

Japan's LDP –

Part 2

Shaping and Adapting to Three Distinctive Political Systems: Military Occupation, High Economic Development and Accelerating Globalization

By Inoguchi Takashi

DURING the second period, the years of strong economic growth, Japan was a nation following bureaucracy-led development. Under this model of development, bureaucrats took the lead in directing the strong momentum behind economic development to most effectively manage the national economy. Specifically, bureaucrats at government agencies administered R&D subsidies to promote technological innovation; took the lead in directing fiscal and monetary policy; provided corporate financing; administered subsidies for less competitive industrial sectors; and ensured a continuous government budget for building industrial infrastructure. Despite the term “bureaucracy-led,” the development was in fact led by a tripartite structure formed by government agencies, business and the governing parties (the LDP in this case).

Under this structure, the relative positioning of policy was a routine matter and not terribly complicated, determined primarily through discussions and meetings. This was facilitated by the similar opinions held by those in government agencies, business and the governing parties on a host of questions: how to ensure that Japan not participate in war; how to maintain friendly relations with other nations; how to supply the Japanese people with food; how to maintain supplies of energy; how to develop Japanese industrial products so that they would be the most competitive on the global market; how to raise household incomes so that families could afford their own homes; how

to ensure that all Japanese children were able to receive higher education; and how to ensure that the elderly were cared for in their golden years.

It was also a normal procedure for government agencies to present the general principles of policy drafted by themselves to governing parties and the business community. The fact that government agencies have at times been teased with the adage “bureaucracy overrules politics” illustrates just how strongly Japanese development was ultimately led by the bureaucrats in government. Moreover, this bureaucracy-led political structure did not suddenly appear in Japanese history: its roots lie in the Tokugawa Period (1603-1868). At the beginning of the Tokugawa Period the samurai became bureaucrats living in castle towns. This contrasts with the Chosun Dynasty, which reigned in Korea, where scholars who were men of letters became bureaucrats.

The Rise of the New Middle Class

Although the governing unit shifted from the feudal domain to the nation with the Meiji Restoration, the bureaucracy-led political system itself remained intact. A parliamentary democracy was introduced in stages after the Meiji Restoration, and politicians came to occupy the political landscape in addition to bureaucrats. Japanese politicians were not necessarily part of the bureaucracy, but had a difficult time taking action

without the bureaucrats on their side – as illustrated by the fact that politicians originally emerged as a force in opposition to government, whereas bureaucrats represented the powers in the government. Although the Japanese Constitution seems to indicate that politicians hold a higher position than bureaucrats do, this was not necessarily the case.

It was for this reason that among LDP Diet members there were politicians extolled as “special interest/issue-specific legislators” who wielded considerable influence over policy, due to their career histories and experience in specialized areas of committees in party and Diet Committees. Although farmers and self-employed businessmen formed the base of support for the LDP during this period, a new body of support for the party came from the new middle-class and “new middle masses” that emerged as strong economic growth and the accompanying benefits spread throughout the entire country. In the process, the relative importance of farmers and self-employed businessmen among LDP supporters steadily diminished. This serious issue, however, did not necessarily pose a critical problem for the LDP, since the majority of the Japanese people considered themselves among the new middle masses. The gradually growing change in the number of Diet seats the party secured in elections was based on the slight drop in the rate of LDP support.

The party's high-priority policies during this period were securing Japan's place among the advanced

nations, as well as achieving the stable and competitive economic management that would make it possible to maintain this position. Specifically, macroeconomic management and social policy were the top priorities. While the priority of the former needs no further explanation, the LDP became more keenly aware of the need to bolster its social policies if it was to keep the new middle masses among its support base. This decision was based on the stagnation and downward shift in support for the LDP.

Opposition Parties with Middle Class Support

The predominant government ministries during this period were the Ministry of International Trade and Industry, the Ministry of Finance and the Ministry of Health and Welfare. In relation to the composition of the population, the budget allocation for the Ministry of Health and Welfare was not overly sizable during this period, and initially one might not consider this ministry as especially dominant within the government. Awareness of the importance of social policy, however, was already rising sharply during this period. As income levels rose, the majority of the population came to identify themselves as part of the new middle masses, and the elderly accounted for a mere 30% of the population. For these reasons, the importance of this ministry had not yet been recognized.

With regard to the bases of support for the opposition parties, one would assume that the rise in income level coupled with the decline in the number of workers organized under labor unions would lower the rate of support for the opposition parties, but with extreme fluctuation at intervals in the rate of support for the governing parties, support for the opposi-

tion parties rose considerably more than a few times during this period. The extreme fluctuation in the rate of support can be attributed to the fact that the opposition parties were able at times to attract a significant portion of the massive block of the new middle masses to their side. While the opposition parties have moved closer to the political trajectory of the governing parties, it is also true that too much similarity between multiple parties can cause conflicts. It is equally true that the constant appeal by the opposition parties for greater emphasis on social policies basically prompted the governing parties to prioritize social policies, and the opposition parties' advocacy of pacifism has caused the governing parties to give greater weight in their policy to strengthening friendly relations with other nations. Although the support base for the opposition parties came from the social strata among the new middle masses that value pacifism and equality, yet did this support fade in more than a few mass production/mass consumption industries that acquired foreign currency as market liberalization steadily advanced. Pacifism can be easily converted to protectionism, and this tendency diluted the influence of this variety of principled stance. It is, however, the nature of politics that governing parties at times lose to the opposition parties. There are no shortage of scandals involving bribes, corruption and slips of the tongue in the normal course of things. It is these missteps that allow for significant progress by the opposition parties.

Accelerating Globalization

The third period to be examined is that of globalization since the Plaza Accord of 1985. It was a revolutionary agreement that normalized purchases of one currency in

another one. Before this, goods and service trading had been the norm, with very little currency trading taking place. In the period of 1985-86, however, currency trading was 50-100 times higher than goods and service trading, and has remained at this level ever since. Dramatically promoting financial integration on a global scale, the Plaza Accord symbolizes globalization.

Globalization ignores national borders; it fragments national economies and facilitates the merger of the highly competitive. The less competitive gradually slide to lower and lower income levels. This increasing intensity of fragmentation and reintegration is what defines the period of globalization. In its broadest sense, globalization is constantly occurring. With revolutionary progress in computer technology and goods transported daily by air, the momentum behind this phenomenon gained further strength at the end of the 20th century.

Against this backdrop, where do governing parties find their base of support? If the parties that seek to govern continued to stage a frontal attack or obvious opposition to globalization, they would place themselves in a tenuous position. Moreover, globalization will move into every aspect of policy. The governing parties cannot merely accept this inevitability; they must also continuously strive to innovate technology, improve efficiency and increase competitiveness. The primary concern with regard to the LDP support base must be the companies that continue to compete internationally and an organizational structure that will support these companies. **JS**

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