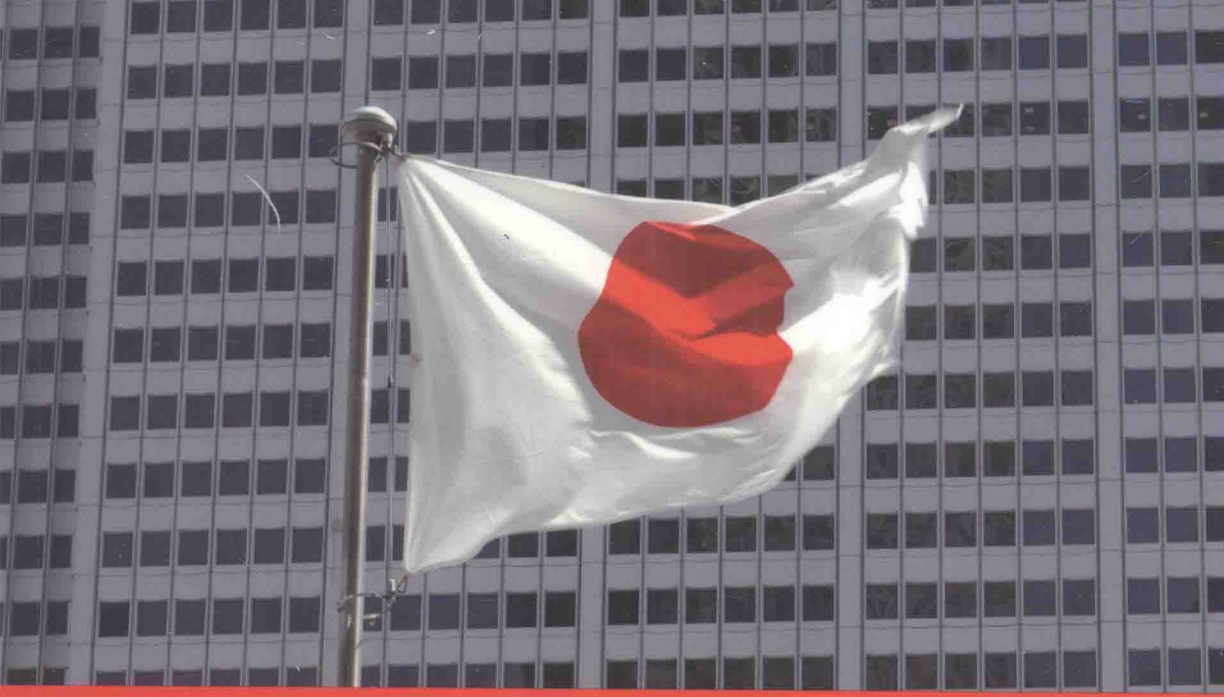

J. A. A. STOCKWIN

# GOVERNING JAPAN

## DIVIDED POLITICS IN A RESURGENT ECONOMY

FOURTH EDITION

Blackwell Publishing

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Fourth Edition

J. A. A. Stockwin

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In memory of David Sissons

who showed me how to study Japanese politics

# General Editor's Introduction

This book is a distinguished and well-established part of a series of studies in comparative government. The original goal of the series was to provide clear and comprehensive analyses of the governmental systems of individual countries selected either for their intrinsic importance or because their pattern of government was of special interest to the students of political science. Although the series is aimed at students and teachers in higher education, it has always been an important part of the series' mission that the volumes should be accessible and attractive to the general reader.

This fourth edition of Arthur Stockwin's *Governing Japan* exemplifies that approach: it offers a comprehensive and lucidly argued analysis of the Japanese political system which meets the needs of those who seek to understand this important country both for practical and for academic purposes. Since its first appearance in 1975 Professor Stockwin's text (originally published as *Japan: Divided Politics in a Growth Economy*) has provided authoritative guidance in unravelling the complexities of Japan's democratic institutions. Although this new edition is as insistent as previous volumes on the importance of history in shaping modern Japanese politics, it focuses especially on the important structural developments that have occurred in the early twenty-first century. In particular, it analyses the profound changes that have brought much-needed modernization to the faltering Japanese economy, and the administrative and political reforms introduced under Koizumi that were designed to strengthen the capacity both of the Prime Minister and of the political system more generally. Even so, as Professor Stockwin convincingly argues, Japan still faces a number of daunting challenges relating to its political life, its demographic composition and its international status. How Japan meets those challenges is a question of crucial importance not just for Japan itself but for the whole international community. Professor Stockwin's timely book provides us with an invaluable tool for understanding that process of adjustment and for interpreting a political system which has too often seemed remote and culturally idiosyncratic. I am delighted to have this new edition in the series and anticipate that it will command a wide and appreciative audience.

*Gillian Peele*
*Series Editor*


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# Conventions

Throughout this book, Japanese, Chinese and Korean names are given in their correct order, with the surname first and the personal name second. When, however, works written in English by Japanese writers are cited in footnotes, the order natural to English is preserved. Macrons are used over vowels that are lengthened in Japanese pronunciation, in order to distinguish them from short vowels; thus *fukoku* but *kyōhei*. For Tokyo, Osaka and Kyoto, however, macrons are omitted. It should be noted that a 'long' vowel is given in pronunciation approximately twice the length of a 'short' vowel. Another useful pronunciation hint is that a double consonant is doubled in length when spoken, as in Italian. Thus *Nikkei* is spoken roughly as 'Nick Kaye', not 'Nick eh' (BBC newsreaders please note!). While on the subject of pronunciation, Japanese long vowels are not diphthongs, as so often in English. Thus *rōdō* (labour) is spoken as 'raw door', not 'roe doe'. Japanese pronunciation is not heavily stressed. Thus, not HiROshima, nor HiroSHIma, but Hi ro shi ma (even stress on each syllable).

In my opinion the accepted English translations for some Japanese terms are unsatisfactory. Therefore I have either retained the Japanese word or employed a more normal English word in the following cases: *Tennō* (not 'emperor'), Parliament (not 'Diet'), *han* (not 'clan', 'fief' or 'domain'), *Meiji ishin* (not Meiji Restoration). The names of political parties create particular problems, since some of them have official English titles that do not mean the same as their titles in Japanese. My solution in this edition is to give the accepted English title when a party is first encountered, followed by initials and Japanese title in brackets. Thus: Clean Government Party (CGP, *Kōmeitō*). The same order (English title, followed by Japanese title) is applied at first usage to government ministries (especially the 'super-ministries' created in January 2001, where the English title sometimes differs wildly from the Japanese title. For instance, what is in English the Ministry of Public Management, Home Affairs, Posts and Telecommunications is in Japanese simply *Sōmushō* ('Ministry of General Affairs').

# Acknowledgements

This edition of *Governing Japan* is dedicated to the memory of David Sissons, who was my doctoral thesis supervisor in the early 1960s at the Australian National University in Canberra when I first began to study the politics of Japan. He imposed much-needed discipline upon a disorganized graduate student and taught me how to study this subject area, which has continued to intrigue me over four decades. I owe to him more than I can say.

Several of those who have helped and inspired me over the years are sadly no longer with us. These include Hayashi Shigeru, who was my thesis supervisor in Japan during fieldwork in 1962–3, and subsequently mentor and friend. He graciously bequeathed much of his collection of books on modern Japanese political history to the Bodleian Japanese Library at the Nissan Institute of Japanese Studies in Oxford. With Frank Langdon, of the University of British Columbia in Vancouver, I conducted a correspondence lasting over 40 years, and although we met rather rarely (usually in Japan), when we did it was like resuming a conversation only recently interrupted. Among other things he taught me scepticism and a distrust of jargon. Araki Toshio introduced me to local politicians in Hokkaidō, and shared his political insights. Okamoto Tomotaka did the same for me in the Tōhoku region of northern Honshū, and told me of his experiences as a twelve-year old on an island within sight of Hiroshima in August 1945. The fine *Asahi* journalist Ishikawa Masumi stayed in Oxford in the early 1990s and was intrigued by the phenomenon of 'Essex man'.[1] I must also mention Dorothie Storry, who for more than twenty years with her quiet good sense supported all of us in Japanese studies at Oxford.

[1] A term used to describe habitual Labour Party voters who moved out of working-class areas of London into suburban counties such as Essex, then shifting their allegiance to the Conservative Party because of Margaret Thatcher's policies of lower taxation, inflation control and, in particular, the sale of council housing stock at subsidized rates.

There are many others, very much alive, to whom I am grateful. Directly or indirectly (in some cases just through inspiration) the book owes much to colleagues and friends in several countries. I should single out Banno Junji, a wonderful friend and lateral thinker about politics, as well as his delightful wife Kazuko. For the rest I have no space to do more than list them, and there are many others that I could mention as well.

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# Chapter 1 | Introduction: Why Japan and its Politics Matter

In 1979 the Harvard Professor Ezra Vogel wrote *Japan as Number One: Lessons for America*.[1] This book was widely read (especially in Japan) in the early 1980s, when the US economy was in difficulties while Japan seemed to be steaming ahead. How things changed in the 1990s, when it was the turn of the Japanese economy to stagnate and the US appeared for a while to be the sole superpower and, for some, the only model worth following!

With the new millennium, things have changed once more. The growth economies of Asia are those of China and India, and these have attracted enormous international attention. The 'Japan-bashing' of the 1980s was replaced by the 'Japan-passing' of the 1990s. But less attention than it deserves is given to the fact that Japan has been undergoing a quiet revolution in its political economy. This is bearing fruit in the form of steady if unspectacular economic growth and remarkable, if patchy, dynamism. In GDP terms, the Japanese economy remains over twice the size of the Chinese economy, and its focus is on high technology and service industries. The workforce enjoys a high average standard of living, though income and wealth distribution is less equal than it used to be. Japanese foreign policy initiatives remain low-key, but Japan has become a weighty factor in the affairs of East and South-East Asia in particular. Social patterns have been evolving in more open and outward-looking directions.

Many generalizations that used to be made about Japanese society are looking increasingly obsolete, while, as we shall see, patterns of political interaction have also been evolving significantly. Japan, moreover, is a mature democracy in most senses of the word, even though serious problems persist in the practice of democratic government, particularly in certain areas of human rights. We would

[1] Ezra Vogel, *Japan as Number One: Lessons for America*. Cambridge, MA and London, Harvard University Press, 1979.

argue that the political system of Japan is an excellent model to compare with other mature democracies, particularly those of Europe, Australasia and North America.[2]

Japan, in two words, is back.

On 11 September 2005 – just four years after the terrorist attacks on the Twin Towers in New York and the Pentagon in Washington DC – Japan held general elections for its main parliamentary house, the House of Representatives. In these elections the long-ruling coalition of the Liberal Democratic Party (LDP, *Jiyūminshutō* or *Jimintō*) and the much smaller Clean Government Party (CGP, *Kōmeitō*) won a sweeping victory, increasing its combined total of seats from 246 to 327, in a house consisting of 480 seats in all.[3] Conversely, the principal opposition party, the Democratic Party (DPJ, *Minshutō*), which in previous elections at various levels had been steadily gaining ground on the coalition, saw its vote total slashed from 177 to 113 – a crushing defeat that prompted its leader to resign.

It is curiously symbolic that the government's electoral victory should have taken place exactly four years after 9/11. The span of time between the two events also covers the most significant years as Prime Minister of Koizumi Junichirō, who arrived in the post in April 2001 and stepped down in September 2006. If 9/11 changed the course of world history, Koizumi during his period in office made a concerted effort to change the established patterns of politics in Japan. When he took up his post, the Japanese economy had been underperforming for a decade, the banking system was in serious trouble, with a huge overhang of non-performing loans, attempts by previous governments to spend their way out of economic crisis had been unsuccessful, deflation had become endemic, investment was down, unemployment was rising and economic growth was chronically low or negative. The national debt had also soared to worrying levels.

Koizumi and his Economics Minister, Takenaka Heizō, single-mindedly pursued policies directed to rescuing the beleaguered banking system and to creating the conditions for economic recovery. The eventual success of these policies was not entirely down to government policies, since private sector firms had been going through a long-drawn-out process of restructuring, but the Koizumi government strove to create a favourable climate for structural reform. Koizumi's flagship policy was privatization of postal services, with the aim of eliminating the ample slush funds, derived mainly from postal savings accounts, that had enabled governments in the past to protect myriad vested interests against the chill wind of domestic and international competition. In retrospect, Koizumi's economic policies were aimed at restoring the economy to health by moving it out of a protectionist ghetto and embracing the free market forces that underlay globalization.

[2] See J. A. A. Stockwin, 'Why Japan still Matters', *Japan Forum*, vol. 15, no. 3 (2003), pp. 345–60.

[3] LDP seats increased from 212 to 296, while those won by the CGP fell slightly, from 34 to 31. At dissolution, however, some weeks earlier, the LDP had held 249 seats. The discrepancy is accounted for by the Prime Minister's expulsion of those LDP parliamentarians who had voted against his bill to privatize postal services.

A few weeks before the September 2005 general elections, Koizumi's postal services privatization bills had been defeated in the House of Councillors (upper house of Parliament) after having narrowly passed the House of Representatives (lower house). He responded dramatically by dissolving the lower house, declaring new elections, expelling the postal privatization rebels from the LDP and choosing new candidates (dubbed 'Koizumi's children') to stand against them in the elections. His bold moves struck a chord with the electorate, particularly with younger age groups in big cities who had previously been least favourably disposed to the LDP, and in many cases abstained from voting altogether. Koizumi, who had spoken publicly about 'smashing' (*bukkowasu*) the LDP, had led it to a spectacular victory, but he had remoulded it in his own image, at least temporarily.

Koizumi's international policies stirred up fervent controversy, particularly his periodic visits to the Yasukuni Shrine in Tokyo, sacred to the war dead.[4] He also authorized the despatch of a contingent of the Self-Defence Forces to Iraq in January 2004, as part of the US-led 'coalition of the willing'. Even though they performed entirely non-military tasks, this was controversial under the terms of the 1946 'Peace Constitution'. Military–strategic cooperation between Japan and the United States had also been steadily improving since the 1990s. The two countries' military systems were becoming steadily more 'interoperable', while constitutional inhibitions on Japanese projection of military force were being worn more and more lightly.[5]

When Koizumi made way for Abe Shinzō to become Prime Minister in September 2006, even though both these men came from the same right-wing faction of the LDP, priorities shifted. Whereas Koizumi had directed the bulk of his energies towards the task of making the economy fit for globalization, Abe showed much less enthusiasm for economic policy and concentrated rather on such traditional rightist concerns as revising the Basic Law on Education (which in his view had been too liberal and did not sufficiently promote patriotism), and seeking to revise the Constitution. His decision to re-admit the postal privatization rebels into the party was highly controversial, and marked a sharp departure from the tough stand Koizumi had developed against vested interests. On the other hand, at the outset of his rule Abe made his peace with the Chinese and the Koreans, who had been protesting vigorously against prime ministerial visits to the Yasukuni Shrine. (See Chapter 6 for detailed discussion of these issues.)

The present book is written in an attempt to make at least partly comprehensible what to the outside observer (and indeed to many Japanese themselves) often appears to be the great muddle of Japanese politics. Despite the fact that the Japanese economy remains the second largest in the world in GDP terms, the economic growth of China and India, coupled with Japanese economic

[4] Fourteen Class A war criminals – so designated by the Tokyo war crimes trials after the war – had been enshrined at Yasukuni in 1978.

[5] Christopher W. Hughes, *Japan's Re-emergence as a 'Normal' Military Power*, Abingdon and New York, Routledge for International Institute for Strategic Studies, 2005 (Adelphi Paper 368–9).