

C an Japan Really Change? What are the problems?

By Sato Kikuo

Japan is presently trapped in a swirl of political and economic confusion. This article will explore the types of reforms that are needed to free the country from this morass, and whether their implementation is possible.

The short answer is, yes, reform is possible; achievement, however, will depend on whether Japan is truly a modern and democratic nation. Judging the current confusion and the nation's future course, what is occurring in Japan today is far more understandable than many intellectuals would have us believe. It helps make crystal clear the ways in which Japan has responded to the huge and sudden changes on the international stage accompanying the end of the Cold War.

Vital to instituting reform is a basic understanding of modernization and democratization—an understanding that is superficial and not yet integrated into the Japanese psyche. Viewed from this perspective, one begins to understand the essence of the changes and reforms now so loudly called for. However, a quick look back at Japan's history of modernization and road to democracy is necessary to completely grasp what these potential reforms mean.

East meets West

Japan's modernization began with the Meiji Restoration and great progress



over the intervening century plus several decades has been made. Genuine democratization began with Japan's defeat in World War II. Today, Japan's democracy appears on the surface little different than democracy in Europe and the United States; however, there is a huge gulf between the Western values of Europe and the United States and Japanese values. Western values are based on the possession of individual freedoms and rights and respect for the freedoms and rights of others. Though Japan imitated these ideas and erected them as the goal of a democratic society, it did not throw away the values of collectivism—forged by the traditional village-based societies—as the basis of behavior.

Behind the struggle to build the nation into an economic superpower was not only the high-efficiency production and management systems of companies employing the latest in technology, but also the dedication and loyalty of a very educated and trained pool of employees. This combination brought results unparalleled anywhere else in the world and gave birth to the economic miracle of the early 1980s, when Japan overtook the United States in steel and automobile production.

Collectivism is nonetheless a double-edged sword. On the one hand, it led to the highest productivity in the world, but on the other hand, it was stringently exclusive, blocking out anybody not belonging to the group. Collectivism created the tight and complex regulations governing the Japanese market and the keiretsu business groups and was the source of the closed nature of the Japanese market. As the years went by, foreign criticism grew stronger and stronger. The difference between the values, life philosophies and lifestyle customs of the West and Japan also became the basis of the argument that Japan differs fundamentally from the West.

Along the way, the unique characteristics of Japanese-style democracy became the focus of interest both at home and abroad—as seen in the media coverage of the formation of the Liberal Democratic Party-Social Democratic Party of Japan government. Although

major coalitions between two major parties with conflicting platforms are not rare in Europe, a sudden alignment among parties with as disparate ideas and ideologies as the LDP, SDPJ and the Sakigake Party is unheard of here.

The current coalition government is the child of nothing more than the self-serving interests of the two main parties. The LDP was miserable at being out of power after 38 years of one-party rule. The SDPJ, after decades of LDP rule, unable to forget the sweet taste of power by having gained a toehold in the Hosokawa and Hata governments as well as gaining several Cabinet seats, was desperate to keep its hands on power. The former government coalition partners (Shinseito, Komeito, the Japan New Party and the Democratic Socialist Party, again relegated to the opposition) and the public criticized this unholy marriage.

Prime Minister Murayama Tomiichi, who makes his home in the left wing of the SDPJ, and his supporters made a 180-degree flip-flop on key national policy positions they had held in the past, such as the unconstitutionality of the Self-Defense Forces, opposition to the Japan-U.S. Security Treaty, criticism of nuclear power generation and nonrecognition of South Korea (friendship with North Korea). The metamorphosis into a party that accepted the LDP line on all these issues left the majority of the populace stunned and brought rising criticism of the SDPJ for breaking party pledges to its supporters.

What has become clear is that longtime foes joined together for the sole purpose of promoting their party or faction with nary a thought for democratic ideas or rules. The existence of a LDP-SDPJ coalition shows that the instincts of Japanese politicians, although always hidden below the surface, were nevertheless working powerfully behind the scenes. The existence of the current coalition government flatly refutes the commonly-held belief that democracy has taken hold in the half-century since World War II.

Taking the above into consideration one realizes that, regardless of the basic changes which occurred after the war,

the underlying behavior principles had remained unchanged. Viewed in a positive manner, this could be called the traditional Japanese spirit of harmony; in the worst light, it is a savage breaking of the rules in order to defend one's perceived privileges.

Consequently, this basis for behavior creates a backward-looking political attitude that stifles any inherent openness to political reform and smothers administrative reform while sustaining existing rules and traditional practices. Just how this works is difficult to explain and it may be hard for today's younger generation to accept. However, I think that Kyoto philosopher Nishida Kitaro's thesis of the "oneness of absolutely inconsistent egos" is realized in today's political venue.

In the 1930s, this thesis became the pinnacle of indigenous Japanese philosophy. The easiest way to explain Nishida's ideas is as a transplanted of the ideas of German idealism, especially Hegelian dialectics, onto Japanese soil. The basic idea is that two absolutely incompatible elements can become one, as the metaphysical equivalent of nuclear fusion. Although several scholars from Nishida's school of philosophy produced philosophical justifications for the militarism that led Japan into World War II, the real Nishida philosophy systematized the irrationality deeply rooted in the Japanese way of thinking and feeling about the world and themselves. His philosophy had no direct connection to World War II. In a sense, Nishida extracted from the Japanese environment the timeless thinking patterns of Japan's farming folk and brought these ideas together.

In short, this method of thinking is key to explaining the basic character of Japan's society since ancient times, a society based on multiple layers of patriarchal control with the emperor as the supreme patriarch. The fact that the emperor system, having survived even Japan's defeat in the war, has been able to coexist with Japan's postwar democracy is due to the working of Japan's all-encompassing spirit of harmony. Nishida's idea of absolutely inconsistent sameness can also be seen as governing

the emotions and actions of the Japanese on an almost unconscious level.

Remnants of feudalism

When viewed from this perspective, the enigma of a seemingly unprincipled LDP-SDPJ coalition becomes easily understandable. It would be easy to condemn this connection with Nishida's philosophy as far-fetched. Whatever the case, one must also realize that Japan has another system that has remained unchanged over the passing centuries—the hierarchical class system established in the Edo period, with the samurai at the top, followed by farmers and artisans and the merchant class at the bottom.

This class system was nearly destroyed at the time of the Meiji Restoration and appeared, on the surface at least, to have died out in the Showa period. However, the samurai class was reborn as a class made up of military officers, politicians and bureaucrats. The farmers continued to be closely affiliated with this new "samurai" class and supported them. The artisan and merchant classes went into banking, manufacturing, trade and the small- and mid-sized companies connected to these industries, leading to the rise of Japanese capitalism.

Military officers of the samurai class all but disappeared after the war, but the politicians and bureaucrats quickly took on the trappings of democracy. In other words, although the old samurai class changed their form, they continued to hold on to the reins of power. While increasing their subordination to the samurai, the farmers also secured a voice for themselves as a powerful voting bloc. A key point here is that although the former artisan and merchant classes were able to markedly raise their social status as the force behind Japan's development into an economic superpower, they were largely unable to increase their political influence. The former artisan and merchant



The leaders of the New Frontier Party

classes were, of course, the large corporations, major banks, huge trading companies and their employees—in other words, the foot soldiers of Japan's economic miracle. Without the participation of Japan's vast ranks of "salarymen" in the political system, their modern sensibility, rationality and spirit of international cooperation could not be put to use to create a political system that promotes domestic reform. What was really needed was for a modern political party to be formed that would concentrate that huge economic power and for this party to take the reins of power, but such a movement is still to be seen in Japan.

On the contrary, this economically powerful, primarily city-dwelling highly educated group, in frustration, has had no choice but to put up with authoritarian and conservative control of government. As always, the base of this conservative power has been the rural districts and the legions of bureaucrats—and they were represented in government by the LDP. The old artisan and merchant classes ingratiated themselves to the samurai and farmer classes

with political contributions and some used their economic power to influence politicians.

Meanwhile, the core of the anti-LDP forces was the former Japan Socialist Party, which was born out of labor unions consisting primarily of the Government and Public Workers Union (low-level government workers). Thus, in the broader sense, the SDPJ members still fell into the samurai class. Under the 1955 political structure, the LDP and the SDPJ covered both sides of the political scene, thereby maintaining the system of control by the samurai and farmer classes. Viewed in this way, one sees that Japan's ancient class system still survives.

On a Fuji TV talk show in the late summer of 1994, former LDP Secretary-General Kajiyama Seiroku shocked viewers and left fellow guest Takemura Kenichi, a well-known political commentator, speechless when he used the phrase "control by natives" (*domin shihai*). In the prewar era, the word "domin" was used as a pejorative for a premodern population made up primarily of farming folk.

"We can't get by anymore with domin in control," Kajiyama said. "People who could be called the 'Urban New Party' must become the ones to run the country."

Ozawa Ichiro, acting secretary-general of Shinseito—who looks as much like a "native" as anybody—proposed in his book *Nihon Kaizo Keikaku* for Japan to become "a normal nation through relaxing its strict government regulations, promoting a path of international cooperation and strengthening Japan-U.S. ties." Put another way, Ozawa is calling for the establishment of a modern democratic state free of Kajiyama's "control by natives." The book makes clear the character and goals of the reforms called for by Ozawa and his supporters.

It is surprising how the views of these two men merge. Both Kajiyama, seen as a leader of conservatives, and Ozawa, criticized in some quarters for wanting to be a "kingmaker," pulling the strings of power from behind the scenes, wish to turn around Japan's isolationistic habits and turn the country into a truly modern nation. If this is so, a modern political party based on what Kajiyama called the "urban new party" will soon appear in Japan, raising the expectation of an age where Japan's internationalization, starting with the opening of the Japanese market, is promoted.

New Frontier Party challenges coalition regime

The media is now highlighting the unexpected durability of the LDP-SDPJ coalition made possible by the SDPJ's transformation, the growing popularity of Prime Minister Murayama's man-of-the-people image and the lift in approval ratings for the Murayama Cabinet from initial ratings in the 30% range to over 40%. Former LDP Prime Minister Kaifu Toshiki and former Prime Minister Hata Tsutomu are rushing to form a new mega-party. The parliamentary group Kaikaku is hurriedly preparing for the next lower house election, which will be based on the new single-seat constituency system. The opinion that at least on policy questions

there is no difference between Kaikaku and the LDP-SDPJ coalition government is becoming dominant.

But is this view correct? The Murayama government plans to ratify market-opening measures based on the Uruguay Round agreement hammered out last year. To ease the impact on farmers, therefore, it has also decided on a domestic aid package of ¥6.1 trillion (over \$60 billion) in funds for agriculture. This shockingly excessive agriculture protectionist policy is quite different from what Kaikaku is calling for. The government's aid package for agriculture is far greater than the ¥3.5-trillion cut in income taxes unofficially decided upon by the government.

The general public cannot understand why Japanese agriculture, which is poorly competitive and has little chance of revitalization, deserves funding of such an astronomical amount. Before the implementation of this agricultural aid package—which neglects the wants and needs of the average consumer—the media was full of reports that LDP and SDPJ Diet members from agricultural districts had shot down the original Finance Ministry bill calling for a ¥3.5 trillion package and forced Murayama to accept a package bloated by political pork for agricultural voting districts. This was clearly excessive pork-barrel politics with an eye on next year's series of elections. All this clearly points again to the character of the LDP-SDPJ coalition government under the control of the old farmer and samurai classes.

Until the Uruguay Round, Japan reaped immense benefits from the world's free trade system. Clearly, the government should throw open Japanese markets to foreign businesses in recompense. On the contrary, however, it is dragging its feet over the needed deregulation and has thrown itself wholeheartedly behind protectionist aid to support domestic agriculture.

In contrast, the Kaikaku parliamentary group, which was aiming to form a new "mega-party" is—at least on the level of rhetoric—making clear pledges for reform. An interesting development here was a statement by the de facto

"godfather" of the proposed mega-party, Ozawa, in an interview with the chief political editor of the *Asahi Shinbun*. (The interview was an attempt to smooth over a flap between the paper and Ozawa over a slightly rash report that Ozawa called slanderous.) In a full page article in the October 15 issue, Ozawa refuted the idea that there are no differences in the policies of the coalition government and Kaikaku:

"If what the LDP and the SDPJ have been saying over the past half century has been the truth, then an LDP-SDPJ coalition government is an impossibility. The bulk of these two parties wanted to maintain the current system and so they threw away what they have always professed to be their intentions. Some of our colleagues say that we no longer have differences in our policies and the media says we are in a quandary over this, but this is nonsense. We differ vastly."

Ozawa went on to say: "The LDP-SDPJ government has clearly revealed that it doesn't want to change the post-war system, the Cold War system; it wants to maintain it. Everything is fine the way it is, they say. We are saying that in this time of historical change Japan cannot continue down the same path; Japan must change. This is a fundamental difference."

Ozawa and the new "mega-party" are not one and the same. However, that he is the substantive leader of the party is popular knowledge. As a result, his declaration in the *Asahi Shinbun* was seen as clearly pointing out the differences in the character of the new "mega-party" and the coalition government. The new mega-party, inaugurated under the name the New Frontier Party on November 24, sets its sights on the middle class, made up primarily of businessmen, as its support base.

An October 16 article in the *Yomiuri Shinbun* reported that the new mega-party was studying the idea of using the slogan "New Liberalism" to attract supporters. It also reported that Ozawa, then in Paris, told accompanying reporters, "The support base for the new mega-party is the middle class of society, which is currently without vested rights." This coincides with the goal of

Komeito—a powerful bloc in the new party—to focus on urban businessmen and housewives for support in next year's elections.

Survival requires bold steps

To summarize what we have said so far, the ability to participate positively in international efforts to realize worldwide peace and prosperity in the 21st century definitely requires a political force—be it the coalition government or the Kaikaku opposition—that is organized in such a way as to allow more open and free exchanges of both goods and ideas with other nations, in a manner befitting an advanced nation. This would also correspond to the direction of global change in the post-Cold War era.

Hope lies with a party that can create a non-isolationistic internationalism. Only such a party has a future. However, to achieve this requires a political party in power that will boldly go forward with deregulation and aggressively pursue market opening, a party that will cut the government budget through administrative reform while using the strong yen as a springboard to bring in large amounts of inexpensive imports and lower the cost of consumer goods in Japan, said to be the highest in the world. This is what consumers want.

There is one more trend in the reorganization of Japanese politics that must not be overlooked. In mid-

October a movement suddenly surfaced within the SDPJ calling for the joining of social democrats and liberals. This is an attempt to create another force in the reorganized Japanese political spectrum to offset the two conservative parties. Kubo Wataru, general-secretary of the SDPJ and, as leader of the party's right wing, an in-party rival of Murayama, has proposed the formation of the "Democratic Liberal New Party."

The idea of a new party is based on the realization that it will be impossible to choose joint LDP-SDPJ candidates to run in each of the general elections under the single-seat election system. What might actually happen is that both the LDP and the SDPJ field candidates to run against candidates from the new mega party, with the possibility of the defeat of SDPJ candidates.

However, there is more to the decision to form a new party than just the impossibility of selecting joint LDP-SDPJ candidates. It is also the recognition that the only road to survival is to dissolve the

SDPJ and create a "third force" based on a completely new foundation of liberal positions.

It is nearly impossible to predict now at the end of November whether Kubo's plans will come to fruition or not. It is too early for people to unite behind two conservative parties though, so it may be wise to regard the establishment of a third force as quite promising.

However, the problems are not limited to domestic factors. The effects of diplomatic troubles and events have to be taken into consideration. Of particular importance is the success or failure of the Self-Defense Forces mission to Rwanda and the progress that will be made in the reorganization of the United Nations this year, its 50th anniversary, and what developments will be seen regarding Japan's potential seat as a permanent member of the Security Council.

Then there are the difficult issues surrounding assistance in converting North Korea's nuclear program to light-water reactors as decided during the U.S.-North Korea talks. What will be the conditions and sphere of Japan's cooperation? There are a myriad of important diplomatic issues facing Japan, including the possibility of reopening talks on normalization of diplomatic relations between Japan and North Korea.

Even more troublesome is the issue of Japan-U.S. trade friction where the trade imbalance with the United States continues to worsen with no indication that easy resolution will be found. It is feared that this will have serious and dark implications for the future of Japan-U.S. relations.

It will not be easy for Japan to erect a political system befitting an advanced nation. Until that happens, it will not be easy to produce a political force that is both modern and democratic. Nevertheless, it is to that end that the move toward reform is ever gaining strength. JTI



The Japanese agricultural industry has been handsomely protected by government policy.

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