guide.com/e/e641.html).

Realistically, we can start about one thousand years ago when 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 has the same roots as Chinese. Indeed, the Japanese had been studying in and trading with China and Korea for centuries. Its larger neighbor's influence touched most areas of Japanese life. Most notably Confucian and Buddhist values reinforced existing Shinto beliefs, most notably respect for one's superiors.

| Year | Event |
|---|---|
| 660 BC | Traditional date given for enthronement of first emperor |
| 1192 AD | First shogun named |
| 1603 | Establishment of Tokugawa shogunate |
| 1853 | Arrival of Admiral Matthew C. Perry |
| 1867–68 | Meiji Restoration |
| 1894–95 | Sino-Japanese War |
| 1904–05 | Russo-Japanese War |
| 1939–45 | World War II |

Table 20.1
Key Events in Japanese History Before 1945

At about 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 served as a symbol of Japanese unity. Real power was held by feudal lords who, like their European counterparts, offered subordinate vassals protection in exchange for their loyalty and a share of what they produced. Feudal rule was sustained by a class of warriors known as *samurai*. Even before the Korean invasion, the leader of one of those feudal clans, 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.

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, but the Japanese victory had two lasting and related consequences. To begin with, the war weakened the country to the point that the authorities could not maintain any semblance of central rule. As a result, 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.

*Classical Image of a Samurai: Source Wikimedia*

For the next seven centuries, the various Japanese governing systems shared one key common denominator. Feudal and military leaders shared power in all of them. 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) called for a samurai to carry out his lord's wishes. Failure to do so would bring shame on his superior. If that happened, 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 oversight or control 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 consolidated their control over ever-larger territories. Meanwhile, 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.

Most importantly of all, the Tokugawa rulers broke off almost all contact with the outside world. At a time when the west changed dramatically, Japan lived in isolation and developed (or didn't develop as the case may be) at its own pace and according to its own desires.

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. 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 try to colonize Japan as they did 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 to the throne. 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 **Meiji Restoration** and the other dramatic changes that were then carried out in his name.

*Emperor Meiji: Source Wikimedia*

Because aristocrats from the old order dominated the Meiji period (1868–1912), many long-standing practices survived. The feudal notion, for example, of "government praised, people despised" remained a central theme of the 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 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.

It is worth underscoring just how different this 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 indicators of political and economic development stressed in the rest of Part 2 of *Comparative Politics*.

For example, by the nineteenth century, individualism had sunk deep roots everywhere except for 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, traditional Samurai privileges had been the first of many obstacles that prevented the creation of a modern state. Before Meiji, peasants were forbidden from owning land and changing their residence or occupation. The Meiji 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 who at best eked out a subsistence living into tax-paying farmers who produced a surplus for the market. At the same time, they drafted young men not only to create a strong military but to turn peasants into patriotic defenders of law and order.

After centuries of isolation, the new elite also realized that it had a lot to learn from the outside world. Therefore, groups of young Japanese were sent to study abroad. The genro borrowed from 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.

The genro simultaneously reached the same basic conclusion about development that Otto von Bismarck and his colleagues did 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.

Neither the samurai nor the far more numerous farmers were happy with this turn of events. Some of their protests had a distinctly democratic bent. The farmers were particularly important in this respect. They had benefited from Meiji land reform, but by theearly 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.

They then created Japan's first political parties which provided an organizational home for this mounting 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 destroy destroy the parties that dared protest against restriction on individual property rights. Nonetheless, the protesters succeeded in linking property and political rights in public 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 remained 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.

The constitution was far from democratic because it focused on the people's duties more than 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 one percent of the male population, which was far lower than comparable rate anywhere in Western Europe or North America.

Because they understandably feared Western intentions everywhere in Asia, the genro levied taxes to raise the revenue they could use to build shipbuilding, armaments, steel, mining, railroads, and telegraph industries. Once these state-owned companies began turning a profit, the genro sold them to entrepreneurs who had personal connections with the leadership, connections that would strengthen over the years while largely ignoring liberalizing pressures from below. 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 had entered the war as a minor partner on the Allied side. Only about 800,000 men were mobilized, of whom only about 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. The Japanese leaders did not share President Woodrow Wilson's stated goal of making the world safe for democracy. Instead, its primary goal in joining the Allies was its desire to permanently control of those German possessions.

By that time, Japan had become more than a nation of peasants and samurai. That did not mean, however, that the country would easily turn into a democracy, especially now that Russian revolution had added revolutionary socialism to the mix.

Once the war ended, the authorities continued trying to limit the ability of grass roots organizations to pressure the regime. In response, the still largely underground trade unions organized a strike wave aimed at preventing factory owners from making excessive profits. 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, bureaucrats, and *zabatsu* or big business owners to include the now, mainstream major political parties in the elite. New, more popular political parties were formed, but they lacked the funds, organization, and networks to compete with the now dominant ones that had been for as long as half a century.

To further blunt the potential insurgencies, 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 government reacted 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. In the meantime, democracy in Japan had died—if, indeed, it had ever truly been alive.

Like its European allies, Japan flexed its muscles abroad. Its interwar imperialism began with the invasion and annexation of Manchuria in 1931-2. 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.

*Hiroshima After the Bomb: Source Wikimedia Commons*

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.

## *The Occupation: 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 three million people had been killed, the industrial infrastructure was destroyed, 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.[4] 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 one simultaneously taking place in Europe. In Germany, the four Allied powers--the United States, Britain, France, and the Soviet Union--officially shared responsibility for the

[4] Ienaga Saburo, *Pacific War: 1931–1945* (New York: Pantheon, 1979), 232.

occupation. In Japan, the United States was able to keep the other victorious allies out and ran the occupation by itself.

*General MacArthur and Emperor Hirohito: Source Wikipedia*

The occupation lasted from August 1945 until April 1952 and 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 top to bottom.

That was the case because 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 accepted the emperor's pronouncement as authoritative, even as they were shocked by the squeaky sound of his voice and how short he 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 war criminals before an international war crimes tribunal.
- Dismantling the zaibatsu and other industries that had been involved in the war effort.
- Liberating political prisoners—primarily socialists, communists, and religious leaders who had been imprisoned because of their antimilitaristic views.
- Turning the monarch into a figurehead who would be the symbolic leader of 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 or Article 9 in the new constitution, in which Japan renounced war.

The occupation authorities always assumed that democratization would take longer and be harder to achieve. MacArthur assumed that the Occupation would have to undo the hierarchical relationships that had long dominated Japanese social life and replace them with a more market-driven and decentralized economy before democracy could truly take hold.

As in Germany, SCAP started with economic and social rather than political reforms. Itt 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.

MacArthur and his colleagues assumed that a democratic Japan would need a very different kind of economy. They shared the then 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 the country's imperial ambitions. 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 five million acres of land were taken from landlords and given to their former tenants.

The Occupation also started empowering the tenant farmer's urban counterpart, the factory worker. Before the war, less than 10 percent of the industrial workforce belonged to a union because of laws that were highly skewed in favor of ownership. SCAP modeled its labor reforms, modeled on the 1935 U.S. National Labor Relations Act, which guaranteed workers the right to organize and engage in collective bargaining.

For the first three or four years of the occupation, things went more or less as planned though the reforms were not as draconic as originally proposed. 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 ended the Occupation's reformist zeal. As in Germany, occupation policy from democratization 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 broken up and they reconstituted themselves in only slightly modified form once the Occupation ended. The Occupation also 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 break 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, although 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 and might become even more like a conventional army if Abe gets his way.

At about the same time as they did in Germany, the Americans decided to write a new constitution which went into effect when Japan regained its formal sovereignty in 1952 and is still in use today. On paper, it was one of the world's most liberal constitutions at the time. Nonetheless, the "pragmatic necessities" of the Cold War world were pulling Japan in a less democratic direction, making it possible for the old elite's postwar successors to assume power in ways that led to the establishment of the 1955 System. Both will be at the heart of the rest of this chapter.

By then, 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.

**Comparative Emphasis**
**Democratization**

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.

## *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 with its adoption (see Table 20.2). However, given how stable Japanese political life has been, we do have to spend some time seeing how what political scientists often call the 1955 System was established and why it survives in only slightly modified form to this day.

| Year | Event |
|---|---|
| **1945-1952** | Occupation |
| **1955** | Formation of the LDP |
| **1960** | Treaty of Mutual Cooperation and Security signed |
| **1992** | Collapse of the Bubble Economy |
| **1993** | First non-LDP Prime Minister |
| **2009** | First non-LDP Diet majority elected |
| **2012** | Abe Shinzo becomes Prime Minister |

Table 20.2
Key Events in Japanese History Since 1945

In the first three years after it regained its sovereignty, Japanese politics was a far cry from the stability we see today. The Socialists actually ran the first post-war government that was formed in 1947, and the left remained a viable alternative to what became the LDP for the rest of the century as we will see in the section on political parties and participation below. By 1949, the real leadership contests occurred between what were then known as the Liberal and Democratic parties, both of which had their origins in the pre-war elite networks. The Socialist and Communist parties along with the trade unions remained popular forces, but with the exception of a brief period in the 1990s, they never had a realistic chance of forming a government.

For reasons to be discussed in the section on political parties, the Liberals and Democrats decided to merge in 1955 to form the LDP at which point the contours of contemporary Japanese politics were set. By uniting the forces of the center and right, the LDP quickly became the dominant party that, as we saw earlier, ran the country for the next sixty years with just two brief interruptions. 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 by cementing its alliance with the United States, which the left increasingly saw as a de facto imperialist power. The street demonstrations and occasional violence could not stop 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. Many Japanese citizens opposed the Vietnam War. There were significant protests on some domestic issues, most notably against the construction of Tokyo's Narita International Airport. Japan was also briefly home to some domestic terrorist groups. 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.

The 1955 system consisted of three components which, together, constituted a Japanese version of the integrated elite seen in France (see online Chapter 19). In the Japanese case, it was even stronger because the partisan "leg" of the iron triangle was so much more secure throughout the period. And, the connections between the big businesses that replaced the zaibatsu and the civil service were at least as strong and were certainly more overt.

The first unmistakable 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 brought down his government. Miyazawa dissolved parliament and called new elections for July. 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.

The LDP kept winning in large part because it could take credit for the remarkable economic success. That said, even before the economic bubble collapsed in the early 1990s, the LDP was already showing signs of strain, most notably because it was as corrupt as any ruling party in an industrialized democracy as we will also see later in this chapter.

Still, by the 1990s, the most serious challenge to LDP hegemony no longer from the left but from other conservative politicians, many of whom had built their careers in it. From 1993 until 1996, 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.

The 1955 system did not work as smoothly during the next confusing decade and a half in which governments led by ever more unpopular LDP governments who had trouble charting a recovering from the economic crisis. Dissatisfaction also mounted given the seemingly never ending corruption charges that implicated the party. The LDP did have a brief revival under **Koizumi Junichiro** (1942-), an LDP outsider who 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, and generally 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 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 when the great recession hit its toll and took the party's majority with it..

The 2009 election proved to be the last straw for the Japanese voters. 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.

The DPJ proved to be no more effective because it was all but a clone of the LDP. 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.

The left the field wide open for Abe to regain control of the LDP and take it in the new directions outlined in this chapter's introduction. As we will see in the pages that follow, Abe has tried to reshape Japanese political and economic life in profound ways that fall short of changing the basic contours of the 1955 System or the integrated elite. Whether he succeeds or not is a question that you will only be able to begin to answer 40 or so pages from now.

## Japanese Political Culture

I became interested in Japanese politics when I took a course on it in graduate school. To be honest, I didn't take it out of an abiding interest in the country or even out of intellectual curiosity. I knew I was going to have a difficult semester, and I had heard that the professor didn't assign papers and based our grades solely on class participation.

Within the first few minutes of the course, I was hooked. The professor had learned Japanese while in the U.S. military during World War II and had served in the Occupation afterward. His experience there led him to shift his interests from the Balkans to Japan and to a focus on that country's democratization.

At the time, many political scientists were asking the same kinds of questions that they did about Germany. Could a country that had so recently embraced fascism and imperialism ever become a democracy? Even more tellingly, could it become democratic without a dramatic shift in its political culture which rarely change quickly? In the case of Japan in particular, could a democracy emerge with its "groupist" political culture rather than the individualism whose role political scientists stressed in countries like the United States and the United Kingdom?

Robert Ward had us read books and articles by the skeptics, though he personally thought that a democracy could exist along side a culture that stressed group responsibility and hierarchical social

obligations. Japan's track record since the end of World War II has certainly shown that democracy can exist without an Anglo-American style individualistic culture.

As Ward also wanted us to see, that by no means suggests that Japan's political culture has no impact on its day-to-day political life as we are about to see. As we are also about to see, the absence of in depth research on the topic by political scientists in recent years means that this section has to be the most tentative and least evidence based of any in this chapter as it is in those of most of the other countries covered in *Comparative Politics*.

As we have seen throughout Part 2, the purported link between an individualistic political culture and democracy can be traced to a series of naïve assumptions political scientists made when they began doing behavioral research in the late 1950s and early 1960s. Those assumptions were definitely *not* naïve when it came to Europe and North American where there has been a clear connection between the rise of individualistic norms and political freedoms on the one hand and the strengthening of democratic institutions on the other.

Even when I was in graduate school in the 1970s, the Japanese experience was already forcing 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 group harmony and cooperation. 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*** or "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. The American journalist T. R. Reid--whose Japanese is so good that he has written books in the language--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.[5]

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,

[5] T. R. Reid, *Confucius Lives Next Door: What Living in the East Teaches Us About Living in the West.* (New York: Random House, 1999).

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.

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 link to everyday politics and the academic disputes over the relationship between culture and democracy. 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 have also been seen as a central reason for doubting the legitimacy of its democracy. If nothing else, critics noted 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. Instead of individualism, they encourage what anthropologists call collectivism or an attitude in which the individual sacrifices for the sake of the group.

If most political scientists who focus on 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.

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.

Three generations have come of age 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.

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, and the decline in long-term guaranteed employment have all undermined oyabun-kobun relations to a 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 and to the difficulties the country has had in regaining its economic momentum.

## Political Participation and Election

The way political parties compete and elections are run in Japan should give political scientists cause for concern, but oddly enough, they have not. As we saw in Chapter 3, just about every major definition of democracy includes the use of free, fair, and competitive elections.

In Japan, few critics have been able to find fault with how free elections have been since the creation of the current regime after World War II. Serious doubts were raised about their fairness when it used the unusual multi-member districts until the 1990s. Today, Japan's German-style mixed electoral system does ensure that a party's share of the vote is broadly represented in the size of its delegation in the Diet.

Critics focus today, instead, on the competitiveness of Japanese elections. Other than two deviating elections in 1993 and 2009, the LDP has not faced a serious threat at the polls since its creation in 1955. Given the results of the last three elections, it is unlikely to face such a threat for the foreseeable future.

In short, the LDP is and has just about always been a dominant party not because it manipulated the system in an authoritarian manner, but because it was able to use the electoral law and the other tools at its disposal far more effectively than any of the opposition parties. Today its strength is largely a function of the opposition's weaknesses which, of course, were created and/or reinforced when they LDP was at the height of its power during the 1955 System's heyday.

### *The Liberal Democratic Party*

Even though it was only created in 1955, the LDP has antecedents in the pre-war parties that dominated Taisho democracy and, some would say, even to Japan's first modernizers, the genro. Two conservative parties emerged World War II. 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).


*The LDP Logo:* Source https://www.jimin.jp/english/

The LDP's many critics often start with the quip that it is neither liberal nor democratic. That it is not liberal as I have used that term in this book is not particularly worrisome. After all, none of the leading conservative parties in Europe support free-market capitalism wholeheartedly either. No one doubts that the LDP is pro-capitalist. However, as we saw elsewhere in Part 2, 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 its conservatives have always endorsed a version of capitalism in which the state and big business cooperate and together 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.

More worrisome is the fact that it has had what many see as a non-democratic side to its organization and to its policies throughout its history. As we are about to see, the LDP has solidified its hold on power in strictly legal ways but also in ways that have left voters without a viable alternative. As the LDP's supporters point out, it is not the party's fault that the opposition has been so weak for a half century or more. However, the fact remains that Japan is the one country covered in Part 2 in which it is hard to argue that most elections are truly competitive. To make things even more worrisome yet, all the signs are that the country is entering a period in which its elections will be less—not more—competitive.

## A Conservative Catch All Party

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.**

On one level, the LDP is like other strong right of center parties covered in Part 2. It, too, tries to woo voters from all points on the political spectrum. But, as we will see in 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 from farmers and people who benefited from big business. Since the 1970s, however, the LDP has done well with almost every major segment of the population.

In that sense, 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 Table 20.3).

Although the LDP is often portrayed as little more than a front group for big business, it has been much more than that electorally. Because Japan does have 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 20.3 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. 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 one demographic group to another. 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 the LDP, which was a bit more conservative 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.

| Group | Difference in Support for LDP v. DPJ (in percentage) |
|---|---|
| **Overall** | +4.7 |
| **Professionals** | -2.7 |
| **Manual Workers** | +11,1 |
| **Farmers** | +29.0 |
| **Over 50** | +10.5 |
| **Men** | -2.8 |
| **Women** | +12.5 |
| **"Permanent" workers** | -7.5 |
| **Not "permanent" workers** | +5.6 |

Table 20.3
Support for the LDP and DPJ in 2005

## Factionalism

The fact that the LDP is a catch-all party is not all that surprising, since most parties that have a realistic chance of winning elections in most industrialized democracies do try to attract voeters from all major social and economic groups. One thing that does make the LDP stand out is the degree to which is organization is dominated by factions.

There is nothing unusual about factions or semi-organized groups with democratic political parties. American readers will be familiar with the divisions between the Clinton and Sanders wings in the Democratic Party and the open hostility between Trump supporters and his opponents among Republicans. In that case as well as factional divisions in the UK, France, Germany, and other democracies, ideological differences are at the heart of those factional disputes.

Not so in the case of the LDP.

Its factions exist for one reason and one reason only. They determine the party president, who becomes prime minister whenever the LDP has 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.

The party usually has had four or five major factions that are little more than personal support networks for their leaders for reasons that will become clear in the rest of this sub-section on the dominant party. Factional membership is 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.

The unwritten rules for factional competition were mostly set by the late 1950s. At the time, the party president was the head of the largest faction but rarely was allowed to hold on to that job for as long as two full two-year terms. 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 the party presidency and thus having the prime ministry's patrongage power.

Factions were not simply the pathway to the top within the party. 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 which we will also encounter a few pages from now.

Factions are less important than they were in the heyday of the 1955 system. In particular, the new electoral system adopted in 1993 puts more of an emphasis on individual candidates' popularity and resources, which are largely beyond factional control. Party presidents can now serve as many as three three-year terms, and Abe intends to do just that which could keep him in office until 2021 and make him the longest serving prime minister in history. An attempt was made to do away with the factions' role in choosing a leader when it adopted an electoral system open to all party members in the 1970s. It was quickly abandoned as unworkable, and LDP presidents (and hence prime ministers) are again chosen behind closed doors.

LDP leaders do disagree about what the party's policy or strategy should be. The factional competition, however, has next to nothing to do with beliefs of any sort. Instead,

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 Koenkai and Money Politics

Elections cost a lot of money everywhere. That is true in Japan as well but mostly for reasons that are unique to its electoral system because its 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 that was in use until the 1990s.

In the 2017 lower-house election alone, roughly $600 million was spent by all the candidates. While that number pales in comparison with the $6.4 billion spent in the 2016 U.S. presidential and congressional elections, it is a lot of money, especially since there are strict limits on what individual Diet candidates can spend.

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*** which are also an extension of Confucian traditions 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. 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 consider campaign contributions. For example, Abe Shintaro (father of the current prime minister) was supposedly one of the least corrupt leaders, but he controlled twenty-seven koenkai in 1984.

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.

Candidates did not use these funds to openly buy votes, but they came close to doing so. Diet members supported causes 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.

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 are there more bridges, high speed rail lines, and superhighways to (next to) nowhere than in 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.

The pork and everything associated with it lost some of their ability to attract voters as a result of the social and economic changes discussed at the beginning of this. 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. Similarly, the new electoral system eliminated the peculiar multi-member districts that gave rise to the need for so much campaign money in the first place. Nonetheless, koenkai are still important in the 289 districts in which a single Diet member is chosen even though the LDP no longer has to worry about the "proper" allocation 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 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 today. 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. That might seem improbable given the fact that the party and its predecessors have provided Japan with its prime ministers for all but four years since it regained its sovereignty after World War II.

*As an organization*, the LDP is and has always been very weak as far as its central leadership is concerned. Unlike other parties we have considered, the factions and personal support networks are far more important.

We can easily see that weakness in two ways, beginning with the rapid turnover of party leaders and prime ministers. Their average term in office is less than three years, and all but six of them lasted two years or less. That was the length of two terms as LDP president during the 1950s through the 1970s when most of these patterns regarding the party's internal dynamics were set. 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. That has changed as a result of the electoral system reforms to be discussed below, but at least until Abe regained control of the party before the 2012 election, the Japanese prime minister truly was the first among equals—in this case his equals including fellow party as well as cabinet members.

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

According to party statutes, the PARC has to approve proposed bills before the cabinet can submit them to the Diet, giving it a de facto veto power over legislation. Although most of its members rotate from sub-committee to sub-committee, the PARC is home base of the *zoku giin*

(literally policy tribes) who use the PARC to line up support for legislation if and when it got to the Diet. At the very least, they resemble American congressional committees where veteran members and their staffs often get their way because they have accumulated so much expertise and experience in their particular subject area.

Frankly, the prime minister and cabinet had little or no expertise or leverage to successfully defy them should their preferences collide. One not so trivial example of the PARC's power is that the LDP does not have anything like the system of party whips we saw most prominently in the United Kingdom. It doesn't need them. 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. In particular, the LDP had little choice but to open up the process for choosing a new party leader. As noted earlier, it adopted a selection process that gave all party members a vote in determining the party leader.

That allowed Koizumi, the party's first maverick leader, to run the party and become prime minister. He was, in essence, the first leader elected because of his personal characteristics and popular appeal whose ability to reach "over the heads" of the LDP machine further weakened its influence over the country as well as its internal workings.

Koizumi was a veteran politician who had put his name forward to lead the party earlier but had no realistic chance of winning because he was not particularly well positioned in the factional competition. Now, however, he could reach out beyond the party oligarchs and win 87 percent of the party members' vote and become party president (and, hence, prime minister) in 2001.

Though he came from a long-standing political family, Koizumi was different and was by far the most unusual prime minister the LDP has produced so far. 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 and 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. 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.

Koizumi forever changed the nature of the prime ministry. 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.

Koizumi's legacy was mixed because relatively few of his policy reforms were enacted and implemented. After he voluntarily left office, Japan had a series of more traditional prime ministers under both the LDP and the DPJ.

However, his longer term impact on Japanese politics became clearer when Abe won the party presidency prior to his election as prime minister in 2012. As you can see in the profile box on him in the state section of this chapter, Abe is not as flamboyant as Koizumi. Abe did rise in Koizumi's faction and has gone on to personalize leadership so much that he is likely to be able to stay in office for all three of the three-year terms party rules allow before he is "term limited" out of office.

## *The Other Parties*

Modern democratic theory assumes that a country has a multi-party system and competitive elections. Post-war Japan met the first criterion. It always had several parties. It fell short on the second since the opposition has had next to no chance of winning most elections. Although the LDP has now lost twice, it is hard to argue that it has ever had a viable opposition. It certainly does not have one now.

Indeed, the opposition is so fragmented that it is hard to present the kind of cumulative tables I have used in other chapters to show the ebb and flow of partisan support from election to election. Even Table 20.4 which summarizes the elections between 2009 and 2017 had to be dramatically simplified because of the number of parties that disappeared or changed form over the course of the last few years.

| Party | 2004 | 2009 | 2012 | 2014 | 2017 |
|---|---|---|---|---|---|
| **LDP** | 38.2 | 25.7 | 27.8 | 33.1 | 33.3 |
| **Komeito** | 13.3 | 11.4 | 11.8 | 13.7 | 12.5 |
| **DJP and allies** | 31.8 | 41.0 | 36.0 | 32.0 | 20.0 |
| **Party of Hope** | -- | -- | -- | -- | 9.5 |
| **Left parties** | 12/8 | 11.6 | 8.0 | 13.7 | 17.4 |

Table 20.4
Elections 2004-2017 (percent of proportional vote)
Major Parties and Coalitions

### Komeito

The first of these parties is not part of the opposition today, although it has been at various points in the past. Komeito or the Clean Government Party (www.komei.or.jp/en) is the only organization 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 Christian "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. Since then, it has forged close ties with the LDP and has been part of the governing coalition since the party returned to office in 2012.

## The Left

For most of its history, the LPD's most serious opposition came from the left. For good or ill, the left has all but disappeared as a major force in Japanese politics. Even in the political tidal wave of 2009, it played a relatively minor role and the non-communist left has all but disappeared.

During the second half of the twentieth century, the traditional opposition was led by the social democrats who went by numerous names because they, too, were factionalized and kept splintering and reuniting. Their most recent incarnation was the DSP (Democratic Socialist Party of Japan) which is the most recent version of the socialist party.

It is hard to believe that the socialists were 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. Like the LDP, it had factions which separated and then came back together 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. Technically, the party still exists, but that is all one can say about it, because it has no practical influence left.

The reasons for the Socialists' decline are easy to identify. 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 1950s and has not emerged again with a

credible alternative to the kinds of economic policies that the LDP and big business support. Socialists have always been hurt, too, by their message, which relied heavily on a rejection of the United States–Japan Security Treaty, a topic that has not been a divisive issue in the country as a whole for years.

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 under 10 percent of the vote and no more than a handful of seats in the last four parliamentary elections. Despite that weakness and apparent lack of a viable, long-term future, the JCP is the only remaining alternative on the left.

## The Moderate Opposition or LDP-Lite

The rest of the opposition holds ideological positions that are not terribly different from those taken by the LDP. That should hardly be surprising since most opposition leaders and the only ones who have led anti-LDP governing coalitions were themselves once members of the dominant party.

If nothing else, that has left Japan with a fragmented center-right opposition whose components keep splintering and reintegrating in mind-numbing ways. As Hong-Kong based Isabella Steger put it, "Is it just me or are there are a lot of acronyms?"[6]

In recent years, the **Democratic Party of Japan (DPJ)** was the largest opposition party from the 1990s until the 2017 election and has led the government during the two periods when the LDP was out of power. That said, it was never easy to think of the DPJ as an opposition party in the way I've used that term throughout Part 2.

The DPJ's history is complicated, but it can best be seen as an outgrowth of the LDP's internal factional disputes and its growing problems at the polls during the 1980s and 1990s. At the time, a number of politicians quit to form new parties. All were small. None had a credible proposal for restarting the economy. 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.

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.

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[6] Isabella Steger, "Everything You Should Know About Japan's Oddly Drama-Filled Elections." *Quartz*, October 22, 2017 (qz.com/1098410/everything-you-should-know-about-japans-oddly-drama-filled-elections/)

That the DPJ did not mark a sharp break with the LDP past was clear from its first leaders, especially 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 veterans of one of the factions from the old socialist party.

Its reformist image did not last long, especially after 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 had admitted to taking bribes and accumulating other illegal contributions that may have been worth more than $50 million.

In 2009, it finally won control of the country in large part because voters had grown frustrated with the LDP's failure to restore rapid economic growth in the fifteen years since the bubble. The DPJ and its allies had run and won on a populist platform that stressed the need for economic reform, entrepreneurship, and greater social equality. In fact, the DPJ government did not through on most of its reform pledges.

Then, the tsunami hit in 2011. Not only did it take a long time for the government to resond to the crisis itself, but its legislative proposals for the recovery foundered because its plans required a rapid rise in the tobacco tax which it could not get through the House of Councilors which still had an LDP majority.

It thus came as no surprise that the DPJ government was ousted in 2012. The party did no better in the early 2014 election that confirmed Abe and the LDP in power.

It therefore merged with others to form the Democratic Party (sorry to be confusing about all of these names) before the 2016 elections for the upper house. It did so poorly that the new party chose not to even contest the 2017 House of Representatives election leaving potential opposition voters with no alternatives other than the JCP and the Party of Hope which had been created the year before by one of the few prominent women in Japanese politics, Tokyo's governor, Koike Yuriko. Although she won office as part of a coalition that included the LDP, she decided to form a new party that attracted the support of the remnants of the DJP. Then, she surprised everyone by not running for election to the Diet in 2017. Her party did win just over 10 percent of the vote but only seven seats in the House of Representatives. Like many other flash in the pan opposition parties in the past, it probably will not survive to fight the next election.

### No Populism

Perhaps the most striking feature of this chapter is that Japan has not had to deal with a populist party like France's National Front or a politician who strikes populist themes like Donald Trump. So, there is no need to include this section other than to note this fact.

### Minor, Minor Parties

As the last few paragraphs have suggested, Japan's party system is fragmented to the point that many organizations that contest an election or two are barely worth mentioning. Many new parties have been formed since the early 1990s, most of which disappeared almost as quickly as they were formed. In 2009, two parties whose names were a variation of the Japanese for "new party" together won 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 take us a long way toward understanding why the LDP has dominated Japanese politics for so long. However, taken alone, those factors alone do not go far 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, 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. Although the system has not been used for a quarter century, it helped create what I have called the 1955 System that has largely remained in place despite the reforms which we will also consider in this section.

To see why, consider one of the last elections held using the old system 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 a majority of at least 257 seats in the all-important lower house of the Diet, a party had to win an average of more than two seats or more per constituency. In other words, a party that aspired to national power (which, of course, meant only the LDP in those days) 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 their 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 269 members chosen in single-member districts and 176

more elected by proportional representation. LDP candidates no longer run against each other in those single-member districts. 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.

That has not happened yet because the *koenkai* and factions still matter and help keep the pre-1993 dynamics in place. The candidate's personality is more important than ever in single member districts, which still 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 serves to artificially increase the LDP's Diet delegation since it won 15 percent more of the vote and three quarters of its seats in the single member half of the 2017 election. It is probably too early to tell if the electoral system will help produce truly competitive races in the long run, but the results after seven elections using it suggests that the LDP's hegemony is not going to disappear any time soon..

## *The Strange Case of 2017*

All of these strands came together in the snap 2017 election which was held just before I wrote this chapter. There was no need for Prime Minister Abe to dissolve the Diet and hold new elections until the current legislative term ended in 2018. What's more, his government was not all that popular and was mired in more than any government's usual number of scandals.

However, Abe sensed that the opposition was even weaker and the public was predisposed to return an LDP government to power given the growing threat from North Korea, his strong relationship with U.S. President Donald Trump, and other issues that were looming on the horizon. In short, Abe realized that the opposition was so fragmented and so weak that he was likely to win an even larger majority, dissolved the House of Representatives in September, and scheduled elections for October 22, 2017.

Despite some early polls showing a lack of support for Abe and his party, the campaign unfolded almost exactly as the LDP leaders hoped.

To begin with, the Opposition imploded in ways that no one quite expected when the campaign began. As we saw earlier, the DPJ had splintered into a number of factions. Some had come together to form the Constitutional Democratic Party. Others joined with the recently elected, former LDP cabinet member Koike Yuriko in the new Party of Hope which she formed.

As Table 21.4 shows, neither of the new opposition parties did very well. In the case of the Party of Hope, Koike's decision not to run herself in the election, undermining her claim that the party offered something new and different. Indeed, the only surprising thing about the election was how close the LDP and the opposition were on policy matters other than the role nuclear power should play in Japan's energy future.

## *Interest Groups and Social Movements*

On paper, Japan has the same range of interest groups one finds in most industrialized democracies but are particularly useful in the context of this chapter because they deepen our understanding of

the way political life unfolds there. Some of them 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. Others are unusually weak and/or in unusual ways that also help us understand the reasons why the LDP has dominated Japanese politics for so long. We will see that by considering four of them.

## 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 2017, it had about 1,300 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 Japanese trade unions is mixed. Only company-sponsored associations were tolerated before World War II. Following the war, SCAP encouraged the creation of new ones which turned out to be quite militant and set the tone for the left-wing parties as well. After an initial flurry of activism, Cold War pressures led the authorities to limit the unions' power, if not their formal right to exist or protest. Nonetheless, they were strong enough to make the left a credible alternative to conservative hegemony for the next generation. 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 by the 1970s.

The unions seemed to devote more of their energy to debating national security than putting pressure on business leaders or the government to improve the living conditions of their rank and file members. The LDP and their business allies did their part to undermine the unions in three complementary ways. First, they undermined the unions' base of support by adopting policies that led to one of the most equal distributions of income in the industrialized world as we will see in the policy section. Second, businesses helped establish "second" unions" organized within a single company which were more amenable to cooperating with management. Third, Japan ended up with a split between the more militant public sector unions and more docile private sector organizations.

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 that organize within individual companies, 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 highlight of the unions' year has been what it calls 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 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. Problems with that term begin with the use of the term citizen which, in English, invariably is focused on individuals and their rights and responsibilities. The shimin had a much stronger base in Japan's "groupist" values and reflected communal opposition to everything from a consumption-oriented society to nuclear power to the inability of people to affect decisions in their cities or prefectures.

However, do not read this as meaning that there have been no protest movements as western political scientists understand that term. 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. But, for the most part, the overwhelming majority of Japanese citizens have supported their democratic system and rarely went farther than supporting the shimin when they were dissatisfied with the state's performance.

### The Role of Women

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 under the LDP or held a senior leadership position in the party. Doi Takako was twice head of different incarnations of the socialist parties, but she is very 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 2017 election, Japan ranked 165th in the world in the number of women members of parliament at 9.3 percent, ranking between Belize and Brunei. The LDP has the weakest track record of them all with women only making eight pecent of its candidates that year.

Japan does have a feminist movement. However, an Internet search provides fewer feminist references than for any other established democracy, reflecting just how weak it is. 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 JAPANESE STATE: THE IRON TRIANGLE

No county covered in *Comparative Politics* better illustrates the fact that there can be a dramatic difference between what a constitution authorizes and what actually happens--even in an established democracy.

On paper, Japan has a conventional 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 virtually intact. The House of Councillors does have a bit more power than most 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 until the bubble collapsed but have also made it hard for the country to recover since then.

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 victorious allies imposed the constitution on Japan.

On paper, it is one of the most democratic in the world (constituteproject.org/constitution/Japan_1946.pdf?lang=en). 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 only has one novel feature--**Article 9**, known as the **Peace Clause**, the full text of which follows:

> ARTICLE 9. (1) Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.
> (2) In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.

Its language could not be clearer. Japan "forever" renounced war and not even threaten to use 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 have long wanted to modify or abolish Article 9 ever since sovereignty was restored. Since then, it has also been 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 to 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, including the revision or abolition of Article 9. Thus, although Abe has the votes to change it in the Diet, it is by no means clear that any such referendum would be approved.

Otherwise, the constitution outlines 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 (http://www.sangiin.go.jp/eng/index.htm) which replaced 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. 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 earlier in this century 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. 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 have 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, 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, however, does not seem likelyin the foreseeable future given the sorry state of the opposition.

## *The 1955 System or the Iron Triangle*

As with so much of Japanese politics, the informal side of political life is what really matters. Here, we will focus on what many students of Japan call the 1955 System and which many comparative political scientists more often refer to as an **iron triangle**, two of whose features stand out.

The first is the way the LDP chooses the prime minister, which I have already alluded to. Although the LDP has changed its selection procedures over the years to give at least the appearance of being more democratic, faction leaders who are the party elders have almost always

made the choice behind closed doors. The balance of power among them normally determined who becomes party president and therefore prime minister.

In one way that is not surprising because people become prime minister in most parliamentary systems because they have risen to the top of their parties. What makes Japan different is the fact that LDP rules used to require 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 LDP's leadership selection practices contributed to rapid turnover at the top, which made the shifting strength and preferences of factional leaders all the more important. As a result, few individual prime ministers have left a lasting mark on their country.

The length of the party leader's term was extended to three years in the 1990s along with the possibility that someone could hold the office for three of those three-year terms. It is now assumed that Abe will serve something that thosenine years. That should not keep us from seeing that the trend has been for Japan to have relatively weak prime ministers who shared power with other like-minded men (there have been very few women at or near the top of political life) for the last 60 years.

Factional size is also important because another unwritten rule allots cabinet positions largely along proportional lines so that virtually all of them are represented in the government and can have a tremendous impact on what happened. Because cabinet ministers rarely spent more than a year in one job, there had little opportunity to develop the substantive skills we see in long-term incumbents in other countries and, again, the faction leaders tended to fill the void.

## 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.

The second, more important and even more informal part of the LDP's political machine is the way in which it comes together in what political scientists and, now, some Japanese observers call the iron triangle that has more than compensated for the tradition of relatively weak prime ministers**.** Political scientists first used the term iron triangle 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 and Japan that are far more influential and, critics argue, far more insidious.

American critics claim that their iron triangles are elitist because they freeze most people and interest groups out when specific pieces of legislation on, say, housing or agriculture are crafted. 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.

As in France, the story starts with the bureaucracy. Senior civil servants are held in high esteem in all parliamentary systems, because 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 how and why that is the case, it helps to start with the history and organization of the key Japanese ministries and their employees. Bureaucrats have held senior policy making positions since 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 and 1940s.

Not surprisingly, the occupation wanted to make a clean break with the past. As we saw earlier, the rightward shift after the Cold War truly took hold nixed most of those plans.

SCAP also kept most of the pre-war and wartime bureaucrats because there were not enough Americans who spoke Japanese and understood the country's culture to do their jobs effectively. That continuity kept the government working smoothly during those difficult times, but it also had the unintended consequence of reinforcing bureaucratic power. The Americans added to bureaucratic strength when they turned instead to a career diplomat, 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.

Under the LDP, the bureaucrats held on to their influence because the political leaders needed them. Until some relatively minor reforms when Koizumi was prime minister, the dozen or so cabinet members (the exact number varied) could only name one other politician each who served as vice minister. The rest of the people in his (or very occasionally) her office were civil servants, led by an administrative vice minister whose day-to-day control whose power od also enhanced by the high turnover rate of cabinet ministers and vice ministers.

Even with the increased number of political appointees in each ministry introduced under Koizumi, the bureaucracy is still extremely powerful. About 90 percent of all legislation originates

there, and the cabinet and Diet rarely extend a bill's language beyond its basic principles. Its details are written later by the bureaucrats, giving them an impact rarely enjoyed by their counterparts in other countries.

## Comparative Emphasis
## State and Empathy

As with France, the key to understanding Japan lies in its integrated elite and why its population accepts an interventionist state. The reasons behind the Japanese case are rather different however. It lacks the kind of recruitment and training system epitomized by France's ENA. Instead, it makes more sense to explore cultural norms, especially those that revolve around group identity and loyalty.

Because the bureaucrats were held in such high regard, the ministries have been able to recruit the top graduates of Japan's best universities. Unlike the United States, joining the civil service is the most prestigious a job a young graduate can get. Entry is based on highly competitive exams, with over 50 applicants vying for every opening. There was virtually no lateral or mid-career entry into the senior civil service, which meant no fresh blood is added after this initial round of recruitment.

Since few ministers stay in their jobs for more than a year, the civil servants know far more about their policy areas than the politicians which they use to manage day-to-day operation in their departmenst. That's hardly surprising since the administrative vice minister (the top civil servant) typically 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.meti.go.jp/english/index.html). It was renamed the Ministry of Economy, Trade, and Industry in 2000, but I 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.[7]

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

[7] Clyde Prestowitz, *How Japan Can Reinvent Itself and Why This is Important for America and the Rest of the* World. (North Clarendon VT: Tuttle Publishing, 2015).

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 the keep foreign access to the Japanese market to a minimum.

The Ministry of Finance (MOF) has equally far-reaching responsibilities for 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 called all the shots. 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 most 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 then 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 become leading LDP politicians who then use 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*. At the height of its power, the DPJ

criticized amakudari and has used fewer former civil servants in its senior ranks. Nonetheless, there are still more ex-bureaucrats in elected office in Japan than in any of the other countries covered in *Comparative Politics* other than France, and it is common to find articles in the Japanese press about the corrosive impact of amakudari and the bureaucracy in general.

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 integrated the Japanese elite at least as far as economic policy making was concerned. We will be focusing on that impact in the rest of this section, which makes it particularly important to keep in mind 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 toward reaching that 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. This form of more or less permanent employment contract has helped solidify key firms in the Japanese, German, French, and other economies

At most, however, 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.

Since the collapse of the bubble economy, these firms have accounted for a declining share of the Japanese work force, and some of them have resorted to short-term contracts which do not engender the kind of loyalty that helped make big Japanese firms global giants. And, since these firms also provided many of the social services the state covers in Europe or even the United States, their decline has put more burdens on the state and its limited "welfare state" programs.

## *The Iron Triangle and Democracy*

The iron triangle is also highly controversial.

Many scholars and non-academic observers alike question how democratic Japan really is given the nature of its elite as well as the lack of competition at the polls. Of course, they acknowledge that Japan meets the minimal criteria of a democracy laid out in Chapter 3—individual liberties, 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 20.1 which is the same as Figure 1.3 in the printed edition of this book.

For the moment, focus on the left side of the chart which 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. 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.

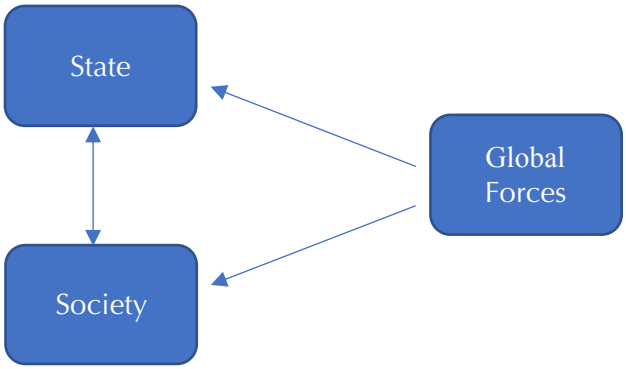


Figure 20.1
State, Society, and Global Forces

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?

As we will soon see in the policy section, global forces have undercut the effectiveness of any state, no matter how powerful, but we have to consider the rest of the state first.

### *The Rest of the State*

The rest of the Japanese state does not get as much attention from political scientists, because, as in Britain, it is not terribly important. The courts, local governments, and other institutions that we explored in more depth in other chapters have not had much of an impact in Japan.

Japan has 47 subnational governments, 43 of which are known as 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 constitution established a fifteen-member supreme court whose members are appointed by the cabinet (http://www.courts.go.jp/english/). On paper, it has full powers of judicial review and 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 next 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, the court 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, by 2009, 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 either to Japan's past or its political culture. As we will see, the iron triangle has deep roots in Confucian and other Japanese traditions. Similarly, Japan's present-day pacifism is an outgrowth of its imperialism and then its defeat in World War II.

At the same time, don't read too much into these trends because both seem to be changing. On the one hand, the iron triangle has not helped Japan cope with its economic uncertainties over the last quarter century. On the other, Abe's 2017 victory could well lead to major revisions in the Peace Clause/Article 9 of the constitution. In both cases, we will see that the global forces hinted at in Figure 20.1 are responsible for much of that change.

## *Economic Policy*

Unlike the United States where business leaders like to portray 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 centrally managed capitalism or what was once called "Japan, Inc." by its many detractors who were often reluctant to even call it capitalist.

Here, I want to cast Japan in a more nuanced 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

Japanese companies collaborate with the government to achieve long-term growth and increase a company's share of the market more than 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, which led analysts took to use book titles like Ezra Vogel's *Japan as Number One.*

Right after the war, no one dreamed that the demoralized and devastated Japan could ever be number one. At the time, government and the private sector had no choice but to make rebuilding its tattered economy their top priority. As we saw in the historical section, the occupation authorities initially tried to create an American style free(r) market until Cold War pressures

convinced them and the emerging group of Japanese leaders to stress rapid economic growth so that the country could become an American ally.

Japanese bureaucrats and political leaders then reintroduced 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."[8]

The strategy worked, and Japan found itself in a position to expand internationally in ways that MITI and the rest of the iron triangle started. 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" and gave Japan free access to the American market and defended Japan's policy of prtecting 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.

Growth averaged about seven percent per year, which meant that the size of the economy as a whole doubled once every 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.

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

[8] T. J. Pempel, *Regime Shift: Comparative Dynamics of the Japanese Political Economy*. (Ithaca: Cornell University Press, 2000), 56.

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 semiconductors were developed in American labs. In the 1980s, however, Japanese manufacturers began making 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 the companies' profits in the short term, but rather to build their market share over 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.

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, as has been the case with 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.

## No Longer Number One?

When the economic bubble collapsed, it took the 1955 System's vaunted accomplishments with it. Japan's was not the first or last economic bubble. European and North American readers have been through one with the near collapse of their real estate markets, financial systems, and more at the end of the last decade.

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 rather than 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. A second recession hit in short order 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 400 years ago, the collapse of the bubble was filled with partially political implications. It brought to an end the growth that the iron triangle was at least responsible for. There had been earlier signs that it was no longer that effective, but the end of the bubble made the new and uncertain economic future inescapable.

As economic conditions deteriorated, the costs of a poorly developed infrastructure, inadequately funded public works (see the next section), 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. 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 could no longer "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 this chapter's narrative but reflects forces largely beyond any Japanese administration's control and will thus have to be developed in more depth because it also gets at problems that *any* government in *any* advanced industrialized democracy would face.

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 I just mentioned—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. 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 or the oyabun-kobun networks that ere 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 Part 5 of the printed version of *Comparative Politics*). In the simplest possible terms, it is hard to make an autarchic economy work today as we saw to a lesser degree in the chapters on France and Germany because of the global forces depicted on the right side of Figure 20.1.

The impetus for growth may have once rested in what former French President François Mitterrand called "reconquering the domestic market" or that President Trump has in mind when

he repeatedly claims that he will "make American great again." Today, however, 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.

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.

It all starts with the nature of Japanese and global capitalism.

In the twenty-first century, fewer and fewer companies can profit by "hiding" behind the kinds of protectionist walls erected by MITI and the rest of the iron triangle because domestic success is no longer enough to ensure rapid growth even for an export-driven economy. 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 them 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 internationally 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."[9]

## 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 important almost all of its oil and petroleum-based products.

The obvious difficulties have been harder to miss since the bubble collapsed. Successive LDP government made misstep after misstep. Most notably, they worked on the assumption that the downturn wast emporary 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

[9] "Armed With a Strong Yen." *The Economist*. December 17, 2011: 114.

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 deal with the new, globalizing world. In fact, the economy continued to sputter under LDP and DPJ prime ministers alike.

It is in this context that we should consider the likely impact of Abenomics. Although it is by no means the first concerted attempt to recover from the collapse of the bubble economy, it has gone the farthest in identifying some of the root causes of the country's troubles and thus might have the best chance of succeeding.

His economic policies include the "three arrows" mentioned at the beginning of this chapter:

- **Monetary easing** which is a technical term to describe spending on a stimulus package much like the one adopted by the Obama administration when it took office in 2009. The government's hope is that massive public spending will cheapen the value of the yen and enhance the ability of Japanese manufacturers to sell abroad. Even more importantly, it should heighten demand at home and abroad while helping reverse what has been a twenty year long deflationary cycle. That includes targeting government spending on infrastructure projects that will address unmet social needs that will also boost the overall economy.
- **Fiscal expansion** involves spending more money to enhance Japan's position in the global economy. Unlike earlier LDP prime ministers, Abe gives at least lip service to free trade and hopes that the country's involvement of whatever version of the Trans-Pacific Partnership goes into effect will boost exports.
- **Structural reform** by reviving the domestic economy by tapping underutilized resources, in particular by encouraging more women to enter and stay in the work force. Lifelong employment is less frequently an option for Japanese middle class families, and the male labor force is not big enough to meet the country's needs. As a result, the government has focused on incentives to help women play a larger role in corporate life more by endorsing everything from subsidizing more child-care programs to finding ways for women to stay in the work force after having children, which has been quite uncommon until now.

There is some evidence that Abenomics will pay off even if it doesn't return Japan to the strength it enjoyed in the 1970s and 1980s. The overall economy has been growing since mid-2016, the longest period of sustained growth since 1999. A start-up culture is beginning to emerge which could provide alternatives to the rather risk averse big companies and their integrated networks that have limited growth and innovation over the last 20 years or so.

## The Welfare State—Or the Lack Thereof

Before moving on to foreign policy, we need to briefly consider a key paradox in Japanese public policy. Even during those boom years, Japan provided fewer social services than the other major democratic states in large part because the private sector offered its own version of the welfare state's "safety net."

Whatever indicator you use such as unemployment insurance, health care coverage, or pension coverage, 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.[10] 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

[10] Margarita Estévez-Abe, *Welfare and Capitalism in Postwar Japan.* (New York: Cambridge University Press, 2008).

more and more strain on what everyone acknowledges are inadequate publicly provided services, in particular for Japan's aging population.

At this point, only about one percent of the total population is covered by public income assistance program, and almost half of them are elderly. Therein lies the long-term problem that Japanese government will have to face.

Its population is aging faster than that in any other industrialized democracy. Their care will consume more and more of the national budget. More importantly, the Japanese do not want large numbers of immigrants, who provide much of the labor poor for elder care in Europe and North America. As a result, the government and the private sector are experimenting with robots who could fill some of the gap. That said, it is hard to see how the country can meet its social service needs without a hefty increase in government spending—not to mentioning opening its borders to more immigration.

## *National Security Policy*

Despite its problems, Japan remains 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 also the most generous provider of foreign development assistance, the largest exporter of capital, and the leading creditor nation on a per capita basis.

*Abe Shinzo and Donald Trump: Source Wikimedia Commons*

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.

That does not mean that Japan plays no role on the global geopolitical stage. Despite Article 9, the **Self-Defense Force (SDF)** is one of the most modern and best-equipped militaries in the world. Only six countries spent more than Japan did on defense on a per capita basis in 2016.

However, when seeing statistics like this, it is important to keep two things in mind. First, despite the sophistication of its troops and equipment, Japan has never come close to putting them in a potentially offensive position since 1945. Second and more importantly, 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.

That said, there has not always been a consensus on foreign policy. There has been one in place since the 1960s, but it may be in question today. As noted in the historical section of this chapter, some conservative leaders wanted to rebuild the army after World War II. A decade later, the left opposed renewal of the treaty which has allowed the United States to keep almost all of its Japanese bases open to this day.

During the last twenty years of the Cold War, a consensus of sorts did emerge on basic foreign policy issues. 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 in the American strategic network. 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.

A consensus also emerged in which most Japanese accepted the limits Article 9 imposed on the country. The SDF was not big enough to either protect Japan itself or contribute to the containment of the former Soviet Union and China. Until the Gulf War in the 1990s and the Global War on Terrorism afater 9/11, no serious thought was ever given to deploying Japanese forces abroad in combat situations.

All that began to erode. The first serious doubts about Japanese foreign policy from within the nationalist wing of the LDP were symbolic, such as the six visits Koizumi paid 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.

Since then, Japanese foreign policy itself has become slightly more assertive. 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 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 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.

Today, that may all be changing. Perhaps because his roots lie in the nationalistic wing of the LDP and its predecessors, Abe has long wanted Japan to play a more assertive role in international affairs. That took on new meaning in 2017 when Japan had to deal with North Korea's hostile actions and its even more hostile rhetoric as well as the Trump administration which encouraged American allies to take a greater responsibility for their own defense.

Whatever the reason, Abe made the revision of Article 9 a key campaign plank in the 2017 election campaign. Unlike earlier LDP nationalists, Abe does not want to get rid of Article 9 and its clause renouncing war but wants to add a third paragraph to it that would legitimize the existence of the SDF and open the door to its participation in overseas combat.

Despite having a two thirds majority in both houses of the Diet, it is not clear that any such amendment to Article 9 would have to pass for at least two reasons. First, it would need the support of Komeito, which positions itself squarely to the right of center *except* on foreign policy

because of its roots in the pacifist wing of Japanese Buddhism. Second, any constitutional amendment has to be approved in a national referendum, which is one of the reasons why the current constitution has not been amended since its adoption in 1947. At the end of 2017, support for a proposed amendment did have narrow support in the country as a whole, but most people also seem happy with Japan's current role as defined under Article 9. Therefore, it is by no means clear that the Abe government could get such an amendment passed even it gains Komeito support in parliament.

## 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.

I 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 the opposition parties have 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*

Abe Shinzo
Hashimoto Ichiro
Hashimoto Ryutaro
Hirohito
Koizumi Junichiro
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

Social Democratic Party of Japan

Soka Gakkai

Tokugawa shogunate

Treaty of Mutual Cooperation and Security between the United States and Japan

Tulip Craze

## Further Reading

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Tipton, Elise T. *Modern Japan: A Social and Political History*. 2nd edition. London: Routledge:

2008. The best short and accessible history of Japan from Meiji to the present.