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## Japanese Political Reform: Progress in Process

**ABSTRACT:** The six contributors to this Special Report are cautiously optimistic about the future of Japanese political reform. Sudden transformation is unlikely, but such factors as generational change and the slow cumulative impact of electoral and bureaucratic reforms are gradually contributing to a more open and innovative system. These essays focus not on the electorate, but on the leaders—politicians and bureaucrats—and how their choices are shaped by education, age, foreign pressure, American example, and the decade-old electoral system to which they are still adapting. The expansion of civil society and shifting perceptions of “leadership” are also highlighted as important developments of the 1990s.

### Introduction

*Amy McCreedy*

Japanese politics appear to be stuck. Deregulation proceeds slowly, and bad loans continue to clot the country's economic arteries. The government seems unable to set priorities, work toward goals, or implement meaningful policies. Though many commentators point to watershed developments in the 1990s—the end of stable, one-party majorities and the fatal crippling of the factional system, for example—these shifts involved destruction but not creation. Where can we look for positive change in Japan? If the political system that served Japan well through decades of growth is no longer appropriate, where will the dynamism come from?

The six authors in this Special Report participated in two symposia sponsored by the Asia Program in 2003. They examine how the Japanese system has changed in the 1990s and offer some suggestions for improving governance. According to the authors in this report, the key issue is *innovation*. Not only does Japan need new policy ideas, but must open the system to allow experimentation—in the parties, the bureaucracy and the country at large.

None of the six essayists in this report are pessimistic about Japan's future, but transforming political institutions will involve considerable uncertainty and dislocation. On the economic side, a system that allows innovation will also permit bankruptcy and job loss. On the political side, the dangers are demagoguery and instability. But if, as these essays suggest, the country can gradually advance from the “politics of consensus” deplored by Shin'ichi Kitaoka in the first paper to the culture of creativity desired by Junko Kato in the last, Japan will have accomplished a transformation in governance almost as impressive as its past economic and educational achievements.

### ELECTORAL AND OTHER POLITICAL REFORMS

One of the main sources of change discussed in this report is the electoral reform of 1994, the most ambitious attempt at political engineering since the U.S. occupation. The introduction of single-member (“first past the post”) districts was supposed to encourage candidates to square off on policy issues and end one-party dominance. The effectiveness of the reforms is debated among Japan scholars, and certainly change

*Amy McCreedy is program associate in the Woodrow Wilson Center's Asia Program.*



has been slower than many hoped. In this report, four essays address directly how the new system is encouraging new types of political behavior. According to Michio Muramatsu, “At a minimum, parliamentarians will be less likely to tie themselves to specific interests than when the multiple-member district system existed. . . . Generally, the system makes election promises more meaningful, strengthens the top leadership, and relaxes the grip of factions on political power.” Shin’ichi Kitaoka maintains that “In the new system, parties with extreme ideologies or narrow power bases are less likely to win.” Verena Blechinger-Talcott describes how candidates no longer focus on specialized groups of longtime supporters; in a single-member district they need to appeal to a larger spectrum of voters to maximize their chances of electoral victory. The result, she concludes, is less pork and more professionalism.

Robert Pekkanen pays particular attention to the 1994 reforms, but is less optimistic about their impact. Drawing on his research with Ellis Krauss, he points out that many unhealthy features of the pre-1994 system are showing surprising staying power. For example, single-member districts were supposed to encourage candidates to compete on policy issues and to eliminate the “personal vote.” In fact, *koenkai*—support groups through which the personal vote is channeled—are still active in Japan. *Koenkai* membership has decreased only slightly, despite public disaffection with politics. Pekkanen’s point is not that the system doesn’t change, but that reform’s effects are unpredictable. Old features (even

the notorious factions, perhaps) can come to play new roles. Though Koizumi pledged to change Japan by changing the LDP, it will probably take a major political realignment and a new ruling party to bring out the full effect of electoral reform.

Kitaoka relates electoral reform not only to domestic policy, but also to foreign affairs. He points out that the 1994 reforms have weakened the Socialist Party. Therefore, the Socialists’ support for unarmed neutrality has less obstructionist clout than in the past, enabling Japan to involve itself in overseas peacekeeping operations and to pass the special measures law for dispatching Self-Defense Forces to Iraq.

The introduction of single-member districts is not the only major change to Japan’s political system in recent years. Muramatsu mentions the increased involvement of local party chapters in choosing the LDP president. Thus Koizumi achieved a surprise victory in 2001 in spite of belonging to the LDP’s smallest faction. Muramatsu points out the “Koizumi paradox”: many rank-and-file members, beholden to vested interests, dislike Koizumi’s reform platform—but need to be seen shaking his hand to win their own electoral races.

### GENERATIONAL CHANGE

Politicians may focus on election cycles, but many Japan observers tend to think in terms of generations. Many of these essays anticipate that future political leaders will conduct themselves quite differently than their predecessors, with a general trend toward openness and accountability.

Richard Samuels gives the example of a new group of young Diet members (*Wakate Giin no Kai*) who seek to “establish a security system for the new century.” Like Kitaoka, Samuels sees pacifism’s decline as healthy, part of the larger break with the postwar political system. He points out that the *Wakate Giin no Kai* crosses party lines, and that younger politicians are generally supportive of constitutional reform. Another instance of generational change that Samuels mentions is the revision of the Communist Party’s manifesto. Under a new, younger leader, the Communists have dropped ideas of “socialist revolution” and thus may eventually be able to merge with other left-wing parties. Samuels’ essay focuses on leadership and points out that

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#### Asia Program Staff:

Robert M. Hathaway, Director

Gang Lin, Program Associate

Amy McCreedy, Program Associate

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“Japanese leadership was not always an oxymoron.” Japan has a rich tradition of strong leaders such as postwar Prime Minister Shigeru Yoshida. Lately, the “muscle” of leadership has atrophied, but a future inspirational leader will likely draw on symbols of the past—“what the people already know and love.”

Verena Blechinger-Talcott also focuses on leadership and generational change. According to her, the up and coming generation of leaders is trained and prepared in new ways, through policy-oriented and overseas education. The generation in their 30s and 40s is ready, even more than Koizumi, to meet the demands of a changed electoral environment in which urban districts are increasingly important. While Pekkanen stresses continuity and the persistence of *koenkai*, Blechinger-Talcott maintains that, at least in urban districts, “to establish a stable, efficient personal support group is almost impossible.” New leadership styles have emerged. While old-style leaders excelled in backroom networking and mediating, young politicians can speak well on television, consult across party lines, and discuss grassroots issues knowledgeably. According to Blechinger-Talcott, second- and third-generation politicians are not “chips off the old block” so much as educated and well-prepared professionals; her interviews with them reveal dissatisfaction with old-style pork politics. Besides political heirs, graduates of political training academies such as the Matsushita Institute of Government and Management are also poised to enter and change the system.

### BUREAUCRATS’ FALL FROM GRACE

Changing relations between bureaucrats and politicians are affecting Japanese governance, as pointed out by Michio Muramatsu and Junko Kato. Muramatsu draws on principal-agent theory to describe how previously trusting and symbiotic relations between the LDP (the “principal”) and bureaucrats (“agents”) are breaking down. According to his survey data, bureaucrats’ support of the LDP has fallen almost 20 percentage points since the mid-1980s, to 45 percent. Meanwhile, the proportion of bureaucrats claiming no party affiliation has climbed at an equally dramatic rate (they have not shifted support to the opposition). At the same time that bureaucrats have lost confidence in the LDP, they feel their own powers fading, as

Muramatsu’s data also shows. The percentage of bureaucrats who perceive their influence as declining has climbed steadily from 19 percent in the 1970s to 73 percent last year. While Muramatsu’s data reflect *perceived* (not actual) declines in influence, bureaucratic pessimism may help give politicians the upper hand on a whole variety of issues. Interestingly, this loss of assurance well predates the biggest scandals of the 1990s, such as the HIV-tainted blood fiasco, which are credited with destroying the bureaucracy’s reputation in society.

Junko Kato describes the 2001 bureaucratic reforms—which merged 22 ministries into 12 and bolstered the power of the prime minister and the cabinet office—as the most ambitious in Japan’s postwar history. The reforms have enhanced political control over the ministries and agencies, through, for example, doubling the number of appointees. Politicians are considering even more dramatic reforms, since many critics claim restructuring has not gone far enough. In general, Kato (like Pekkanen) emphasizes continuity as well as change, and suggests that reforms may not always have the effect intended. While making suggestions for cultivating “out of the box” thinking among bureaucrats—such as strengthening advisory councils that bring in outside views—she warns against destroying the morale of current officials through overly enthusiastic adoption of U.S. practices. Japan must not ignore the historical roots of its own system, nor the strengths that were universally celebrated by observers a little more than a decade ago.

### OTHER SOURCES OF CHANGE

Most of the essays in this report discuss sources of change within the government itself—generational change, political realignment, and so on. The government is also subject to outside influence, however, from abroad and from Japan’s own burgeoning civil society.

Both Kitaoka and Samuels mention that Japan is increasingly adopting a more active foreign policy. While much of the impetus comes from within, foreign pressure plays a major role. This activism is part of Japan’s overall democratic development and shift toward stronger leadership. Kitaoka writes that criticism of Japan’s “irresponsible” inaction during the Gulf War helped spur political reform. Though

Japan's retreat from world affairs was a rational response to the horrors of World War II, the post-Cold War environment is having a galvanizing effect. Samuels describes how the United States' call for a "coalition of the willing" to fight terrorism is profoundly affecting Japanese attitudes: "If *this*, rather than formal alliances, is the template for future U.S. military deployment, everything changes for Japanese security planners"—and by extension, for Japanese leadership.

Linked to globalization is the increasing influence of Japanese civil society, which Pekkanen examines as a possible "source of relief from Japan's current morass." While he concludes that Japanese organizations are not yet capable of a watchdog role, in the long term they may develop into reliable generators of fresh policy proposals and constructive challengers to the status quo. Though still weak by U.S. standards, Japanese civil society has been growing at an impressive rate. Partly as the result of the 1998 Non-Profit Organization Law and the 2001 Tax Reform, it has become easier for independent groups to grow to the size where they can impact governance.

### WHAT ABOUT THE PUBLIC?

In general, the essays in this Report do not emphasize—indeed, scarcely mention—the role of the Japanese public in pushing transformation of the political system. Only Pekkanen discusses bottom-up change at length, but he ends up rating Japanese civil society as weak and (at least to date) largely ineffectual. Although Blechinger-Talcott discusses the electorate, she sees demographics, rather than outrage, as driving change. Not that Japanese unhappiness over the economy is irrelevant, but many people end up resigning themselves to low standards of governance rather than mobilize themselves to alter things.

Is the electorate really such a non-actor, meriting so little mention? What of Koizumi's 2001 election, which inspired such fervor throughout Japan? Certainly his wild popularity, especially at first when he was perceived as a real force for reform, suggests that the public is capable of political enthusiasm. But, as pointed out by Steven Reed at a previous Asia Program event, Koizumi's boom is not wholly unprecedented. Similar booms occurred in 1976 (for the New Liberal Club), 1989 (for Takako Doi's Socialist Party) and 1993 (for the new parties that

ousted the LDP).<sup>1</sup> Koizumi's popularity was not due to clear support for his reforms as much as vague support for "change." This kind of social attitude prompts the government to "do something," but does not pressure politicians to fulfill their pledges in a sustained way. Gerald Curtis of Columbia University has described the public mood as inherently contradictory: "it favors change to the extent it helps retain the status quo."<sup>2</sup> Even the 1993 interruption of LDP rule (that prompted the 1994 electoral reforms described above) were not the result of any public movement or pressure on authorities.<sup>3</sup>

Of the essays in this report, Samuels' most directly tackles the question of broad social apathy. He writes, "It is as if the nation's institutions are imperceptibly melting, rather than visibly shaking . . . By most objective measures Japan is in crisis. But no one seems to be acting as if this were so." He concludes that the lesson of the long prosperity—that fine-tuning the system is enough—may have been too deeply internalized. Certainly, the average Japanese voter needs time to comprehend that the postwar apparatus, which sustained Japanese growth for decades, needs repair, much less to recognize exactly what needs to be done (e.g., clean up the banks) and force the government to do it. An even graver aspect of the problem has been explored by Leonard Schoppa of the University of Virginia, who describes what he calls a "race for the exits" on the part of Japanese citizens, corporations and investors. For the first time, Japan is experiencing a brain drain, and Japan's competitive international corporations no longer depend on the Japanese economy. It is smaller and weaker firms demanding protection that are left to lobby in Nagatacho.<sup>4</sup>

### SLOW BUT NOT STOPPED

In the comic strip *Calvin and Hobbes*, Calvin makes an observation that could well apply to Japanese politics: "Day by day, nothing seems to change, but pretty soon everything's different." In spite of public cynicism and the slowness of reform, progress is unmistakable. Lawmaking is no longer left to unaccountable bureaucrats; in the past 10 years, politician-initiated legislation has tripled.<sup>5</sup> The elections in November 2003 show a definite shift toward two-party politics, which would be welcomed by 69 percent of Japanese people.<sup>6</sup> Party elders can no longer anoint the prime minister in a back room,



and appointments are increasingly based on merit rather than factional affiliation. Local governments, relatively close to civil society and grassroots movements, are gradually acquiring power from central authorities. In an environment of public disengagement, it is unclear whether change will penetrate deeply and quickly enough to prevent continuing economic deterioration. But if the cautious optimism of these six essays is warranted, Japan will successfully muddle through to a more vibrant and innovative future.

## ENDNOTES

1. Steven R. Reed, "The Next Party System," in Amy McCreedy, ed., *Undercurrents in Japanese Politics* (Woodrow Wilson Center Asia Program Special Report #101, 2002) 28.
2. Gerald Curtis, *The Logic of Japanese Politics* (New York: Columbia University Press, 1999) 28.
3. *Ibid.*, 192.
4. Leonard J. Schoppa, "Japan, the Reluctant Reformer," *Foreign Affairs* 80 (September/October 2001) 76-90.
5. "Changing Image of Diet members," *Asahi Newspaper*, August 27, 2003, 3.
6. "Intimations of a Sunrise," *The Economist*, November 15, 2003, 23.

# Japan's Dysfunctional Democracy

SHIN'ICHI KITAOKA

Japan's politics are in stalemate. The political system that developed after World War II, with the Liberal Democratic Party (LDP) in its center, is no longer working effectively.

When Junichiro Koizumi became prime minister in April 2001, he said he was ready to break the LDP—that is why the public welcomed him so enthusiastically. While he has done fairly well at foreign policy so far, his record in domestic affairs—particularly in economic policy—is mediocre. In this paper, I will show why it is difficult to change Japanese politics without changing the LDP, as Koizumi declared at the beginning of his tenure.

## PACIFISM

Japan's political system was a rational development and adaptation to the postwar political environment. It was born amid strong pacifist sentiment.

By the time Japan was defeated in 1945, people had suffered and sacrificed tremendously. Hate of war was natural, and pacifism was blessed by the 1946 constitution. Article 9 of the constitution—written by Americans in February 1946 before the Cold War was serious in Asia—aimed to prevent a military resurgence in a Japan still considered dangerous. The famous article reads as follows:

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.

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.

When the Cold War spread to Asia and the Korean War broke out in 1950, Japan began rearm-



ing in the form of the Special Police Reserve, which developed in 1954 into the Self Defense Forces (SDF). Many people considered such rearmament a violation of the constitution.

Unlike Germany, Japan was not divided into two countries. But it divided internally into two camps: 1) pro-socialist and pacifist, and 2) pro-western. The latter was of course stronger than the former, but in legitimacy and among intellectuals the former remained strong.

The LDP government did not change the constitution, but changed its interpretation. Though the second clause of article 9 prohibits the military, the government says that Japan can possess minimum defense power because it is a natural right for any country to defend itself.

At the same time, however, the government compromised with opposition parties and the pacifist public opinion by asserting that the role of the SDF shall be purely defensive—that it will not engage in any activities out of Japan. That is why Japan could not do anything effective militarily when the Gulf War broke out in August 1990.

The purely defensive role of the SDF had not created any serious problems during the Cold War because Japan could contribute to the Western camp





by defending its own landmass, which helped block Soviet expansion into the Pacific Ocean. However, Japan's inaction during the Gulf War was criticized as irresponsible and inappropriate for a country owing so much of its prosperity to Middle-East oil.

The Gulf War was the starting point of Japan's political reform and a shift in its security policy. In 1991 Japan sent several mine-sweepers to the Persian Gulf. In 1992 the Diet passed the PKO law and the SDF was sent to Cambodia. In the late 1990s, Japan-U.S. cooperation was strengthened. Koizumi has taken a few more steps through the 2001 anti-terrorism legislation; the sending of SDF ships to the Indian Ocean under this law; national emergency legislation; and so on.

However, it should be noted that the government has not changed its interpretation that Japan shall not engage in the collective right of self-defense. That is, Japan cannot fight for an ally or help an ally militarily. Also, it should be noted that Japan's public opinion and media remain pacifist. Only 13 percent of Japanese people replied affirmatively when asked whether they would fight if Japan were invaded. In other major countries, around 80 percent or more answered affirmatively.

### FACTIONALISM

Besides pacifism, Japan's political system was also shaped by its multiple-seat constituency. Until the 1994 election law, there were 130 electoral districts with 3 to 5 seats each (with a few exceptions). Each person could vote for only one candidate. In order to monopolize power, the LDP made sure that more than one candidate ran in the same district. Naturally the LDP candidates antagonized one another.

Candidates tried to get support from party leaders, while the leaders needed members to fight for presidency of the LDP. That, basically, is why factions were born and established firmly in the LDP.

There are people who say that because Japanese people like factions, the LDP does too. This is completely wrong. "Factions" are by definition informal and usually considered immoral, and factional affiliations are usually kept secret. In any group, only a few members belong to factions, and others are neutral. But LDP factions are formally organized and hold regular meetings. Membership is clear and

everyone knows who belongs to what faction.

Throughout the LDP's 47-year history, there have been three or four big factions (40 or more lower house members) and one or two medium size factions (20 to 30 lower house members). There has been strong continuity; most LDP factions are as old as the LDP itself. As leader of the Kishi faction, Nobusuke Kishi was succeeded by Takeo Fukuda, Shintaro Abe, Hiroshi Mitsuzuka, and now Yoshiro Mori. Similarly the Sato faction's Eisaku Sato was succeeded by Kakuei Tanaka, Noboru Takeshita, Keizo Obuchi and Ryutaro Hashimoto. Hayato Ikeda was followed by Shigesaburo Maeo, Masayoshi Ohira, Kiichi Miyazawa, Koichi Kato, and now Mitsuo Horiuchi. The Kono faction was led by Ichiro Kono, Yasuhiro Nakasone and Michio Watanabe, then split into the Eto-Kamei faction and the Yamazaki faction. The Miki faction, was headed by Takeo Miki, Toshio Komoto, and now Masahiko Komura.

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### *Japan's political system was a rational development and adaptation to the postwar political environment.*

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The Kishi, Sato, and Ikeda factions, as well as their successors, were big—smaller than the second largest political party but usually bigger than the third largest party. Their ideology is relatively consistent. For example, the faction led by Kishi through Mori has occupied the right wing of the LDP, while the group headed by Ikeda through Horiuchi the left wing.

Thus factions are old, big, formal, and ideologically consistent. They are, in reality, political parties. If factions are parties, then what is the LDP? My answer is that it is a coalition government. My favorite joke is that the LDP of Japan is neither liberal, democratic, nor even a party.

### SOME COROLLARIES OF FACTIONALISM

For a faction, it is very important to maintain morale and unity among its members. A system of promotion developed based on seniority. A member

elected just once is in a period of “apprenticeship.” Elected twice, he/she can expect to be a vice minister, and then chairman of a subcommittee of the LDP’s policy study bureau. If elected five or six times, then he/she can expect to be a minister. To maintain this system, a minister’s tenure must be short—the average tenure is 11 months. What kind of leadership is possible with such a short tenure? Moreover, such a system develops “followership” rather than leadership.

By the same token, the prime minister’s tenure must be short. For the sake of simplicity, suppose there are five factions of the same size. If three factions (faction A led by Mr. A, B led by Mr. B, and C led by Mr. C) are united, they can make Mr. A, B or C the LDP president and prime minister of Japan. However, if Prime Minister A wishes to hold his position for longer than one term (in most cases two years), then the second faction leader must wait four years. The third faction leader has to wait six to eight years. They cannot wait. That is why political reshuffles occur at every LDP presidential election. (On the other hand, unlike in other democracies, political change seldom takes place at general elections.)

In this system, basic policies were prepared by the bureaucrats. Politicians were more interested in guaranteeing reelection by bestowing benefits on their constituents. Politics tended toward gradual change because bureaucrats dislike or cannot accomplish drastic change, and became consensus-oriented because ministries could not overcome sectionalism. As a result, the government became larger and larger, which caused no serious problem during the period of rapid economic growth. For example, a quickly expanding welfare budget was good for politicians because it increased services to their supporters; it was particularly good for the Welfare Ministry bureaucrats; and it was acceptable to other bureaucrats if their ministries suffered no budget cuts.

### POLITICAL REFORM OF 1994 AND ITS AFTERMATH

A new election system was introduced in 1994 by the Hosokawa coalition, allocating 300 seats to 300

single-seat election districts and 200 (now 180) seats to proportionate representation.

In a single-seat election district, a candidate must get 50 percent of total votes to be elected (in the toughest situation), while in a four-seat election district, for example, a candidate can be elected with only 20 percent. In the new system, parties with extreme ideologies or narrow power bases are less likely to win. That’s why Japan’s Socialist Party, which had long advocated unarmed neutrality, declined so quickly. The development of security policy in the 1990s might have been more difficult without this new electoral system.

Koizumi introduced new methods, such as appointing ministers without consulting faction leaders—considered revolutionary by the old guard. He tried to weaken the relationship between politicians and interest groups that had long been strong supporters of the LDP, such as the postmasters’ union. His crisp style of speaking to the people was new in Japanese politics.

However, Koizumi has not made much progress in domestic policy. His attempts to make deep cuts in the budget have been opposed by members of the LDP old guard, to preserve their power base. Also, there has not been much progress in reconstructing a financial system where bankers, bureaucrats and politicians have deep and complicated interests. In foreign policy, Koizumi been unable to overcome the resistance of the “iron triangle” of the agricultural union, the Ministry of Agriculture, and politicians related to agriculture—though agriculture constitutes but a small proportion of Japan’s economy. To solve these problems, the politics of continuity and consensus—under which to scrap and build is impossible—must be changed further.

Koizumi remains fairly popular with the Japanese public. He was reelected as LDP president in September because the LDP members must face a general election in June 2004. Koizumi could accelerate his reforms by taking advantage of his popularity and change the politics of consensus. Another possibility is that the Democratic Party, relatively free of factionalism, could get rid of the politics of consensus if they score a victory in the general election. If neither of these scenarios takes place, the probability of Japan’s recovery is slim.





# Sources of Policy Innovation in Japanese Democracy

ROBERT PEKKANEN

**W**hy can't Japan change? A decade into an economic slump, this question remains on the minds if not lips of many observers of the country. It puzzles many that a nation with Japan's prodigious record of growth in the latter half of the 20th century, not to mention its history of abrupt social change (Meiji Period in 19th century, U.S. occupation in the 20th) cannot effectively respond to a stalled economy. The solution to Japan's economic problems can only come through an effective policy response, but Japanese are still waiting for one.

I argue in this essay that two sources of political renewal have developed considerably during the past decade, and have good long term prospects to transform Japan's polity. However, neither is necessarily poised to do so in the near term.

Political solutions to Japan's economic miasma could come from a variety of sources. An opposition party is an obvious one that I will not treat here. Instead, I focus on one "outsider," civil society, and one "insider," the governing Liberal Democratic Party (LDP), as potential sources of systemic revitalization.

## JAPAN'S CIVIL SOCIETY: MEMBERS WITHOUT ADVOCATES

In the United States in particular, but in other countries as well, advocacy groups and think tanks are an important source of new policy proposals. These ideas can invigorate debate and foment innovation. One source of relief from Japan's current morass is civil society.

Although there are signs of change, Japan's civil society is too weak now to serve as an effective source of new ideas. Although Japan's civil society has rich networks of association that support social capital and effective government, the country fails to sustain a professionalized advocacy community that can contribute new policy ideas or challenge the status quo. I term this configuration of many small



local groups but few large professionalized groups a "dual civil society,"—a situation of "members without advocates."

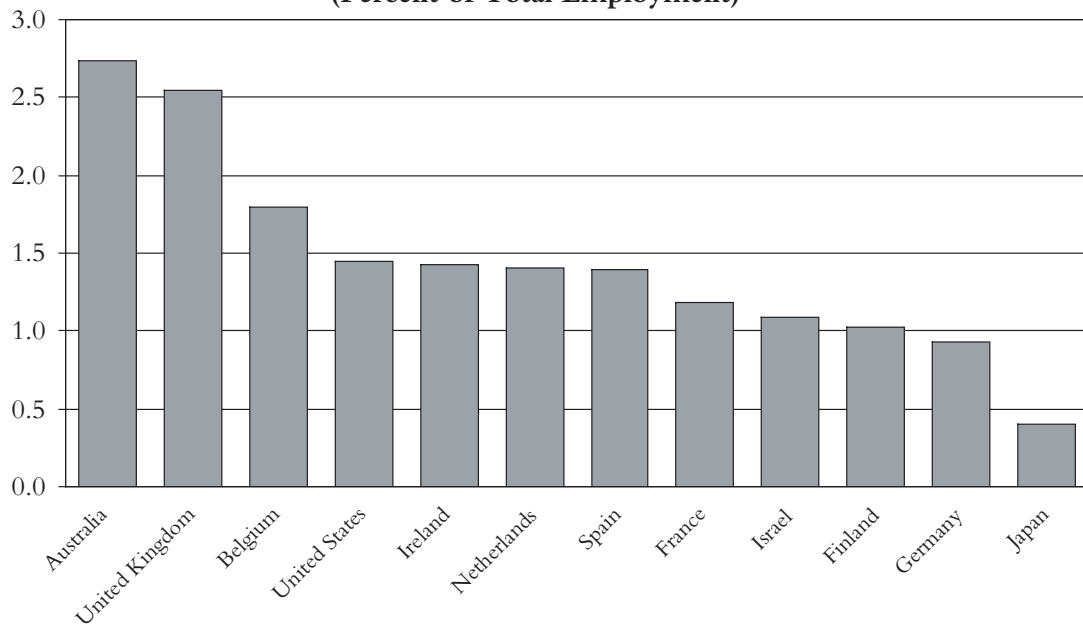
Figure 1 effectively makes the point that there are few civil society professionals in Japan, compared to other countries. The weakness of advocacy groups is striking in particular. Most are small operations, averaging only three employees. Although dedicated and hardworking, these groups are a far cry from, say, the AARP which claims thirty million members, 160,000 volunteers, 1,837 employees, and, through its dozens of registered lobbyists and more than 150 policy and legislative staffers, an important influence on policymaking. Japan's largest foundation in terms of asset size would not even rank among the 50 largest U.S. foundations. Similarly, detailed bilateral comparisons of environmental groups or international development groups shows that Japanese groups are vastly smaller in terms of budget size, assets, and employees.<sup>1</sup>

Effective interest groups are important in any polity, but perhaps especially so in Japan, where sub-governments, or policy communities, are of particular significance in the Japanese political system. This is because, as John Campbell argues, the "governmental system of Japan is quite fragmented and

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*Robert Pekkanen is assistant professor of political science and Luce junior fellow in Asian studies, Middlebury College.*

**Figure 1: Civic Group Employment  
(Percent of Total Employment)**



*Source:* Robert Pekkanen, 2002, "Members Without Advocates," Ph.D. dissertation, Harvard University. Calculations are based on 1995 data from Johns Hopkins Comparative Nonprofit Sector Project. Civil society employment is calculated as nonprofit employment of all kinds except health, education and social services.

compartmentalized," due to a weak chief executive, parties that participate in policy making most heavily at the specialized level, bureaucratic power concentrated at the ministry level, and an absence of corporatist bargaining across policy areas.<sup>2</sup> Moreover, although there are several patterns (Ministry of Health and Welfare/LDP/Japan Medical Association being a politicized one), in general, Japan's policy communities are marked by the unusual power of the bureaucracy.

What are the consequences of Japan's dual civil society for Japanese democracy? Japan's small local groups are significant for sustaining social capital and promoting efficient governance, but voices from civil society are seldom heard on the policy level. There are few organizations with the independence and the capability to monitor the state, publicize critical perspectives, or propose new policy ideas. Instead, the influence of the corporate sector and the state are relatively large. None of these conclusions will greatly surprise observers of Japan. Rather, these factors help us to understand why civil society

groups have not generally been active in pushing for systemic change.

One way to show the ineffectiveness of Japanese civil society groups in influencing public debates is to compare Japan with the United States. In the United States, Jeffrey Berry has traced the rise of new public interest advocacy groups. Berry identifies such a group as "a political interest group whose basis of organization is not built on the vocational or professional aspirations of its members or financial supporters."<sup>3</sup> Berry calls these groups "citizens groups" but to avoid confusion with the Japanese use of the term "citizens groups," I will refer to them as advocacy groups. Examples include AARP, NRA, NOW, Public Citizen, Eagle Forum, and the Environmental Defense Fund. These groups sometimes offer selective benefits, but their main function is advocacy. Their success "in mobilizing large numbers of supporters has worked to make our national interest group system more representative of the interest of the American population."<sup>4</sup>

In the United States, such advocacy groups are the most common type of interest group to be



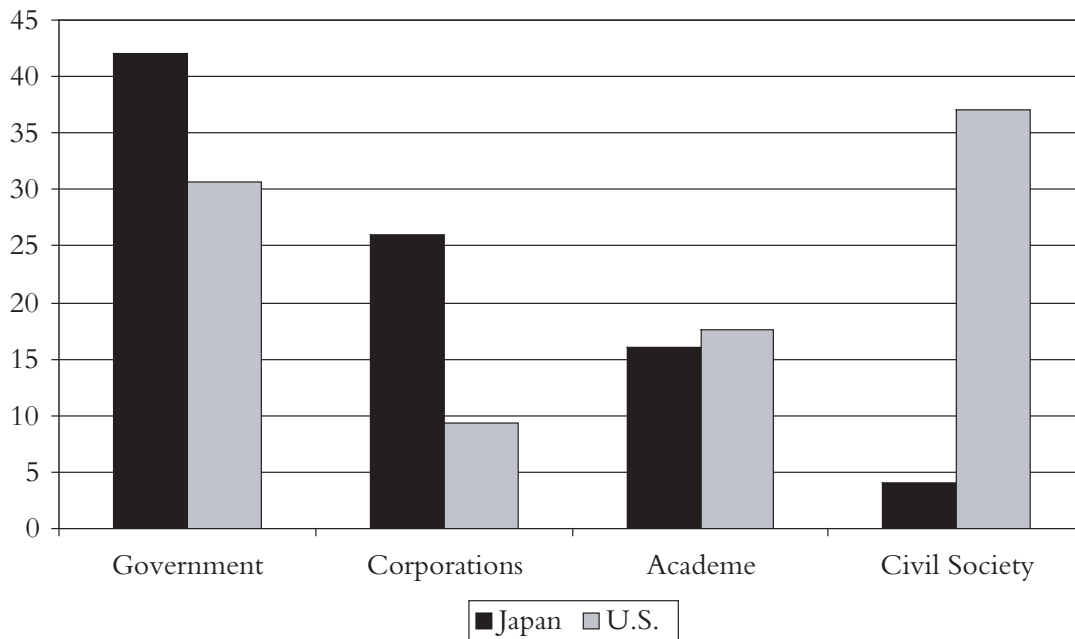
called for testimony at congressional hearings (31.8 percent of all such groups in 1991).<sup>5</sup> Moreover, they are mentioned in media much more than any other type of group. Characterizing Japan’s civil society as “members without advocates” is not to claim that some interest groups such as Nokyo or the Japan Medical Association have been powerless, of course, but rather to stress the dearth of effective advocacy groups beyond a limited number of industry or professional groups. For example, a sample of *Asahi Shimbun* articles on politics or political issues in 2001 showed that nearly twice as many mentioned individual corporations by name as mentioned any civil society organization.<sup>6</sup> In other words, in public political discussions, corporations overshadow civil society.

Furthermore, American advocacy groups effectively publicize their research through the mass media, and are therefore prominent in public debates. Japanese civil society groups tend to lack the professional staff that is essential to an independ-

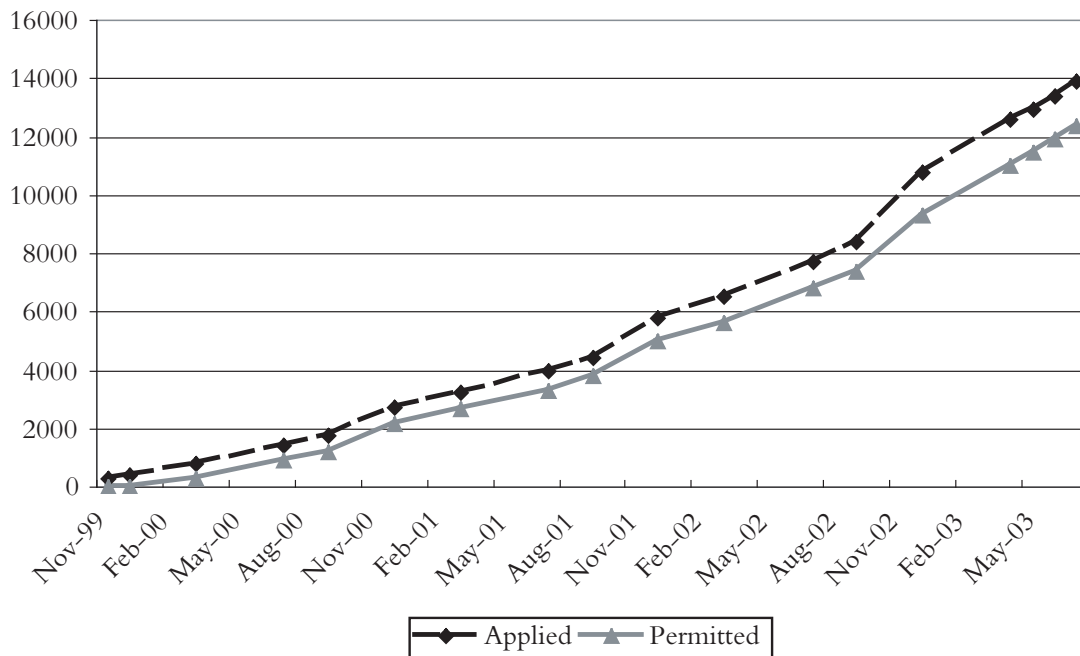
ent research capability, and are therefore relatively less effective in gaining publicity for their views. Figure 2 makes this point graphically. It is striking how little the research of Japan’s civil society organizations is covered by the media, especially compared to the broad coverage American civil society groups receive.

This is not the place to discuss extensively the reasons underlying the development of Japan’s civil society. However, it is relevant to note that in recent years, Japan’s civil society has been growing at an impressive rate. After a century, the first major change to the regulatory framework came about in the 1998 NPO Law (for Non-Profit Organization). This law created a new category of civil society groups, NPO Legal Persons, and made it significantly easier to form and operate such groups free of excessive bureaucratic control. Before the law was passed, forming a civil society group in Japan usually meant incorporating under Article 34 of the Civil Code, an arduous process subject to intense bureaucratic intervention

**Figure 2: Research Featured in Japanese and U.S. Newspapers, by Source (Percent of Total Featured Research)**



Source: Robert Pekkanen, 2002, “Members Without Advocates,” Ph.D. dissertation, Harvard University. Original data: U.S. 1995 data adapted from Jeffrey M. Berry, “The Rise of Citizens Groups,” in Theda Skocpol and Morris P. Fiorina, eds., *Civic Engagement in American Democracy* (Washington, DC: Brookings Institution Press, 1998) 379; Japan data from *Asahi Newspaper* and *Nihon Keizai Newspaper* 2001–2002.

**Figure 3: Number of Non-Profit Organization (NPO) Legal Persons in Japan**

Source: Japanese government data.

both during and after the approval process. It was hard for independent groups to grow large in Japan, and hard for large groups to stay independent. The future will likely hold elements of change and continuity, both in good measure. The 1998 NPO Law and 2001 Tax Reform are part of self-perpetuating changes that will alter the regulatory framework in Japan. The number of new NPO Legal Persons was 7374 by June 2002, and 12,359 by July 31, 2003. Figure 3 charts the growth of NPO Legal Persons since the NPO Law came into effect.

Given Japan's high levels of education and affluence, these regulatory liberalizations will go a long way to spur the development of civil society organizations in the country.<sup>7</sup> On the other hand, administrative guidance and restrictive interpretation of statutes will also continue to be a feature of the regulatory framework, until deep attitudes toward the prominence of bureaucrats in the political economy change. Groups usually require time to accumulate resources and expertise. Figure 4 shows how most

large U.S. groups were founded decades ago. Extrapolating from this, we can expect it will be a while before Japan's new civil society groups also become policy players. Besides simply amassing assets, funding and staff, such groups need to accumulate legitimacy both for themselves and for the role of civil society organizations in society as a whole. The bottom line is that Japanese civil society will continue to grow and play an increasingly important role in politics, but it will take time; in the long term, groups will reshape political life, but in the near term they are unlikely to help Japan resuscitate its political process.

#### THE LIBERAL DEMOCRATIC PARTY: ADAPTATION AND TRANSFORMATION\*

What about the Liberal Democratic Party (LDP)? After all, the LDP governed Japan continuously during its high-growth phase (1955-1993) and most of the time since the collapsing of the financial bubble

\*The material in this section on LDP adaptation is the result of joint research with Ellis Krauss, professor of Japanese politics and policymaking, University of California at San Diego. It presents material from Ellis Krauss and Robert Pekkanen, "Explaining Party Adaptation to Electoral Reform: The Discreet Charm of the LDP?," *Journal of Japanese Studies* 30 (Winter 2004).



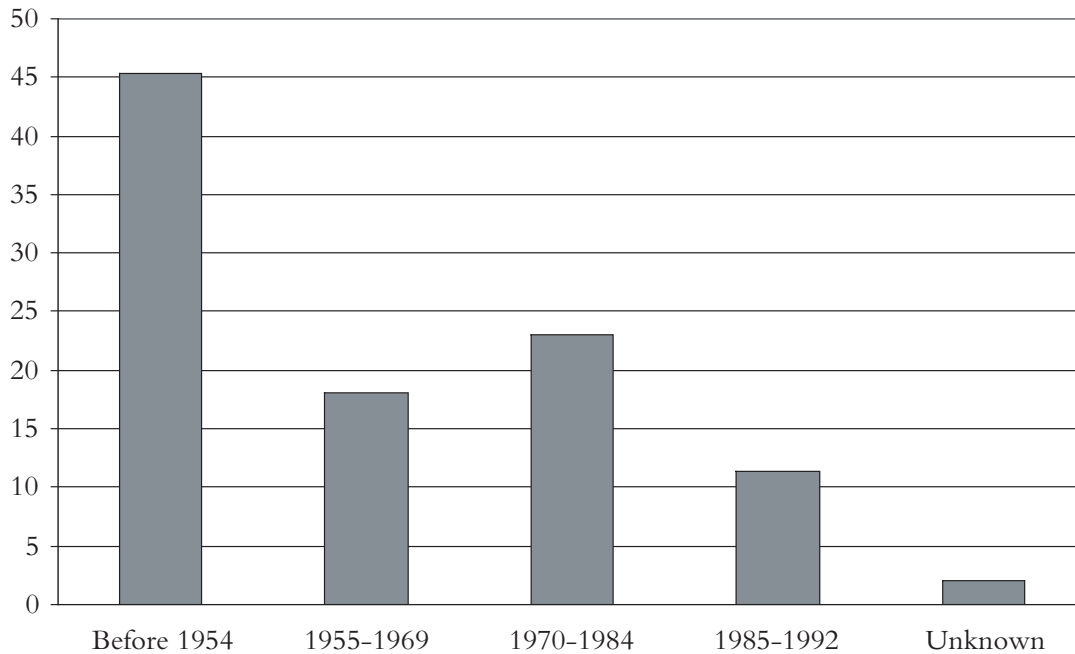
as well (1994–2003), albeit in coalition. The electoral reform of 1994 sought to fundamentally reshape Japan’s political parties. Certainly, the map of political parties has been transformed with the eclipse of the Japan Socialist Party (JSP). The LDP itself has also changed. Key elements of the party—the *koenkai* politicians’ support groups, factions, and the policy-making body Policy Affairs Research Council (PARC)—are not what they once were, but neither have they been replaced wholesale. This patchwork change, or incomplete renewal, is the key to understanding the nature of the LDP today and its prospects for reviving Japan.

At the time of electoral reform, many expected that the new Single Member District–Proportional Representation (SMD–PR) electoral system would eliminate the need for the personal vote, and therefore by implication the utility of the *koenkai*, the chief organization by which the personal vote was gathered. In order for the LDP to gain a majority in the Diet, multiple LDP candidates had to win in a single electoral district, and the *koenkai* served to divide the district vote among them. Because multi-

ple candidates could not compete effectively on different platforms without eviscerating the party and losing the electorate’s confidence, the *koenkai* focused vote-mobilization energies on very personal connections (think kissing babies, although attending 600 weddings a year is more like it) instead of on policy. Unlike the old system, the SMD–PR system would force candidates to broaden their appeal, move toward the median voter, and discuss policy strategies. In other words, the new electoral system would force politicians to square off and compete on issues. However, *koenkai* continue to exist and have not been subsumed completely into the local LDP party branches. In fact, far from vanishing, *koenkai* membership has dipped only slightly despite increasing disaffection with political parties.

Factions were also expected to disappear. Indeed, they have ceased to play the key role in nominations and financing, in part because of the new electoral system. Moreover, they have become strikingly ineffective in controlling the election of the LDP party president, and thus the prime minister for the past decade. However, factions have retained their con-

**Figure 4: Founding Dates of All U.S. Civil Society Groups with over \$10 (Million Annual Expenses)**



Source: Adapted from *Nonprofit Almanac 1996–1997* (Washington DC: Independent Sector, 1996) 241. Data are from 1993.



siderable influence over the party and government career paths of their members. Despite their lingering importance in determining which politicians get on which committees, factions have diminished greatly, much as political scientists predicted they would. Factions have yet to develop an explicit policy orientation that differentiates them, although it is now possible that they will.

PARC long served as the real policy-making body for Japan's legislators, far exceeding the importance of Diet committees, for example. To secure pork for their constituents and "credit claim" for doing so, LDP representatives joined PARC's specific policy divisions (health care, construction, telecommunications, and so on), which also gave them expertise and contacts with relevant interest groups and officials. Over time they would rise through party and governmental ranks to be acknowledged as *zoku giin*, the influential veteran LDP politicians able to dominate party policymaking in particular sectors and force the bureaucracy to adhere closely to the party's political needs. In the process, *zoku giin* and factions wound up helping to severely undermine the power and influence of the

*Many expected that the new electoral system would eliminate the need for the personal vote. . . . In fact, far from vanishing, koenkai membership has dipped only slightly despite increasing disaffection with political parties.*

prime minister in policymaking. PARC has ceased to play its previous role in Diet member specialization because there is no need to elect multiple candidates of the same party from a single district. However, PARC continues to exist because it plays other non-electoral roles. First, it is an important avenue of career advancement and specialization for deputy ministers and helps to train future party leaders. Second, it is an important (if now challenged) structure for policymaking and a means for specialized *zoku giin* to function as "gate-keepers" over the policy and legislative agenda of individual Diet members and the bureaucracy in the party's and government's lawmaking process.

Changes in the three organizational elements examined above explain the shift in the locus of conflict in the LDP today. The persistence of *koenkai* permits SMD incumbents to have a secure power base so that they are less vulnerable to party (or prime minister) sanctions. The weakness of factions in leadership selection stems from their loss of control over nominations in districts, and in turn means the axis of conflict in the LDP is no longer between factions, but among them. The continued strength of PARC has been critical to the power of *zoku giin*, particularly those who have represented "vested interests" and oppose either the prime minister or reform legislation in general. It is no accident that the main lines of intra-party cleavage within the current LDP are no longer just the "vertical" ones of personal factional strife, but also the "horizontal" ones of leadership versus the resistant remaining specialized interests within the party. It is not simply an issue of party control or lack thereof; the type of conflict has also been transformed.

The LDP's transformation in response to the electoral reform in 1994 raises hope that the party will remold itself into a vessel that can break the gridlock of Japanese politics today. This is a very real possibility, and constitutes a greater hope than the external impetus for change from civil society. However, two contrary hypothetical scenarios for the LDP's future are visible. The first is that the LDP will remain dominant into the foreseeable future by innovating and adapting to the new electoral system—preserving its policymaking expertise even while responding to wider constituency demands within the new districts, adjusting to the diminution of factional influence, training "generalists" as well as experts to process policy and check bureaucratic authority, and (especially on the part of prime ministers) maintaining a media image. The new internal policy conflicts could remain managed and manageable, and therefore generally be no more threatening to LDP dominance than the perennial old factional battles were. There is an alternative scenario that is equally possible, however—namely that the internal policy tension described and the kind of political battles we have been witnessing (along essentially policy lines, between relatively reformist leaders and entrenched specialized interests) persist and intensify. Eventually some of these policy cleavages may cumulate, potentially splitting the party and usher-



ing in a recombination of the party system. It is impossible to tell at this point which of these scenarios, or which combination, will eventuate.

However, both scenarios would have clear implications for the systemic renewal discussed in the introduction. The former scenario would mean that aggressive policy changes to rework Japan's political economy would only come if the conservative elements of the party lost intra-party struggles, and even then these changes would be somewhat hamstrung in many cases. Change would be incremental and intermittent. The latter scenario, however, would mean that the possibility of major change would be greatly increased, possibly with the Democratic Party of Japan uniting with reformist elements of the LDP to issue bold challenges to the status quo.

## ENDNOTES

1. For a good example, see Kim Reimann, "Building Global Civil Society from the Outside In? Japan's Development NGOs, the State, and International Norms," in Frank Schwartz and Susan Pharr, eds., *The State of Civil Society in Japan* (Cambridge: Cambridge University Press, 2003). See also the Conclusion in this volume by Susan Pharr for an important historical and comparative analysis.
2. John C. Campbell, "Bureaucratic Primacy: Japanese Policy Communities in an American Perspective," *Governance* 2, No. 1 (January, 1989), 6.
3. Jeffrey M. Berry, "The Rise of Citizens Groups," in Theda Skocpol and Morris P. Fiorina, eds., *Civic Engagement in American Democracy* (Washington, DC: Brookings Institution Press, 1998) 369.
4. *Ibid.*, 370.
5. *Ibid.*, 376.
6. Robert Pekkanen, "Japan's Dual Civil Society: Members Without Advocates," Ph.D. dissertation, Harvard University, 2002.
7. See also Yutaka Tsujinaka, ed., *Gendai nihon no shimin shakai / rieki dantai* (Tokyo: Bokutakusha, 2002).

## Generational Change and Japanese Leadership

RICHARD J. SAMUELS

If a Martian landed in the middle of the Ginza fifteen years ago and said, “Take me to your leader,” he would have had a great many possible destinations. Some would have taken him up Harumi-dori to the Imperial Palace. Others would have veered off toward one of the ministries in Kasumigaseki. He might have been dragged away to Nagatacho to meet an LDP bigwig, or even over to Otemachi to chat with the business leaders at Nippon Keidanren.

Today, his Japanese interlocutor would be very confused by the question—and the Martian would be very disappointed. As many Japanese painfully acknowledge, the ministries are discredited, the Liberal Democratic Party (LDP) is transparently inept, and the business elite is unwilling to step forward to fix what is broken. No one seems to be in charge here.

How could that be? Last year, Nikkei editorial writers argued, “The real problem lies not in individual politicians but in the system itself that prevents the emergence of competent politicians.” Maybe they are correct. But before we blame the system, we ought to take a harder look at the leaders themselves.

After all, the term “Japanese leadership” was not always an oxymoron. Japan actually has a rich tradition of leadership. Whether or not one agrees with their goals or their methods, men like Ito Hirobumi, Yoshida Shigeru, and Nakasone Yasuhiro were real statesmen. They exercised leadership from stage center. So did business leaders like Doko Toshio. Others, such as Sasakawa Ryoichi or Matsunaga Yasuzae-mon, were considered *kuromaku*—fixers—and led from behind the scenery.

The same can be said of “retired” LDP elders like Tanaka Kakuei and Takeshita Noboru. Then there was the chameleonic Kishi Nobusuke, the once-jailed, unindicted war criminal, who was as comfortable in the imperial skin of Manchurian viceroy as in the democratic skin of U.S. ally in the battle



against communism. Kishi—with friends here in Washington and in Otemachi—built the LDP and led the less decorous anti-mainstream conservatives to their share of postwar political spoils. All of these men knew where they wanted Japan to go, and each had creative ideas about how to get it there.

One need not be nostalgic for these leaders or their visions to understand that it seems very different today. It is easy to see why Nippon Keidanren chairman Okuda Hiroshi says Japan has a “leadership deficit.” Some Japanese political leaders will give anything to govern. Murayama’s Socialists proved more opportunistic than virtually anyone ever imagined they could be—and gave it all away in the 1990s to the voracious and ever imaginative LDP. Sometimes that ambition borders on the extra-constitutional, as in the case of the LDP clique (Takeshita’s successor faction) that effectively staged a coup d’état in April 2000 to retain its hold on power through the decidedly unimaginative Mori Yoshiro.

Other conservatives are creative indeed. Ozawa Ichiro, for example, knows where he wants Japan to go but—four or five political parties after leaving the LDP—Ozawa still has not yet figured out how



to get there. Last month he “pulled a Murayama” by abandoning his principles and joining forces with Kan Naoto and the Democratic Party of Japan. (Of course, the same can be said in reverse of Kan, I suppose.) Kan has inherited the detritus of Hatoyama Yukio’s leadership of the Democratic Party. We all can recall how Hatoyama let a golden opportunity drop for the center-left opposition in the last Diet election in 2000. And since that time, public support for the party plummeted into the single digits. Now that they have joined with Ozawa’s Liberals, it is hard to think of the Democratic Party as “left” any longer. Still others—Ishihara Shintaro comes to mind—have been unwilling to step up to the plate and take a cut.

Fuwa Tetsuzo’s—now Shii Kazuo’s—Communist Party is another story, more about which in a moment. Meanwhile, business elites dither. Keidanren and Nikkeiren have combined forces, but their political support continues to be diffused and “omni-directional.” They publish “vision statements” that are hollow, and articulate little but their own bewilderment.

Let’s step back from the details and the personalities for a moment. After all, these stories all fit a familiar cultural template: Leadership in Japan is said to be most effective when it is exercised administratively. Quietly. We learn in *Raw Fish 101* that the most effective Japanese leader is not charismatic, but manipulative. He avoids conflict and promotes consensus and cooperation. He is always conspiring but rarely inspiring. He knows how to navigate the Japanese “web.”

But we need to remember that a spider builds its own web. Or put differently, we need to remember that a strong leader, even though a product of the system, will modify and rebuild that system as the need arises. Such leaders—great statesmen with vision and skills—tend to emerge at times of crisis. In Japan, they appeared as revolutionaries in the 1860s, as *genro* (“elder statesmen”) in the 1890s and as reinvented democrats during the occupation. Whenever the nation’s institutions were shaken, leaders were always there to rebuild.

So, like the Nikkei editorialists, we are directed to consider the system. It seems odd that the long, lost decade of the 1990s has not yet culminated in a bona fide crisis. It is as if the nation’s institutions are imperceptibly melting, rather than visibly shaking.

The lessons of the long postwar prosperity—that leaders can simply fine-tune the system—may have been too deeply internalized.

As long as politicians could be clever, they have not had to be terribly creative. But “clever” is no longer good enough. The problem is that like a muscle that has atrophied, leaders have grown complacent and unimaginative. By most objective measures Japan is in a crisis. But no one seems to be acting as if this were so. If they did, we would be seeing more spiders competing with each other to build a better web.

Leadership does not have to be exercised, of course. Japan certainly can continue to drift, bobbing like a mercantile cork in a turbulent geopolitical sea. Or, Japan might fall prey to that other kind of leader—the demagogue who will make easy promises of national redemption and steer Japan further still from a “normal” role in the global community.

One can only hope that neither drift nor demagoguery will prevail. Certainly the resources and opportunities are abundant. The Japanese people surely deserve a leader with imagination and courage who will articulate a program of reform and talk straight about how to fix what is broken and how to heal what is ailing them. One hopes a leader soon appears who can transform the Japanese web into something more than the gooey mess that is entangling the country today.

My sense is that the leader who emerges will be the one who knows how to use the past to fashion his preferred future. This has been the case since well before Machiavelli—the one who first (and still, I think, best) understood how leadership works. Machiavelli knew that leaders come in three flavors: They could bully. They could buy. Or they could inspire.

This last mechanism—the most efficient by far—is sometimes called *bricolage*. The inspirational leader finds ways to sell his program by using whatever he has at hand, what the people already know and love. Mussolini was a master *bricoleur*—and Machiavelli’s favorite child. He mobilized Italians by promising that fascism would recapture for Italy the same respect Rome had once enjoyed, Mussolini selectively borrowed its symbols: the Roman salute, the eagle, the *fascio*.

The comparison to Japan is not an idle one, for Japan has had its *bricoleurs* as well. Plenty of them, in



fact. Indeed, the way Ito Hirobumi and Yamagata Aritomo used the emperor anticipated Mussolini by a generation. It mattered little that they virtually had to *invent* the emperor and all his accompanying paraphernalia.

On a more edifying note, Yoshida Shigeru was also a master *bricoleur*. He had nothing to bully or buy with, so he used idealized notions of “Taisho democracy.” It was almost as if he had always been a democrat!

There is a lecture I like to deliver about Japan that never gets stale, in which I examine three possible answers to the perennial question, “Is Japan changing?” Since there is always evidence to support *each* of these answers—“Japan is not changing,” “Japan is changing at least,” and “Japan is changing at last”—the lecture is never the same twice.

Sometimes, as when the Koizumi cabinet fails once again to deliver real economic reform or when LDP faction leaders continue to dominate the political agenda, it seems that real change is as distant as ever. At other times, with the economy slowly hollowing out, the rebuilding of Japanese companies in the hands of foreign managers, and the social safety net unraveling, it looks as if small steps toward real change are being taken. Certainly, the nation that in the 1980s embraced the conceit that it was “Number One” now sees a different reflection in its mirror.

***The term “Japanese leadership” was not always an oxymoron. . . . The problem is that like a muscle that has atrophied, leaders have grown complacent and unimaginative.***

But in Tokyo in late June, I began to develop the sense that the balance between these answers was shifting hard—and possibly irrevocably—in the direction of real change at last. And it looked very relevant to the topic of generational change.

Two stories involving generational change jumped out at me from page four of the June 24 *Asahi Shimbun*. The first reported that at a meeting of a “Young Diet members’ group to establish a

security system for the new century” (*Shinseiki no anzen hosho taisei o kakuritsu suru wakate giin no kai*), Defense Chief Ishiba Shigeru had called for a revision of Japan’s long-established strategy of “exclusively defensive defense” (*senshu boei*).

There is much that is significant about the group Ishiba addressed. First—like the 46-year-old Ishiba who had left the LDP to join the Japan Renewal Party before returning to the fold—the *Wakate Giin no Kai* crosses party lines. The association boasts 66 LDP members, 32 Democrats, and 5 Liberals. Second, there are members of this group, such as the Democratic Party’s 41-year-old “shadow defense minister” Maehara Seiji, who have no difficulty pointing out that U.S. and Japanese national interests are not perfectly congruent. This next generation of Diet members supports the constitution in its current form in lower numbers than its elders do. These *wakate giin* are poised and eager to change more than Japan’s national security doctrine.

The second story on page four reported that the Japan Communist Party (JCP) revised its manifesto for the first time in 42 years. Catching up at long last to every other communist party in the advanced industrial world, the JCP finally is abandoning “socialist revolution.” The Party now is seeking “democratic reform,” as well as dropping references to “Japanese monopoly capitalism” and “U.S. imperialism.” These doctrinal changes could lead to JCP partnerships with other political forces that might at last generate a credible center-left alternative to the LDP, a possibility that could not have happened without the transfer of power within the JCP from Fuwa Tetsuzo to the much younger Shii Kazuo.

And, of course, we have witnessed “the mother of all changes”—the LDP’s Special Measures Bill for Dispatch of the Self-Defense Forces to Iraq, a move inconceivable just months ago. Because the war in Iraq is not yet over, the Japanese government has now backed away from non-military support for U.S. troops in favor of non-military support for Japanese civilians. Still—protestations of the Cabinet Legislation Bureau notwithstanding—Japanese boots on the Iraqi ground portend truly fundamental change for longstanding interpretations of collective security.

It is hard to imagine that generational change alone is accelerating Japan toward such epochal change. Let’s not lose sight of how the U.S. recon-





sideration of forward deployment has stimulated Japanese fears of abandonment. Old and next generation Japanese leaders alike fear that America's so-called "coalition of the willing" in Iraq is the shape of things to come. If *this*, rather than formal alliances, is the template for future U.S. military deployment, everything changes for Japanese security planners. Since Japan is not ready or capable at this moment to be anything other than "willing" in the face of this rapid and unexpected shift in U.S. foreign and security policy, there is real change afoot.

So, for the time being while I am tilting my essay toward "Japan is changing at last," I am not attributing everything to generational change.

So, what then should we make of generational change in contemporary Japan? First, it seems to me that we have to keep in mind that there are at least three possible models of generational change. One is the "experiential" model. This is Mannheim's notion that cohorts of individuals share a single life-changing experience—e.g., the Great Depression or the Vietnam War in the United States, or the Japan-U.S. Security Treaty in Japan. This model presumes that shared transformational experiences shape political ideals that individuals in any given cohort carry with them throughout their adult lives.

But we should consider other generational models which have different dynamics and implications for political change. One is the "maturation" model, by which individual preferences are *not* forever fixed. Here, we are reminded of the (likely apocryphal) story told of the Swedish king who held that "if you are not a radical when young, you have no heart—but if you are still a radical when you are old, you have no head." The point here is that individuals' preferences change over time, and therefore that

the political orientation of any given cohort is never fixed.

Then there is also the "pendulum" model, by which analysts can predict the political orientation of any group by looking at the attitudes of their parents' generation, and positing the opposite. On this "pendular" account, cohorts react against their parents, and in turn are bitten King Lear-like by the "serpent's tooth" of their children. In short, generations can matter—but to know in which way, we have to rely upon survey data and must remember that it is not only shared experiences that shape political attitudes.

Meanwhile, what of creative, inspirational leadership? I did not think Karel van Wolferen's thesis was correct when I first read *The Enigma of Japanese Power* in 1989, but maybe his view has been proven correct by events. Maybe Japan has no center. Maybe it is led by "rudderless momentum." There is no *bricoleur* on the Japanese political horizon today. Perhaps the best we can expect are leaders who read their tea leaves and know when they have to abandon shopworn institutions. Maybe this is not about generational change, but about reactions to tired ideas.

But I think not. The question for me is: Which Japanese leader will emerge to rediscover and deploy which long-lost shard of Japan's past? Who will breathe new life into old ideas? Will it be a leader who decides it is time for Japan's third opening? Hashimoto Ryutaro and Ozawa Ichiro each tried and failed to sell that package. Perhaps it will be the leader who decides it is time for Japan's third closing. I do not know. No one does. But following Machiavelli, none of us should be surprised by what the leader selects—or by how well he or she succeeds.

## Learning to Lead: Incentives and Disincentives for Leadership in Japanese Politics

VERENA BLECHINGER-TALCOTT

**W**hen Prime Minister Koizumi became prime minister in 2001, his charismatic personality and assertive leadership style triggered a veritable Koizumi boom in Japan. The Liberal Democratic Party headquarters in Nagatacho became, for several months, one of the city's main attractions. Tourist buses stopped there during their sightseeing programs, and hundreds of shoppers crowded the party gift store to purchase Koizumi goods for themselves and their friends—T-Shirts, mugs, stickers, calendars, and posters. A cartoon character that depicted the new prime minister as “Lion Heart” in an oversized lion costume with a big, red, blinking heart became a “must have item,” not only for young women. And for several weeks, a huge Koizumi poster covered one of the sides of the LDP building.

Foreign observers of Japanese politics became similarly excited about this new and seemingly innovative leader that had risen to power in Japan. Newspapers carried feature articles about the new man in Nagatacho, and Japan experts worldwide gathered in panels and workshops to analyze and understand the “Koizumi phenomenon.”

Koizumi is not the first leader the LDP has ever produced, but he is a different type of leader. What made the new prime minister so special was his declared willingness to take charge of Japanese politics, to enact political and structural reforms “without sacred cows” and to even destroy his own party if it refused to change. After 10 years of economic crisis, political stagnation, and missed opportunities that made commentators characterize the 1990s as a “lost decade” for Japan, the populist and media-savvy Koizumi seemed to many like a long-awaited hero who would help the country to get back on track.

Two years later, the boom has died down, and commentators both in Japan and abroad are less enthusiastic. Although the support rate for the Koizumi Cabinet is still at almost 60 percent,<sup>1</sup> a



more gloomy tone has returned to Japanese political commentary. Koizumi is no longer portrayed as the shining star on the Japanese political firmament, but as a politician with shortcomings and deficiencies, who may likely fail in overcoming resistance, mostly within his own party, to economic and structural reforms. Alternative candidates with a higher chance of success, however, do not come to mind. Neither did Koizumi's competitors for the position of LDP president at the party convention last month seem to propose a credible alternative.

Do we have a shortage of leaders in Japan and especially in the long-ruling LDP? Is Koizumi—long considered too radical to become prime minister by fellow party members and political observers—the first of a new group of leaders in Japanese politics? Does political leadership in Japan change? Or is Koizumi's tenure as prime minister rather an aberration in Japanese politics? And, finally, how can we identify future political leaders in Japan?

This paper analyzes aspects of training and career development of Japanese politicians, especially within the LDP. I will explain how leaders emerge from the LDP and what effect the process of becoming a



party leader has on the leadership style in national politics. I will point out incentives and opportunities for leadership embedded in the Japanese political system and especially in the relationship between politicians and voters on the one hand, and within the LDP decision-making process on the other hand. While most of this paper focuses on the long-ruling LDP, it also has implications for the opposition.

“Leadership” includes characteristics of both office and person. A leader is an actor with a high-ranking position within an organization, such as a political party or government, which comes with its own responsibilities and opportunities. “Leadership” is also a quality characterizing outstanding politicians who initiate change in policies, political processes, and institutions by, as Richard Samuels puts it, “inspiring,” “buying,” or “bullying” those around them.<sup>2</sup>

Leadership in Japanese politics and especially within the LDP is the product of incentives and opportunities embedded in the mechanisms of political and party decision making. Until the mid-1990s, politicians making a career in the LDP and/or in government had to focus on two tasks: catering to the often narrow interests of their local support base (which was not necessarily the whole electoral district), and building a network among fellow LDP Diet members. This situation favored political leaders who were skilled at mediating between often conflicting interests while penalizing those who self-assertively took charge of policy issues or single-mindedly proposed path-breaking new legislation. Tanaka Makiko in the Ministry of Foreign Affairs would be one example.

Today, Japanese and especially LDP politicians are confronted with social and demographic changes that affect their voter base and thus present them with different incentives and choices than their predecessors. While LDP party leaders and prime ministers of the 1980s and 1990s could base careers on durable support networks in rural constituencies, new political leaders find that urban districts make different demands and favor different leadership skills. Moreover, recent institutional changes such as the 1994 introduction of a new electoral system for the lower house, provide politicians with different incentives for career building.

As incentives change, so does leadership. Instead of mastering the push and pull of party politics,

political leaders will strive to appeal to a broad urban voter base. Populism will increase, but so will professionalization. As illustrated by cross-party working groups staffed by young Diet members who are interested in fundamental change, including constitutional and administrative reform, new leaders will invigorate the Diet’s role as generator of policy.

The new generation will be dominated in large part by second-generation Diet members or graduates of political training academies. These politicians are better prepared for political office, more skilled in handling the media, and have greater international experience than their predecessors. Already we find numerous examples of this “new type” of politician, such as (among others) Minister of Transport Ishihara Nobuteru.

### LEADERSHIP UNTIL THE MID-1990S

Electoral victory in Japan has been and still is determined to a high degree by the quality of a Diet member’s personal connections with core voters.<sup>3</sup> Besides intensively lobbying for new voters, politicians expend much effort satisfying loyal members of personal support groups (*koenkai*). One way to improve chances for reelection is to acquire public

### *Populism will increase, but so will professionalization.*

subsidies and funds for local infrastructure projects (roads, tunnels, bridges) for the constituency from the national government. To do this, Diet members (especially LDP members) cultivate ties with bureaucrats in the central government ministries.

Political actors also gain status and influence by rising within the party hierarchy and securing appointment to high-ranking posts in political and social organizations. In the LDP, politicians often get elected into party leadership positions with the backing of factions—support networks within the party which were officially dissolved, but are still active. While factions have lost some of their influence in LDP politics due to campaign finance reform and the introduction of single member dis-

tricts in 1994, they still play a vital role in the selection of party officers and cabinet members. As the uproar about the appointment of the new party Secretary General Abe Shinzo illustrates, to rise within the party hierarchy, a leading position within a faction is usually a prerequisite. Senior faction leaders actively recruit new members, whom they provide with organizational (and often financial) support and valuable contacts within politics, the bureaucracy, and business. In return, these new members support the leader's candidacy for party leadership positions.

Like businesses, politicians needed money to fund their activities. Until donations to individual politicians became illegal in 2000, Diet members drew the majority of their revenue from donations by interest groups and corporations (Since, many donors have shifted their payments to the local party chapter, which is run by the politician who used to receive individual donations directly.) The relationship between politicians and “sponsors” was one of mutual obligation—corresponding, in essence, to the “service contract” between politicians and their electoral supporters.<sup>4</sup> Local interest groups expected a Diet member to channel as many advantages as possible into their particular region, and corporations hoped for backing in the central bureaucracy, which was hardly accessible for businesses trying to push into a new market. The quest for money therefore bound politicians to financial supporters both inside and outside of their districts, as well as groups who could mobilize the vote.

Consequently, up to the late 1990s, LDP politicians in party leadership positions excelled especially in two sets of skills: networking and mediating. In order to rise in the political hierarchy, it was important to build a vast network of contacts. These contacts helped mediate between local interest groups and central government ministries, and ensured a flow of political donations that helped fund election campaigns. On the other hand, the same skills proved handy in lobbying other Diet members, expanding support networks, and otherwise competing for party leadership positions.

The same skills also proved useful in policy deliberations within the party. Since the 1970s, all cabinet-sponsored bills are subject to discussion within the committees of the LDP's Policy Affairs Research Council (PARC, *Seichokai*). Only after the relevant

subcommittee and the PARC's executive council have given approval are bills introduced to the Diet. LDP Diet members usually vote unanimously in Diet deliberations. In the party's policy committees, however, Diet members and especially those members with expertise in a certain policy area (*zokugiin*) try to influence proposed legislation in the interest of their supporters outside the Diet. Abilities such as negotiating, mediating, networking, and bargaining are necessary to drum up support for (or opposition against) a certain policy agenda. The party policy subcommittees are also where policy expertise can translate into power within the party. In contrast to cabinet members, who are frequently rotated in and out of their positions and who rarely have enough time to familiarize themselves sufficiently with the relevant issues and agendas, party policy experts can exert long-term influence on policy-making within their area of expertise.<sup>5</sup>

The consequences of this system for leadership in Japanese politics were (and to a certain degree still are) twofold:

First, leadership was exercised outside of the Diet in the LDP party committees. Leaders usually did not stand out for elaborate speeches in the Diet or policy initiatives in Diet committees, but were respected for their ability to influence decision-making processes within the party policy subcommittees.

Second, leadership that worked in this setting was useful for maintaining the status quo, but less effective in times demanding quick decisions and rapid change.

## PRESSURES FOR CHANGE

As a consequence of the 1994 political reforms, but also induced by social and demographic developments, pressure for change rose in recent years in Japan. Four factors come to mind:

1) *Increasing importance of urban districts.* The cultivation of the personal vote and close ties between representatives and voters works best in rural settings. Urban areas are usually more diverse in their social structure, with relatively young, mobile populations and floating voters who are often critical of the LDP. Politicians in urban districts face a variety of demands from constituents, and need to be more active to stay present in voters' minds. To establish a



stable, efficient personal support group is almost impossible, and politicians need strategies other than the provision of public works projects and government subsidies. Japan's political system still favors rural constituencies slightly. But the 1994 introduction of single-member districts and the redrawing of district lines meant that urban districts became increasingly crucial for winning a Diet majority.

2) *Anti-LDP movements in rural areas.* In the late 1990s, even rural voters became increasingly critical of infrastructure projects initiated by LDP Diet members. Since the major burden of the cost for such investments has to be shouldered by local authorities, centrally initiated public works projects significantly weakened the financial stability of local communities. As a consequence, in several rural areas, citizens organized protest movements against such projects. This movement reached a high degree of popularity when in 2000 author Tanaka Yasuo, a non-politician, won the race for governor of Nagano on a policy platform that explicitly criticized the often wasteful public works projects. For LDP politicians, this development implies the need to rethink and to redesign election campaigns in order to address new demands from rural voters.

3) *Prefectural protests and changes in party leadership elections.* In the elections after the 1994 reforms, the LDP lost dramatically in urban areas, while the main opposition Democratic Party of Japan (DPJ) managed to establish itself as a new grassroots-style party with strong urban appeal. After losing numerous urban districts to the DPJ in the 2000 lower house elections, unrest grew among prefectural LDP members, especially in metropolitan areas. They feared that the LDP leadership under then Prime Minister Mori was not taking the situation seriously enough, and that another defeat in the 2001 upper house elections would be unavoidable. Prior to and at the beginning of the 2001 LDP party convention, angry representatives from urban prefectural party organizations staged protests in front of the convention center and handed out flyers asking for immediate reform. LDP leaders responded to the uproar among the party's rank and file members and agreed to change the process for electing the LDP party president. The new system, first used in 2001, involved nationwide primaries in the party's local chapters, followed by a final vote in which three representatives from each prefectural chapter (all

together 141) and 346 LDP members of both houses cast their votes for the new party leader. Thus, Koizumi—one of the few LDP presidents and prime ministers who represents an urban district—came into power.<sup>6</sup> As long as the party maintains this kind of presidential election, an urban strategy is increasingly important for candidates for party leadership.

4) *Effect of the new electoral system.* Up until electoral reform in 1994, Japanese Diet members were elected from multi-seat constituencies, competing with other politicians from their own party as well as from opposition parties. Under this system, relatively few votes were sufficient to win, especially in districts with one very strong contender. Candidates could thus focus on a certain group of voters or a certain area within the district and still get elected. In the new single-member districts, however, candidates need to win a plurality of votes, which requires a change in campaign strategy. They must pay attention to several groups' demands to maximize their chances.

Because of these demographic and institutional changes, LDP leaders' incentives have changed. Instead of forming close relationships and providing pork to specialized groups of longtime supporters, politicians face the challenge of appealing to a much broader and more diverse spectrum of voters. Moreover, while it was sufficient until 2001 to appeal to other LDP Diet members to become party president, now, contenders for that role must prove to the party rank-and-file that they can ensure electoral victory on the regional and national level. New qualities, such as public speaking and expert use of the media, have increased in importance. Koizumi represents this new kind of leadership not because of his personal charisma per se, but because he is useful in the changed electoral environment.

### THE NEW GENERATION

Koizumi first entered office in the 1960s. He is the chief lieutenant of the Mori faction, and in other ways as well has the pedigree of a "traditional" LDP party president. At lower rungs of the hierarchy, however, new groups of politicians seem even more qualified than Koizumi to adapt to the new incentives. In both the LDP and the DPJ are well-trained, highly professional politicians oriented toward



grassroots activities and policy consultation across party lines. While former activists such as DPJ leader Kan Naoto have paved the path, the majority of these new types of politicians belong to two groups: 1) second and third generation politicians who “inherited” their seats from their fathers, grandfathers, or uncles, and 2) graduates of “political training academies” such as the Matsushita Institute of Government and Management.

### Political Heirs

In the lower house, 134 (about 28 percent) of all 480 lower house members are second or third generation politicians. Within the LDP, the share of political heirs is even higher: 98 (41 percent) of 239 LDP lower-house members have won mandates as successors of fathers, grandfathers, fathers in law, uncles, or other family members. The second largest group of political heirs can be found in the DPJ—31 (about 21 percent) of 148 representatives.

Political heirs in the LDP are even more impor-

in their party and the parliament. As a result, they reach leading party and government positions at comparatively younger ages than their peers, and have a better chance to reach top positions. It is no accident that political heirs make up such a high proportion of prime ministers, ministers and LDP leaders.

Political heirs tend to know the political world better than newcomers. Most have prepared themselves to take over the “family business” by working as political secretaries and otherwise building up extensive and useful networks. In the Japanese press, such politicians are often dubbed “political thoroughbreds.”

The increase in second and third generation politicians will lead to greater professionalization in Japanese politics. Besides training and preparation, many of these politicians have studied abroad and interned in U.S. Congressional offices, and thus have experience in a distinctively American style of leadership. Of course, this experience alone will not transform Japanese politics, but my interviews with young second-generation Diet members show that many are dissatisfied with the “traditional style” of LDP leadership. Change on the supply side of leadership can also be seen in the emergence of young members’ working groups that are critical of the slow pace of reform and the strong influence of vested interests in Japanese political decision making.

### Graduates of political training academies

A second group that seems prepared to take on new leadership challenges and opportunities in Japan are graduates of political training academies such as the Matsushita Institute of Government and Management (*Matsushita Seikei Juku*). Established in 1979 by the founder of Matsushita Electric, this institution trains future leaders in Japanese politics, business, and the media. Of 186 graduates (through the year 2002), 45 hold public office, 22 in the Diet.<sup>7</sup> The three-year program includes, among other things, leadership training, internships at national and international political organizations, training in public speaking, work experience in a factory assembly line, intensive language training in English, Chinese, or Korean, and the infamous march in which students demonstrate endurance by walking 100 kilometers (66 miles) within 24 hours.

*Koizumi, in many ways, has the pedigree of a “traditional” LDP party president. At lower rungs of the hierarchy, new groups of politicians seem even more qualified than Koizumi to adapt to the new incentives.*

tant than numbers suggest, as shown by their prominence in leading party and cabinet positions. Of the nine Japanese prime ministers since 1991, five were second or third generation politicians (Miyazawa, Hata, Hashimoto, Obuchi, and Koizumi). In the second Mori cabinet and the first Koizumi cabinet, political heirs made up 7 (39 percent) of 18 ministers. In the newly formed second Koizumi cabinet, they make up 8 (44 percent) of 18 ministers.

Second and third generation Diet members have advantages over their peers, in terms of comparative youth and high publicity. They start their political careers by drawing on an already existing and effective support structure, rather than having to build such a structure upon election. Thus they enjoy more time for career planning and related activities



After graduation, alumni retain close relations with the institution. Since Institute graduates can be found in all major parties, alumni groups also form the basis for regular policy study groups that cross party lines.

## CONCLUSION

There is no leadership shortage in Japan today. Strong leaders always existed in the LDP; however, the style that brought them to power up through the 1990s did not make them effective in dealing with the need for quick decisions and bold reforms. Former Prime Minister Mori, for example, has an excellent reputation for mediating between competing groups within his party, but encountered serious problems addressing the need for structural reform and interacting with the media. Demographical and institutional changes led to a shift in incentives for leadership. LDP presidential candidates no longer need appeal only to fellow Diet members with whom they have established long-term relationships, but must also secure rank-and-file votes by presenting themselves as personable, professional, and able to win elections. The increasing importance of success in urban districts will further spur politicians of all parties to increase their media skills. As a consequence, new opportunities will arise for recently elected Diet members with professional skills. It will also, however, provide leadership opportunities for populists.

## ENDNOTES

1. *Japan Times*, October 12, 2003.
2. Richard Samuels, *Machiavelli's Children. Leaders and their Legacies in Italy and Japan* (Ithaca: Cornell University Press, 2003) 8.
3. See, for example, Gerald Curtis, *The Logic of Japanese Politics. Leaders, Institutions, and the Limits of Change* (New York: Columbia University Press, 1999), or Haruhiro Fukui and Shigeeko Fukai, "The Informal Politics of Japanese Diet Elections: Cases and Interpretations," in Lowell Dittmer, Haruhiro Fukui, and Peter N.S. Lee, eds., *Informal Politics in East Asia* (Cambridge, New York: Cambridge University Press, 2000) 23-41.
4. See, for example, Verena Blechinger, "Cleaning up Politics and Revitalizing Democracy? A European View of the New System of Political Finance in Japan," *European Review* 8, no. 4 (Oct. 2000) 533-51.
5. A recent and concise account of LDP party decision making processes can be found in Aurelia George Mulgan, *Japan's Failed Revolution: Koizumi and the Politics of Economic Reform* (Canberra: Asia Pacific Press, 2002) 129-41.
6. Koizumi's constituency is located in Kanagawa in the Tokyo metropolitan area. The only other prime minister who came from an urban district was Kaifu Toshiki (1989-1991), whose district is located in Nagoya.
7. Matsushita Institute of Government and Management website, <http://www.mskj.or.jp>.

## An Arthritic Japan? The Relationship between Politicians and Bureaucrats

MICHIO MURAMATSU

Japan's political system, long based on dominance by the Liberal Democratic Party (LDP), is undergoing transformation. Shifts in the political environment of the 1990s, such as the Cold War's end, economic deflation, and governmental re-forms—including electoral reform, reorganization of the ministries, and decentralization—all seem to push Japan toward change, although the results are yet unclear.

Through the years, the LDP has demonstrated remarkable resiliency and resourcefulness. Since the party's founding in 1955, it lost power for only 11 months (1993-1994) to the cabinet led by Morihiro Hosokawa of the New Japan Party. The LDP regained power through a previously unimaginable feat of tactical acrobatics—an alliance with its longtime opponent, the Japan Socialist Party. In spite of the LDP's resiliency, the year it fell from leadership was a turning point in postwar Japanese politics. Electoral reforms introduced in 1994, including a new electoral system and the new Political Money Control Act, have gradually altered the very nature of Japanese politics. In future elections, the new electoral system may produce an alternating party system and strong leadership.

I am a student of bureaucracy and politics in Japan. If we look from the perspective of principal-agent relations, under the dominant-party system the LDP was the “principal” in Japanese politics and the bureaucracy was the “agent.” In theory, the bureaucrats carry out the ruling party's policies, whether by agreement or according to Japan's constitution. However, bureaucrats have more policy knowledge—simple far more access to information—than politicians. Therefore, bureaucrats can manipulate this information to expand their opportunities for exercising discretion. To control this, politicians monitor bureaucrats' behavior, delegating power but taking it back if an “alarm bell” rings.

Putting aside the theoretical framework for the moment, in actual politics the two actors have enjoyed a positive relationship, to the point of being sometimes described as symbiotic.



However, bureaucrats have lost self-confidence, according to recent surveys. This lack of assurance is likely due to policy errors, in areas such as the HIV-tainted blood issue and banking administration, and to a series of scandals. At the same time, bureaucrats also seem to have lost trust in the authority of their long-standing principal, the LDP. Data indicate that positive ties between the two—the longtime seemingly symbiotic relations—are disappearing. It is this picture of politics that people point to when they say that Japanese political leadership has become weak. For those who always perceived leadership as weak, it has weakened even further.

At the same time, there are signs that political leadership may actually be regaining strength. One of the strongest indications was the September LDP presidential election, in which Junichiro Koizumi was reelected as LDP president and Japan's prime minister. As I will discuss further, the LDP presidential election suggests much about changes in voting behavior and perceptions of parliamentarians and the political leadership.

This paper has three sections: First, I will provide explanation of the Japanese governmental policy process. Second, I will utilize quantitative data to



analyze some important political trends in Japanese politics, and third, I will discuss the case of Koizumi's reelection as LDP president.

### JAPAN'S POLICY PROCESS, PATTERNED PLURALISM, AND RELATED CHANGES

Japan's policy process differs from that of the United States in that bureaucrats prepare most important bills. The national budget and other bills prepared by the bureaucracy are examined by the LDP and then submitted to parliament. Since the LDP is the majority party, bills pass through the legislature largely without hindrance. The orthodox school of postwar politics observed this process and argued that the bureaucrats, not the parliament or political parties, controlled Japan's politics. Under this paradigm, not only did politicians fail to truly control the bureaucracy, central government bureaucrats actually were seen as supervising local governments and interest groups.

About 20 years ago, "younger" political scientists began to argue that the role and influence of political parties were much more important than the "orthodox" school described. I was one of those "younger" scholars. Using empirical data through case studies of policymaking and survey data on political elites, we made the case that Japan's politics was pluralistic. Our arguments were not identical to those of the pluralist school in the American political science community, but certainly comparable. My data, obtained through interviews with parliamentarians and bureaucrats starting in 1976-77, indicated the dominance of political parties. This view was counter to arguments that the bureaucracy was dominant. When seen from the new theoretical position of party dominance, the picture of Japanese politics changes. In an article written jointly with Ellis Krauss, I characterized Japan's politics as patterned pluralism.<sup>1</sup>

Under the patterned pluralism or "politics does matter" paradigm, both politicians and bureaucrats played important roles in postwar Japan. From this symbiotic relationship there emerged what Theodore Lowi termed "distributive politics." The bureaucrats were crucial players in the process of distributive politics and received a share of pie, such as appointments to important posts in government-affiliated corporations.

An additional actor in Japanese politics was the left, in particular the Japan Socialist Party and labor unions. In Japanese patterned pluralism, with the help of the Cold War, the Socialists could maintain roughly one-third of the seats in parliament, and decried the U.S.-Japan Security Treaty on the grounds that Japan's Self-Defense Force was unconstitutional. The left was interested in and promoted environmental policies, while the central government was preoccupied with economic policies. Leftist local governments also promoted various welfare programs, including free medical care for the elderly. Around 1970 the Socialists and/or the Communists occupied the chief executive posts of many major prefectures and city governments: Tokyo, Osaka, Kyoto, Yokohama, Nagoya, etc.

In the national parliament, the LDP and the Japan Socialist Party (JSP) were antagonistic and unable to compromise effectively. In addition, the opposition parties in general were not strong and could not increase their proportion of seats. As a result, the LDP remained firmly in power and was a dependable principal for the bureaucrats. This pattern held throughout the period when the Japanese economy was expanding.

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*Bureaucrats have lost self-confidence, according to recent surveys. . . . At the same time, they seem to have lost trust in the LDP.*

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### 1993 AND AFTER

However, the early 1990s witnessed political changes unimaginable during the Cold War. Voters' party preferences changed substantially with the Cold War's end and the deflation of the post-bubble economy. There were signs of change already in the 1980s, as shown by a larger proportion of voters supporting "no party." Unaffiliated voters have been the electorate's largest group since the 1970s, and exerted great influence on the 1989 upper house election, in which the Socialist Party and other non-LDP parties won a major victory. The opposition enjoyed success in that election

because of: 1) voter dissatisfaction with the introduction of the consumption tax, which the LDP had passed, 2) the Recruit stock-for-favors scandal, and 3) Prime Minister Uno's sex scandal, which damaged public trust in the party. With these events and the Cold War's end, growing numbers came to think that parties other than the LDP—including the Socialist Party—were qualified to become the ruling party.

As I mentioned earlier, the July 1993 lower house elections were a major turning point in postwar Japanese politics. The Japan New Party, which Morihiro Hosokawa had established not long before, gained more than 30 seats, and Hosokawa formed a coalition government with seven other parties. The LDP found itself out of the government. Although the LDP later returned to power, the other parties were given a chance to hold the reins of power. Most noteworthy was the Hosokawa government's elimination in 1994 of the multi-member district electoral system and the introduction of single-member districts and a revised Political Funds Control Law. These acts exerted substantial influence on lower house elections (1996, 2000, and 2003) and LDP presidential elections (2001 and 2003). Textbooks usually argue that single-member district systems tend toward contests between two genuinely competitive parties, with success dependant on policies and party leaders' popularity.

In October 2003, Junichiro Koizumi was reelect-

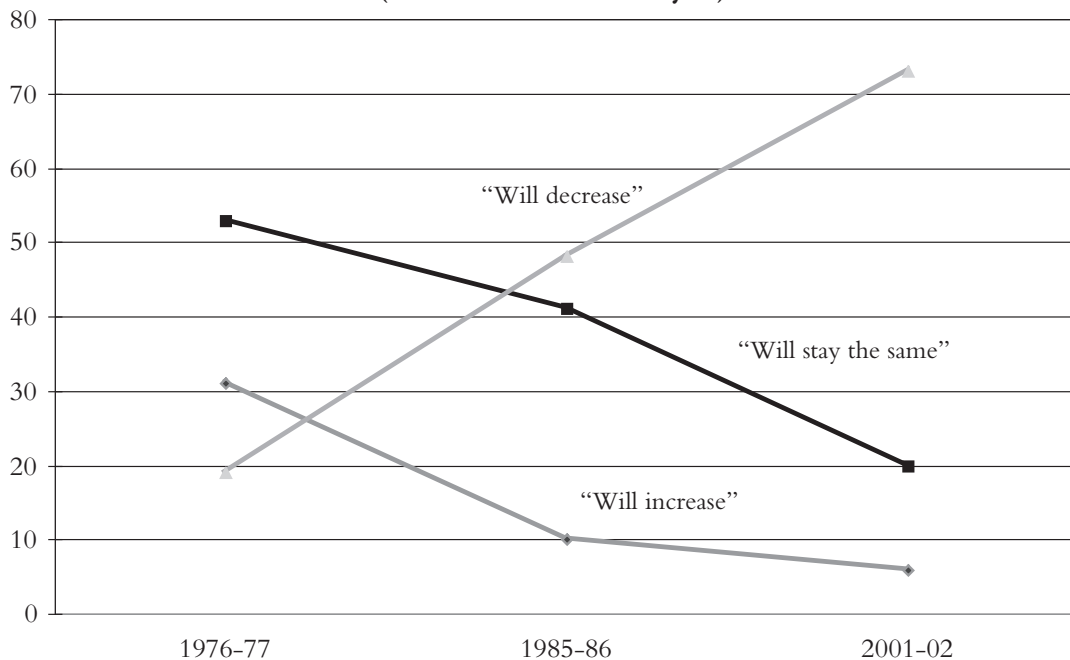
ed LDP president, and claimed to continue promoting the same set of "structural reform" policies he had pushed throughout his first term in office. The term "structural reform" is not clear or precisely defined, but basically means writing off bad loans, enacting fiscal reform, and reforming the government and LDP by eliminating the influence of vested interests. Koizumi and the LDP are strong. However, many experts think that, in terms of political strength, the LDP will not be the same LDP as in the past. A series of policy errors in the 1990s eroded its stability as "the party in power." On top of this, as mentioned earlier, scandals and errors have decreased trust in the bureaucracy, as well.

### ANALYSIS OF ELITE SURVEY DATA

I now turn to my data from elite surveys. Interviews were conducted over three periods: 1976-77, 1985-86, and 2001-02. The surveys were conducted with 251 (in 1976-77), 251 (in 1985-86), and 289 (2001-02) bureaucrats belonging to eight specific Japanese ministries. Respondents held positions of roughly similar rank within each ministry. A number of questions were designed to compare the results of the three periods.

Figure 1 reflects answers given by bureaucrats concerning their own "future influence." As shown,

**Figure 1: Bureaucrats' Perceptions of Own Future Influence (Percent of Total Surveyed)**

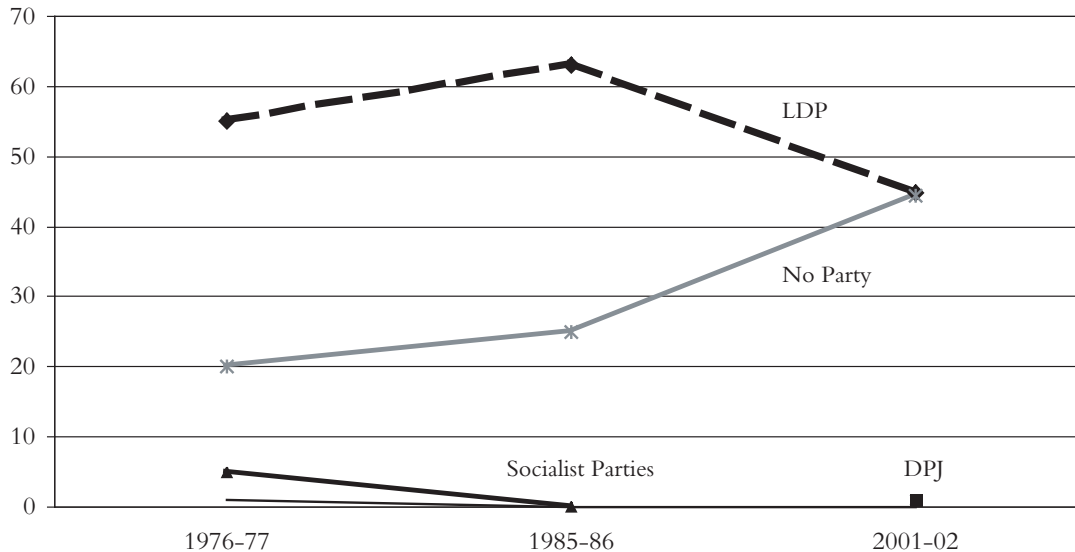


Source: Interviews conducted by author.





**Figure 2: Party Support among Bureaucrats  
(Percent of Total Surveyed)**



Source: Interviews conducted by author.

bureaucrats believe that their influence will decrease—a significant change from 30 years ago. My interviews with politicians reflect a similar perception of bureaucratic decline. Does this mean that politicians are gaining the upper hand? That is one suggestion, though it is important to note that Figure 1 directly addresses *perceived* (not actual) influence. The bureaucrats' pessimism may reflect their awareness of arguments in media and a large number of political scientists that politicians are taking a greater role in policy making, or that the Diet *ought* to lead the country and constrain the strength of the ministries and agencies.

However, in reality, these perceptions of bureaucrats do not mean that the LDP's leadership has become strong. Indeed, bureaucrats may even be moving away from a willingness to support the notion of "LDP as principal."

Figure 2 shows political party support among bureaucrats and that the proportion of bureaucrats supporting the LDP has decreased. These data indicate nothing (directly) about bureaucrats' willingness to accept the LDP as their principal, but suggest that bureaucrats are suffering doubts about their past dedication.

There is no doubt that at this point the LDP is the only strong candidate to rule and act as principal for the bureaucracy, as shown by their winning a majority of seats in the November election. However, the bureaucrats cannot perceive the LDP as the same LDP as before—the party with which they enjoyed symbiotic relations.

Typically, the ruling party has entrusted most affairs to the bureaucracy. Only after bureaucrats put forth a proposal and predicted the outcome, have politicians become agitated at times. For years, politicians have blamed bureaucrats for policy failures. Bureaucrats accepted such responsibility as part of the reciprocal relationship, and they responded by seizing the opportunity to create new programs or institutions, which politicians would support in turn.

However, recently, the politicians have even more strongly begun to blame the bureaucracy for the failures of the 1990s and have increasingly stated that they themselves should take the lead instead of entrusting their affairs to bureaucrats. Not surprisingly, bureaucrats have begun to vacillate in their support of the LDP.

Are these developments truly leading bureaucrats to change their view of the LDP as principal?

Bureaucrats certainly do not see themselves as agents of the opposition, but that does not mean that the Democratic Party (DPJ) has no impact on their perceptions.

Bureaucrats recognize that if the DPJ came to power, their relationship with politicians would cool. In its party manifesto, the DPJ declares that the cabinet should appoint high-ranking bureaucrats from outside of the civil service. Sensing the atmosphere, some bureaucrats have begun to separate themselves from the politicians. This is highlighted by the words of one highly placed bureaucrat who told me, “We are not the servant of the party in power, but of the cabinet.”

This reluctance to act as politicians’ “servants” suggests a growing unwillingness to accept politicians as genuine principals.

### KOIZUMI’S REELECTION AS LDP PRESIDENT

Turning now to the politicians’ side, what changes in perceptions can we observe? Koizumi’s reelection as LDP president tells us much about the outlook of contemporary politicians, including their views of the public.

First, why was Koizumi reelected as president of the LDP even though he belongs to only a small faction within the party? In the past, LDP presidents were usually members of the party’s largest faction or were elected through an alliance with that faction. I believe that Koizumi’s election indicates the growing impact of the new electoral system. Since the introduction of electoral reform, top party leaders—rather than faction heads—are more important to rank-and-file parliamentarians.

Beginning with the 2001 LDP presidential election, rank-and-file members from local chapters

have been increasingly involved in the party’s organization and procedures. For the first time, local members were allocated 141 votes (the first phase), while national parliamentarians were allocated 346 (the second phase). When the first phase brought in 123 votes (87%) for Koizumi, two candidates including former Prime Minister Hashimoto gave up campaigning. Thus Koizumi won a majority in the second phase with 175 (51%) of the national parliamentarian vote against the one remaining candidate.

In 2003, 300 votes were allocated to local members, and 357 to national parliamentarians. Koizumi received 205 (68%) of local votes, and 194 (54%) of votes cast by parliamentarians, for a total of 61%. It is noteworthy that he won even more votes from parliamentarians in 2003 than he had in 2001. Strikingly, he won votes even within factions sponsoring rival candidates—whose members were, of course, instructed to support their own.

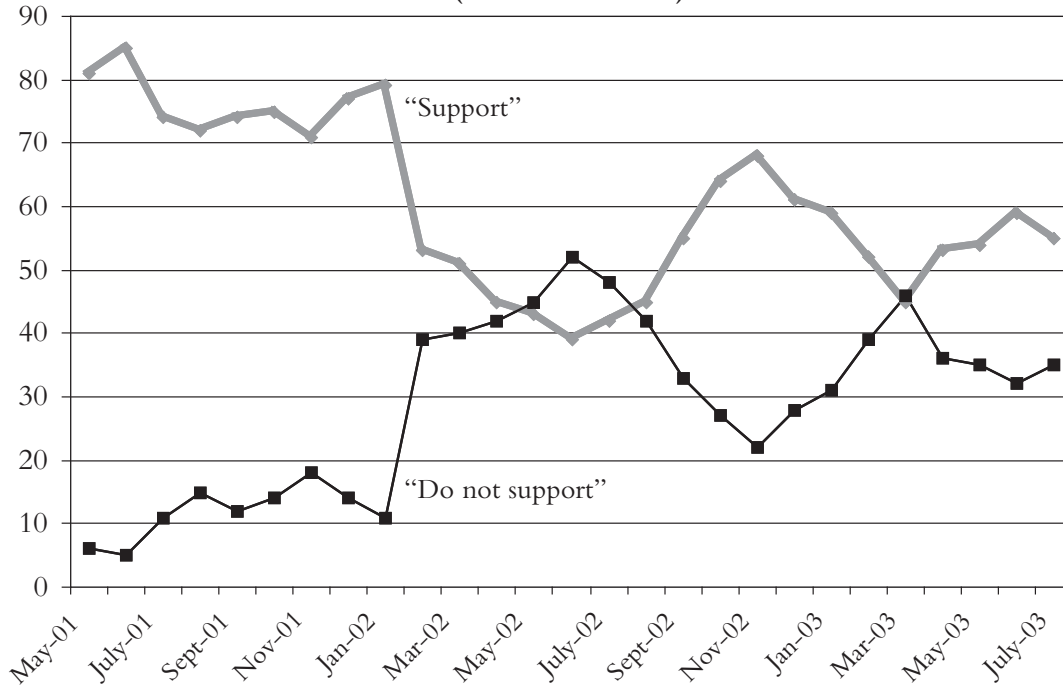
While I will not provide an in-depth discussion of the candidates’ various policy positions, it is safe to say that parliamentarians had no difficulty distinguishing between Koizumi’s policies of those of his opponents, and many preferred the latter.<sup>2</sup> Nevertheless, they supported Koizumi in large numbers. Most crucial, rank-and-file LDP parliamentarians were willing to go against their own policy preferences and also against instructions from faction leaders because they needed Koizumi to campaign for them in their own electoral districts. Cabinet support ratings have been high since Koizumi became prime minister (see Figure 4), and many LDP members no doubt calculated that following him would be advantageous. For the sake of reelection, each politician needed a picture of himself shaking Koizumi’s hand. Thus, I observe that the fac-

**Figure 3. LDP Presidential Election Vote Allocation and Number Koizumi Received**

<u>Year</u>	<u>Local Members</u>	<u>National Parliamentarians</u>
2001	141 (Koizumi, 123=87%)	346 (Koizumi, 175=51%)
2003	300 (Koizumi, 205=68%)	357 (Koizumi, 194=54%)



**Figure 4: Public Support for Koizumi Cabinet  
(Percent of Total)**



Source: Monthly survey on cabinet support, NHK Broadcasting Culture Research Institute

tion system has weakened. If parliamentarians from all the factions that ran candidates against Koizumi had rallied behind a single “anti-Koizumi” candidate, they could have won. Strikingly, the largest faction, the Hashimoto faction, split into two: one supporting Koizumi and another Fujii. Unity was similarly lacking in other factions, the Horiuchi faction being the most noticeable. As a result, an influential leader of the party commented to the press, “Alas that the forthcoming election, not the LDP presidential election, is so important for young members.”<sup>3</sup>

With the election of a DPJ politician to the governorship of Saitama Prefecture in August, LDP members had further reason to search for advantages in the upcoming election. The successful candidate beat a former administrative vice-minister and a former parliamentarian, both of whom were connected to the conventional political network. Only a few weeks previously, the DPJ had been strengthened by joining forces with Ichiro Ozawa’s Liberal Party. Ozawa predicted the gubernatorial victory—which, he said, would be followed by further success in the November lower-house election. Prefectural gubernatorial elections are held, in essence, in a single-member district, and LDP members most likely feared the

way the opposition united and grew stronger, partly as the result of single-member district electoral calculus.

It is more difficult to explain Koizumi’s first election than his second, since in 2001 there was little evidence that his presence would help the LDP win elections. However, he got support likely because of his structural reform plans, since attempts by previous prime ministers Obuchi and Mori to fix the economy by issuing a large amount of deficit-covering bonds had failed. It appears, then, that Koizumi won in 2001 through being chosen by the LDP’s local members, and in 2003 by being picked by LDP parliamentarians.

The declining power of the factions, the increased voice of the local members, and the rising number of local members supporting Koizumi are all related. The most important factor is the introduction of the single-member district system. In a single-member district, parties that are united behind one candidate have a greater chance of victory. Thus, following the many textbooks, we may say that, in single-member district systems, there tend to emerge two leading party camps, rather than a multi-party system. This in turn, makes alternation in party power possible and even likely. Ultimately,

the single-member district system has played an important part in Koizumi's reelection as LDP president and in strengthening leadership at the top of the party.<sup>4</sup>

A non-trivial footnote to all of this is that the LDP's popular base of support has weakened in recent years. Since the 1970s, the number of supporters of "no party" has exceeded the number supporting the LDP. Interestingly, at the same time, there has been no increase in the number of those supporting other parties either. The proportion supporting the DPJ of Japan is now only 10 percent. Since supporters of "no party" account for the largest proportion—more than half-of all voters—people's newly formed and highly volatile preferences at election time have become more important than ever, reducing the impact of more stable mobilizers of popular support such as industrial organizations and labor unions. In this context, voters' short-term moves to one party or another may by itself become responsible for alternation in the party in power. In this way, real competition among parties appears to be more likely with the introduction of

should leave to economists discussions over the appropriateness of issuing government bonds to stimulate the economy. However, in any event, it is better to discontinue wasteful public works as Koizumi has been trying to do. Japanese-style executive agencies modeled after executive agencies in Britain have been introduced, and transparent accountability has been imposed on all government agencies. An increasing number of political actors have begun to promote privatization.

## CONCLUSION

Opinions on Japan are divided. Some call Japan "arthritic," implying that it cannot recover from the problems of deflation and general economic stagnation. Many believe that a competitive party system will be difficult to achieve in Japan, given the central role played by factions and a political culture that encourages cozy relations between parliamentarians and particular privileged groups in society. Indeed, politicians may resist change because of traditional Japanese political networks. For these reasons, it is unclear whether Koizumi can carry out his structural reforms smoothly.

Koizumi's victory in the lower house election meant that many party members who favor particular vested interests, which Koizumi opposes, won. Here lies the "Koizumi paradox." Now that the rank and file who support Koizumi have won the election, they may again protect vested interests—such as the general construction industry, which has five million voters. The traditional network of farmers and retailers also makes up a large portion of Japanese population. These groups of voters are united and exercise great influence. In addition, over the past decade, internationally uncompetitive businesses—which Koizumi seeks to reform—have become more active in defending themselves than ever.

Not all observers are pessimistic about reform. Some think that political change will end traditional vested interests and establish a new system. They argue that those who hope to strengthen political leadership are increasing, as indicated by Koizumi's victory as party president, and that this strengthening will come about through a new political system—especially on the basis of single-member districts. According to an NHK survey conducted mid-

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the single-member district system. Most important, this competition may ultimately introduce the various reforms needed in Japan. Although the political reform of the 1990s may have been inadequate, there were unprecedented changes during the decade. Decentralization is becoming more substantial in the area of financial redistribution. Reorganization of ministries and agencies is having an impact on bureaucrats' influence. And the scale of the government is declining: while tax revenues had been around 80 trillion yen up to 2000, they are 40 trillion yen now.

Koizumi has touched off much of this fiscal reform, suggesting ways of cutting expenditures without a tax increase. It is debatable whether we



October 2003 (just before cabinet dissolution and the new election), 63% of Japanese support the Koizumi cabinet. Moreover, support for the leading two parties (LDP and DPJ) increased, while support for the other, smaller parties dropped.

In this respect, analyses based on institutionalism appear to be correct: the adoption of the single-member district system has changed the behavior of political actors. The impact of the new system will likely strengthen in the future. The ruling party leadership will ally with those at the lowest level to decrease the influence of parliamentarians tied to specific interests. At a minimum, parliamentarians will be less likely to tie themselves to specific interests than when the multiple-member district system existed. Procedures for negotiating differences of opinion between cabinet and ruling party may be developed. The prime minister's policies will come to carry more weight. Generally, the system makes election promises more meaningful, strengthens the top leadership, and relaxes the grip of the factions on political power. In my opinion, these changes are underway. However, how long the Liberal Democratic Party can continue to hold power is unclear. There is no small possibility that the LDP will be replaced by the Democratic Party or another coalition government.

## ENDNOTES

1. Michio Muramatsu and Ellis S. Krauss, "Conservative Policy Line and the Development of Patterned Pluralism in Postwar Japan," in Kozo Yamamura and Yasukichi Yasuba, eds., *Political Economy of Japan* (Stanford: Stanford University Press, 1986).
2. Koizumi opposed an increase in the consumption tax rate on the grounds that it would weaken financial discipline. Koizumi declared that government expenditures should be reduced and the postal services and highway corporations privatized. Concerning the LDP's reform, Koizumi argued in support of breaking the party's old organization, dismembering the factions, and conversing more freely with the public. Against Koizumi, the other candidates stated primarily that funds for stimulating the economy should be raised from bonds or the consumption tax.
3. Makoto Koga, former LDP Secretary-General in *Asahi Shimbun*, September 5, 2003.
4. On this point, the behavior of Mikio Aoki is illustrative. In Aoki's view, the LDP's greatest disadvantage is its submajority in the upper house. Aoki therefore supported Koizumi, not to gain an important post for himself but to help the party regain its upper-house strength.

# Reforming the Japanese Bureaucracy: Perceptions, Potential and Pitfalls

JUNKO KATO

**H**ow perceptions have changed. Today, Japanese bureaucrats are regarded as a major cause of Japan's economic difficulties: a prolonged slump, high unemployment, stock price stagnation, deflation, bad loans, and looming government debt. Until the early 1990s, however, the bureaucracy was lauded as a catalyst for stable economic performance, internationally competitive manufacturing, and record trade surpluses.

This crumbling of the bureaucrats' reputation, accompanied by widely reported scandals and public outcry, led in 1998 to the largest bureaucratic reforms in the country's postwar history. These modifications (advocates claimed) would at last reign in bureaucratic influence and increase the leverage of elected officials over policymaking. The new system, effective in 2001, merged 22 ministries into 12; enhanced the power of the prime minister and the cabinet office; and doubled the number of political appointees in ministries and agencies. The reforms followed up other major political changes of the 1990s, including transformation of the electoral system and political funding regulation. The bureaucracy's fall from public grace occurred almost simultaneously with the end of political party stability—the interruption of 38 years of rule by the Liberal Democratic Party (LDP) and the shift to coalition governments.

## DEFICIENCY OF THE BUREAUCRATIC REFORMS

Two years after going into effect, the bureaucratic reforms have brought fewer changes than expected from such a radical reorganization of the government. Why? The reforms aimed at increasing political control in order to stimulate innovation—sorely needed after years of economic stagnation. However, the reforms did not take into account the fundamental organizational differences between a bureaucratic system based on career civil servants



(typically found in Japan), and one characterized by political appointees (typically found in the United States). In this paper I argue that the reforms failed to address the bureaucracy's flaws in a deep or meaningful way. At the end of this essay, I will suggest how reform could be more effectively implemented.

The diversity among bureaucratic organization in contemporary democracies is taken for granted by scholars. The Japanese bureaucracy, where even the highest posts are occupied by career employees, epitomizes one course of organizational rationality, as described by political scientist Bernard Silberman.<sup>1</sup> Silberman's work is originally historical; that is, he seeks to explain how different organizational principles can form during democratization. For example, in Japan the bureaucracy—on which political elites base their power—became more autonomous because of unstable, slow development of parliamentary and party politics before WWII. Extending this historical explanation, Silberman illuminates how countries have inherited different organizational dynamics, which are still relevant today. Japan and France embody the “organi-





zational orientation,” as opposed to the “professional orientation” of the U.S. system. An organizationally-oriented bureaucracy encourages the best and brightest to commit to the upper echelons of the civil service earlier and longer. More specifically, those who meet stringent standards (pass a difficult exam upon entry and graduate from a prestigious university or department) are guaranteed promotion to a certain level, based on seniority. Meanwhile, lateral entry into a high post or the promotion of lower-ranking officials, who passed a less difficult examination, is extremely rare. Segregation of job categories and exclusiveness contribute to predictability. A high level of job security cultivates organizational loyalty, which, especially among higher-ranked members, is further fortified by esteem from society.

The specialized training that members receive is inevitably organization-specific. First, early entry means that new incoming members have finished relatively similar college-level educations, usually in law but not in policymaking. New members become policy specialists through on-the-job training and graduate-level education, the opportunity for which is provided by the organization. Such organization-specific instruction prevents members from moving flexibly across ministries and agencies as well as between private and public sectors, and results in an organizational structure that is vertically divided and hierarchical within the confines of each ministry and agency.

All elements of the organizational structure work to prevent manipulation by outsiders—politicians and interest groups. Thus, policymaking and other decisions inside the bureaucracy tend to be highly autonomous and independent. The long-term commitment by a homogeneous group of individuals with organization-specific skills leads to a continuity and predictability of policies that are relatively undisturbed by fluctuating political pressures. During Japan’s economic heyday, this continuity was hailed as a hallmark of successful economic management. The bureaucrats were praised for stabilizing the macroeconomy, gradually shifting resources from declining to promising industries, and regulating the financial market to promote circumstances for long-term investment among private enterprises.

The organizational “strength,” however, became a “weakness” under new conditions—the prolonged

slump that began in the early 1990s. Analysts maintain that more flexibility is necessary to cope with the financial market crisis, avoid deflation, and lift the economy through financial intervention. This line of thinking holds that homogeneous members cannot but offer identical policy responses, and are incapable of the policy innovation that is necessary to reverse the economic downturn. New blood enters but slowly, and organizational loyalty can lead to corruption when members hesitate to disclose their colleagues’ mistakes and wrongdoings, analysts say. Moreover, organizations that rarely recruit outside expertise often cannot cope with rapidly changing needs. Vertical organization and sharp boundaries between ministries become obstacles to coordinating policy responses to Japan’s dismal economic problems.

Such a situation has prompted many to argue that Japan should adopt *elements* of a “professionally oriented” system, diametrically opposed to its “organizationally oriented” system. In the former, epitomized by the United States, individuals who aspire to higher administrative posts must qualify through

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***“Amnesia” prevalent among observers of the Japanese political economy leads them to see nothing but organizational pathology and ineptness at innovation in Japan’s system.***

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professional or specialized training in policymaking. Thus, training has been completed outside the bureaucratic organization, and specialized policy knowledge and expertise are not specific to the organization. Qualified individuals seek high-level posts because of high salaries, flexible job opportunities (i.e., lateral entry, assignment on the basis of need, and exceptional promotion regardless of seniority), and the consequential autonomy and discretion in career choice. Members are highly mobile and are dedicated to their own professional ethics and self-regulation as experts rather than loyal to a specific organization. Thus such a system is characterized by policy innovation and change rather than policy continuity and predictability.

The 2001 reform can be regarded as an attempt to steer the Japanese bureaucracy in the direction of professional orientation. While reshuffling and merging 22 ministries and agencies into almost half that number, the reform attempted to reduce the bureaucracy's autonomy and to facilitate innovation by increasing political control over policy. First, the reform underscores the role of the prime minister's office in policymaking. The office is now able to inject policy expertise from the outside by flexibly employing policy professionals, academicians, economists, etc., and propose alternatives to policies prepared within the bureaucracy. Moreover, the prime minister can appoint new ministers at his own discretion and control directly four important policy-making councils. Second, the reform has enhanced political control over the ministries by increasing the number of vice-ministers (appointed from among Diet members) and parliamentary undersecretaries to twice the previous number. These changes are attempts to incorporate practices of a professionally oriented system.

### STRONGER MEDICINE NEEDED?

The media has often asserted that the reform was diluted to the point of ineffectiveness, and that more "assertive" reforms could change the essence of the bureaucracy—the rules of recruitment and promotion of career bureaucrats. Indeed, bold enough reforms could certainly convert Japan to a professionally oriented system. Such a conversion would be too indiscriminate a solution, however. According to much literature on political economies of advanced democracies in the 1980s, the United States' economic problems were partly related to high mobility, over-emphasis on professional qualifications, and, subsequently, lack of policy continuity. In this sense, a trade-off exists between policy continuity and policy innovation. The question is how much policy innovation should be facilitated by organizational change at the expense of the policy continuity that was so desirable for Japan's industrialization.

"Amnesia" prevalent among observers of the Japanese political economy leads them to see nothing but organizational pathology and ineptness at innovation in Japan's system. Rather than aim at radical transformation, Japanese bureaucratic reform

should selectively adopt elements of professional orientation. The problem lies in knowing how and to what extent they will be adopted.

### SUGGESTIONS FOR EFFECTIVE REFORM

I propose three main directions of reform. First, the cabinet office needs more staff. The 2001 reform has generally focused on increasing political control over policymaking. However, strengthening policy expertise for politicians that is independent of the bureaucratic organization is a more effective way of coping with current economic difficulties. The independent staff would complement bureaucratic capabilities by bringing in new ideas, conflicting views and alternative solutions—which would serve to break through the routines and precedents in bureaucratic decision-making.

Second, in addition to strengthening policy expertise inside the cabinet office, ministries and agencies should have their own access to policy expertise that is independent of their unchanging organizational needs and thus may be used to reverse present policies. The Japanese government has long used advisory councils in policymaking, but has not made the best use of those policy experts appointed from the private sector—who, of all the council members, tend to be most opposed to policy proposals prepared by the government. Because of the emphasis on consensual decision-making, the advisory councils tend to be no more than a "rubber stamp"; however, if active policy discussion were more appreciated, the councils could be a source of policy innovation. Some movement in this direction has already occurred, but more progress is needed.

A third reform would involve cultivating "out of the box" thinking among members of the ministries and agencies themselves. For lateral entry, policy expertise should be a more important criterion (though making it the *sole* criterion would hurt the morale of existing organizational members, and there should be limits on the number of lateral entries and/or the terms of the individuals involved). A related move would be to increase opportunities for members to enlarge their own expertise, in order to stimulate them to break with "the done thing" inside the bureaucratic organization. Under the pure organizational orientation,



bureaucrats do not have much opportunity to gain special knowledge on the inside, and their ability to do so does not necessarily respond flexibly to changing and imminent policy needs such as the recent need to solve the bad loan problems of financial institutions. This lack of opportunity exists because few inside the organization can designate the changing demand for expertise.

There is no simplistic answer or panacea that will work for restructuring the Japanese political economy, especially as far as the bureaucracy is concerned. Looking for answers in another country—especially the United States, whose system is quite different—is not sufficient to address the complex problems related to bureaucratic reform and the need for a comprehensive, long-term approach.

### ENDOTES

1. Bernard S. Silberman, *Cages of Reason: The Rise of the Rational State in France, Japan, the United States, and Great Britain* (Chicago: Chicago University Press 1993).





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