

Containing the Problem

By Yoichi Masuzoe

As the world's second-largest economic power, Japan has a major impact on political and economic developments worldwide. At the annual summit of industrialized countries, the other participants seem to be paying more and more attention to Japanese positions on the key issues. Likewise, Japanese policy carries decisive weight at conferences dealing with international finance, such as those of G-7 and G-5, and Japan's cooperation is essential to achieving stable exchange rates and resolving the developing countries' debt problem.

Japanese manufactures are among the most competitive in the world, and Japan's trade surplus was \$77.6 billion last year. Of this, \$47.6 billion was with the United States, and this trade imbalance is a major cause of the friction between Japan and the U.S.

Rising crescendo

Japanese money and advanced technology are coming to dominate the world, and everyone is alert to the details of everyday events in Japan. Being in the global spotlight, Japan is also exposed to

more criticism from the rest of the world. Although there is much praise and admiration for Japan, there is also a rising crescendo of harsh criticism.

Two classic examples on the critical side are Karel van Wolferen's book *The Enigma of Japanese Power*, and James Fallows' article "Containing Japan" in *The Atlantic* magazine.

These two social commentators are in general agreement on their main points. They maintain that the Japanese political and economic systems are different from those of Western countries in that Japan does not respect a fair and free market system and because democracy and individualism have yet to take hold in Japan. Furthermore, these authors claim, the Japanese standard of living is unbefitting of the world's second-largest economy, a situation they say has arisen because the Japanese economy is geared to benefit the producer rather than the consumer.

For example, Fallows says, "The political system is gridlocked by powerful moneyed groups, and the customs and intellectual tradition of the country discourage those who might otherwise protest." Speaking about "the System" that he says rules politics, the economy and society, van Wolferen says, "The wonderful alternative of turning the System into a genuine modern constitutionalist state, and Japanese subjects into citizens, would require realignments of power akin to those of a genuine revolution."

Few would deny that Japan needs to do away with excessive regulations and become more open to the rest of the world. And there is no doubt that Japanese living standards still leave something to be desired in comparison with the West. Furthermore, the continuing series of political scandals, including the Recruit affair, makes it clear that major political reform is needed.

It is necessary, however, to take an objective look at the impact that Japan's rapid rise from total wartime defeat to a global economic superpower has had on

its people. Anyone with even a modicum of empathy should be able to realize the difficulty in coping with the massive role change involved in switching from living in an American-occupied country and depending on foreign aid to make ends meet in your 20s to being in a position where you are called on to assist America as well as assume many of its international responsibilities, including serving as the main supplier of capital for the developing world, in your 60s. In other words, Japan's climb from postwar poverty to prosperity and economic superpower status has been so fast that the Japanese have been unable to adjust fully to the new realities. The gap between what Japan is ready to do and what other countries expect of Japan exacerbates the international friction in a variety of ways. The bottom line is that it is just going to take more time.

True though this may be, however, it comes off as nothing more than a plea for sympathy for Japan. In many ways, time is not the real problem. More important is that van Wolferen and Fallows criticize Japan from a Western value perspective. If Western principles are assumed to be universal, then "the Japanese System" is obviously going to appear out of line with this norm and will be adjudged as being at fault. But the Western system, like the Japanese system, is just one way of doing things, and it is imperative that each be recognized as valid in its own right.

Group values

For example, Western-style individualism is not the only way to successfully modernize a country or even an indispensable element of modernization. Japanese-style groupism (in the sense of valuing interpersonal human relationships as pointed out by Eshun Hamaguchi, Yasusuke Murakami, Shumpei Kumon and Seizaburo Sato) has also been very effective in promoting modernization and industrialization; and



Yoichi Masuzoe

now that some of the evils of Western individualism have come to the forefront, it is quite possible that people will pay more attention to the efficacy of Japanese groupism.

The corruption that has come to light notwithstanding, it is inaccurate to claim that the Japanese political system is less advanced than those systems employed in the West. Japan's political system, rather than being "gridlocked by powerful moneyed groups" as Fallows says, is in fact as pluralistic as the American political system.

Van Wolferen writes that, "The Japanese prime minister is not expected to show much leadership;... and the ruling Liberal Democratic Party is, if anything, conservative and authoritarian, is not really a party and does not in fact rule." If one looks at the Japanese prime minister's actual role, however, he is clearly stronger than the prime ministers of most other parliamentary democracies and his powers approach those of the U.S. president. Indeed, it was precisely because strong leadership is required that first Takeshita and then Uno had to resign when they could not provide this leadership.

The Japanese people place a premium on the virtue of modesty, and the politician who wants to get ahead has to maintain a low profile and not come across as an overbearing leader. It is necessary, however, to distinguish between the face he presents to the public and his actual

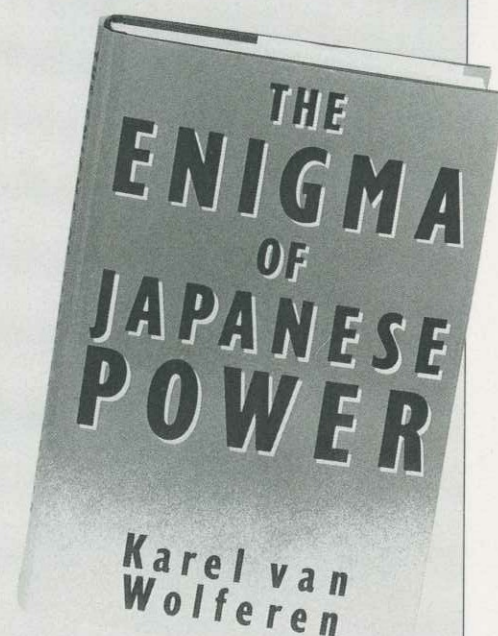
(albeit well-concealed) exercise of leadership. Anyone who cannot see this distinction is not qualified to comment on Japan. Just living in Japan for a long time is not enough. Rather, the prime prerequisite is the ability to judge another culture objectively without arrogantly assuming that your own cultural biases and principles are automatically superior.

In that respect, Ruth Benedict's *The Chrysanthemum and the Sword* offered a much better account of Japan than either van Wolferen or Fallows have been able to produce—even though the war kept her from ever visiting Japan.

There is no denying that the Liberal Democratic Party (LDP) is different from political parties in the U.S. and Europe, but it reeks of cultural arrogance to invoke Western standards as the only possible modality and to say that the LDP is thus not a real political party. There are political parties in Japan in the Western sense—the highly disciplined Japan Communist Party (JCP) and also Komeito. The LDP, on the other hand, is more of an organization centered on individuals than a party, as can be seen from its various factions and supporters' associations.

Captured mood

It would be wrong, however, to say that the JCP and Komeito are more modern parties than the LDP is, and in fact it is the LDP that has been the more successful and more effective in reflecting the



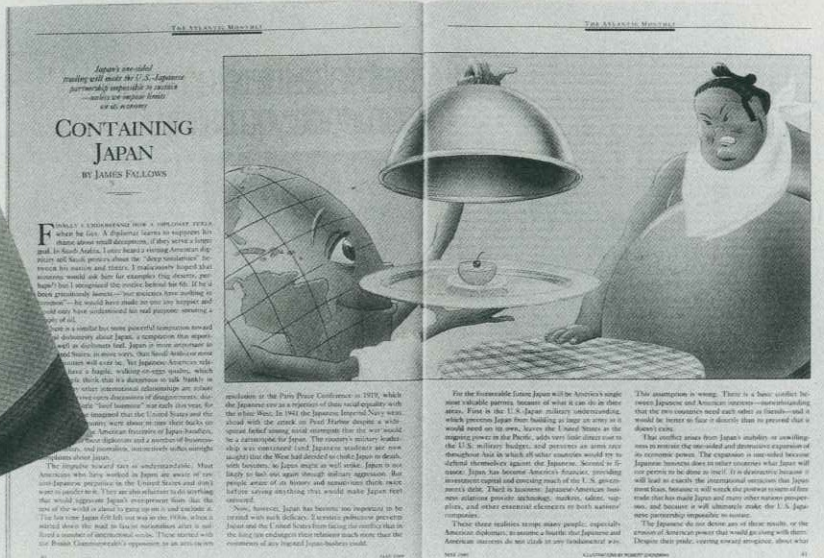
mood of the people. In that sense, the LDP is very democratic, which explains why it has been able to hold onto power for so long. The Christian Democratic Party in Italy is similar in many ways to the LDP, and the Christian Democrats have also been in power for virtually the whole postwar period (or, more accurately, have shared power in a coalition government while providing the bulk of the leadership).

Both Fallows and van Wolferen (as well as the Bush administration) are passing judgment strictly on the basis of results. They make the simplistic assumption that, since the Japanese continue to run massive trade surpluses, it follows that this is, ipso facto, evidence of cheating or other skullduggery perpetuated by a system that nobody understands, and that the fault must lie with Japanese culture.

If one is going to use such a results-oriented approach, it would be much more productive, rather than just searching for reasons to criticize the LDP (which is all the opposition parties do and which is why they remain perpetually in opposition), to try instead to learn from the LDP's successes—primarily, for example,



Candidates for the leadership of the Liberal Democratic Party express their views in front of LDP members. Fallows in his article says, "The political system is gridlocked by powerful money groups, and the customs and intellectual tradition of the country discourage those who might otherwise protest."



its ability to hold onto power in spite of having a major scandal every decade. And maybe adoption of the LDP's arguably more advanced system would help to revitalize and modernize the moribund political parties of the West. Yet it is unlikely that this will be done, because such an approach would require a relativist assessment of one's own culture.

Consumer choice

Although there are times when Fallows and van Wolferen's assertion that Japan ignores the interests of consumers rings true, that is not always the case. For example, Japanese consumers are very concerned not just with product quality but also with all of the associated service aspects, and are thus prone to choose domestic products over imports, even if the imports are a little cheaper. The distribution system may be complicated, but often it is that way in order to accommodate the needs of consumers, and it is impossible to unequivocally state that Western distribution systems are more modern.

The Japanese construction industry's system of rigging the bidding on major projects (the *dango* system) is much-maligned, but its spread might be better for stable world economic development than

the dog-eat-dog jungle of today's laissez-faire free trade system. In this vein, it should be recalled that Japan's *dango*-like adoption of "voluntary export restraints" on automobile exports to the U.S. has done much to ease the trade tension between the countries.

Nevertheless, it goes without saying that van Wolferen and Fallows both make many valid points which Japanese should heed. I am myself one of the Japanese system's biggest critics, and I fully agree with van Wolferen's suggestion that Tokyo University be abolished for starters. Indeed, I recently resigned my assistant professorship there in protest at the system's corruptness. But even I cannot help but take exception to the Euro-American ethnocentrism evident in both of these authors' writings.

Another point of my rebuttal is to warn against overlooking the rapid pace at which Japan and the Japanese are changing. For virtually the first time ever, the agricultural cooperatives are being criticized for their role in preventing the modernization of Japanese agriculture. Loyalty to the company is rapidly weakening, especially among the younger generation. And more and more people are putting a greater priority on free time than on money. In addition, the

yen's appreciation since the fall of 1985 has brought with it a large influx of foreign workers, both legal and illegal, and this is having a major impact on Japan's supposedly homogeneous society.

To disregard the significance of these changes and to emphasize only those facets of Japanese culture and Japanese life that have not changed is to invite major judgmental errors when forecasting Japan's future.

As the world system girds for major changes going into the 21st century, the West must begin to take a more relativist view of the values and principles that it has been insisting are universal. And Japan and the rest of the world must also join in this effort. Only then will it be possible to formulate a set of universally acceptable values capable of contributing toward the peace and prosperity of all mankind. If the unbalanced views of Japan expressed by Fallows and van Wolferen can help move the world closer to this goal, they will have proved significant despite themselves.

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