Intellectual Origins of Post-1990 Political Reforms in Japan

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Introduction

Japan has experienced comprehensive political reforms since the early 1990s. These reforms have been conducted in most public domains, including the electoral system, public administration and bureaucracy, the prime ministership, the judicial system, and intergovernmental relationships. Note that the relationship between the government and the private sectors has been also transformed due to reforms in areas such as corporate governance and consumer protections. In terms of my argument here, these transformations should be regarded as parts of comprehensive institutional reforms. The phrase "constitutional reform" might be even more suitable.

Because these political reforms occurred simultaneously with long-lasting economic stagnation, they were often considered a major source of the "lost decades" of Japan. This view is certainly understandable because political instability can have negative effects on the economy and society.[1] In this way, it would possible to argue that political reforms since the 1990s were worse than meaningless, that is, the reforms destroyed the great harmonies in Japan that were previously enjoyed. For example, some believe the political stability that accompanied the predominance of the Liberal Democratic Party (LDP) could be recovered by reverting to an electoral system of single, nontransferable voting (SNTV) with multimember districts (MMD).[2]

Although no one can describe how Japanese politics, economy, and society would appear without the political reforms that currently exist, it is worth considering whether these reforms were necessary in the context of the early 1990s. The focus will be on the intellectual context of the pre-reform era of the 1980s. The author will also address how these reasons and contexts affected the contents and effects of political reforms.[3]

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1 A typical case is the shaky relationship between the government and the Bank of Japan with regard to monetary policy.

2 Interestingly, some scholars note that these reforms, political reforms in particular, have made Japanese politics move to the right, although their causal arguments are weak. See, for example, Nakano (2015).

3 This point is argued in my other article. See Machidori (2015).

Two Intellectual Tides in the 1980s

In the 1980s, Japan was enjoying its heyday in many respects. Its economy was seen as the most competitive among the developed nations, and it was the only large player in Asia. Its society was safe, and it had a large number of young citizens and a very low unemployment rate. A consumer-driven culture flourished in urban areas such as Tokyo, while rural areas still had large enough work forces to maintain their agricultural bases. These elements were products of the stable political conditions beginning in the late 1950s, when the LDP continued to have governing power and cooperated with bureaucrats. As is well known, LDP governments focused largely on economic development within the context of an alliance between the United States and Japan.

Intellectuals, however, did not value the LDP predominance, at least until the middle of the 1970s for two reasons. First, the LDP was regarded as an old, premodern political party. The LDP members of the Diet (parliament) often came from the ruling classes of the prewar era, and they embodied an older type of common sense, which often sounded out of date. Because the intellectuals were products of modern institutions, such as universities, their negative feelings against the LDP may have been the result of divisions between the premodern and the modern in Japanese society. In addition, the LDP overrepresented the socioeconomic interests of rural areas. After the high economic growth in the 1960s and early 1970s, approximately half of the Japanese population lived in urban and suburban areas around Tokyo, Osaka, and Nagoya. However, urban policy was poor, and many urban problems remained unsolved.

This situation began to change in the late 1970s, when some intellectuals shed light on the LDP's positive role in postwar socioeconomic prosperity.[4] Although it is possible to give various explanations, I believe there were at least two waves of this revaluation.

The first wave was that of "Japanese-style pluralism." As Kōji Nakakita's excellent work shows, some scholars, such as Ken'ichi Kōyama, Shunpei Kumon, and Seizaburō Satō, advocated this view (Nakakita 2014). They pointed out that organizations in Japan had unique structures that emphasized long-term, mutual relationships among members in general. Although these structures were criticized for being undemo-

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4   While Masataka Kōsaka offered this kind of view on the roles of Shigeru Yoshida for the choice of foreign policy in the mid-1960s, it was a persuasive but still not dominant, particularly in the intellectual community.

cratic, they were active, democratic organizations in which every member had the right to participate in significant decisions and held veto power. According to the first wave of scholars, the LDP also shared these pluralistic organizational features. As a result, the LDP could involve various stakeholders in the rapid socioeconomic changes of the postwar period.

Well-known advocates of Japanese-style pluralism often had personal histories including confrontations with Marxism. This would appear to be a significant fact for at least two reasons. First, proponents believed that the Japanese style of pluralism was a conservative, rather than a liberal, ideology. It was meaningful for them that the LDP was not a party of liberal democracy but of conservatism. Second, advocates did not sympathize with modernism. In Japanese intellectual history, Marxism was at the center of modernism, which emphasizes reason, logic, and theoretical approaches. Taking anti-Marxist positions, they supported the traditional and irrational aspects of conservatism as pluralism.

Another often-forgotten wave was that of "liberal modernism." As mentioned above, modernism was largely associated with Marxism among modern Japanese intellectuals. However, the realm of modernism is much larger, and it includes many types of thoughts. In the case of Japan, it was possible to be supportive of the LDP and its policies because the LDP was the only party committed to Western liberal democracy. Members of the so-called "conservative mainstream (*hoshu-honryū*)," such as Hayato Ikeda, Eisaku Satō, and Kiichi Miyazawa, had a positive attitude towards maintaining good relationships with Western democracies, founded on the alliance between the United States and Japan. They were modernists rather than conservatives.[5]

The intellectuals of this stream, including Masakazu Yamazaki and Masakata Kōsaka, took the position that the LDP was reliable because it was committed to achieving an alliance with Western countries and the fundamental values of modernism. These liberal modernists often had American experiences during the formative parts of their careers. For example, Yamazaki was at Yale in 1964–65 and Kōsaka was at

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5   There are many arguments regarding how the "conservative mainstream" and "conservative substream (*hoshu-bōryū*)" should be differentiated. Although it is often noted that foreign policy, such as an attitude to U.S.-Japan alliance, was the key (see, for example, Kitaoka 2008), the author believes that more fundamental values mattered. The mainstream gave the priority to modernism, while the substream prioritized conservatism. The emphasis on the significance of the alliance was a concrete expression of the mainstream's commitment to modernism. Support for a U.S.-Japan alliance was possible and logical for conservatives such as Nobusuke Kishi and Yasuhiro Nakasone because the national glory of Japan would be achieved by the alliance.

Harvard in 1960–62. These American experiences led them to non-Marxism modernist thought.[6]

Ideas for Political Reforms

The two intellectual waves described above gave equally positive evaluations of postwar Japanese politics, in which the LDP was predominant and provided socioeconomic stability together with cooperation with bureaucrats. At the same time, however, intellectuals involved in these waves understood that the political and socioeconomic fundamentals of Japan had gradually transformed and that Japan must face a new era.

As other scholars of this NBK-Harvard project, Andrew Gordon and Shigeki Uno, have recently pointed out, Prime Minister Masayoshi Ōhira believed in the necessity of transformation, establishing a study group in 1979 (see, for example, Uno 2014). Although the Ōhira study group (policy research council) included over 100 scholars and senior bureaucrats, significant figures from the two intellectual waves, such as Kōsaka, Kōyama, Kumon, and Yamazaki, also participated. In other words, the reports of the Ōhira study group were co-products of two intellectual waves: Japanese-style pluralism and non-Marxist liberal modernism.

These two waves, however, separated after Ōhira's death. When the Ōhira study group submitted its final report in the summer of 1980, the Prime Minister had already died from a sudden heart attack during the general election of 1980. Ōhira's death caused the report to remain in the archives. However, the work of the study group returned to political discourse a few years later, when Yasuhiro Nakasone took over the prime minister. Since Nakasone continued in this role for five years (1982–87), the Nakasone government set the tone for political discourse in the 1980s.

Nakasone had a clearly conservative political ideology. He began his political career just after the end of World War II, advocating that a "real" independence of the Japanese state should be recovered by comprehensive constitutional reform. Because he was also a foreign-policy realist, as was Nobusuke Kishi, two-time prime minister during the postwar period, Nakasone's foreign policy largely kept within the traditional lines the LDP government worked within for years: maintaining the U.S.-Japan alliance and remaining committed to the fundamental values of Western liberal democracy. At the same time, however, he also emphasized the significance of national

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6   With regard to Kōsaka, it has been often pointed out that his father, philosopher Masaaki Kōsaka, had greatly affected. In my view, however, his American experience was as significant as his father's effects.

pride, even officially visiting the Yasukuni Shrine publicly as the prime minister. His style was a mixture of realism and nationalism, both of which were rooted in conservatism. He was generally accepted by the majority of Japanese voters, who became more confident in the postwar development of their country (Hattori 2015).

In this context, it is quite natural and understandable that Nakasone was mainly committed to the Japanese style of pluralism from the viewpoint of the LDP predominance. Koyama, Kumon, and Satō continued to be major advisors of the Nakasone government. Although Nakasone believed the power of the prime minister should be strengthened in order to take care of national emergencies, this did not mean that the power of the LDP president became stronger. The fundamental features of the decision-making process remained untouched. Instead, he enacted tough policies against leftists both domestically and diplomatically as symbols of the strong prime ministership.

After the Nakasone era, the political and socioeconomic situations began to change drastically. As I argued in another article (Machidori 2015), these changes occurred due to several reasons.

First, the LDP politicians and high-level bureaucrats repeatedly suffered financial scandals in the late 1980s. They were clearly side effects of closed decision making systems to which advocates of the Japanese style of pluralism preferred. Gathering the negative psychological effects of the bubble economy, many voters raised questions concerning the systems related to LDP predominance.

Second, and more importantly, the end of the Cold War and the experience of the Gulf War (1990–91) had a significant effect on Japanese politics. During the Cold War, the LDP was the only party positively and clearly committed to the U.S.-Japan alliance and the Western world. This allowed Japanese voters and allied governments (e.g., the U.S. government) to forgive the LDP some policy miscues and scandals. After the end of Cold War, however, these actors began to be dissatisfied with the decision-making style of the LDP government, which wasted time and money. Because the Japanese style of pluralism gave veto power to many actors, decisions took a long time to make involved extensive expenditures to influence vetoing players. Although this tendency irritated the U.S. government in some negotiations related to economic frictions, the Gulf War experience clearly showed it as a significant weak point of the Japanese polity.

As Japanese-style pluralism was held to be the source of these shortcomings, the necessity of a change to a more logical decision-making system that wasted less time and money and that had a smaller number of veto players was felt. This meant a comeback of liberal modernism. Because the Japanese style of pluralism formed com-

plex networks of mutual interdependences among major insiders, including LDP members of parliament, bureaucrats, interest groups, rural supporters, and local governments, reforming the Japanese polity also meant dismantling these mutual interdependences and giving excluded outsiders, such as opposition groups, civic organizations, and urban voters, a chance to participate in decisions.

Call for Political Reforms: Tendency to Majoritarianism

As mentioned in the previous section, political reforms since the 1990s can be understood as a substitute of non-Marxist liberal modernism for Japanese-style pluralism as a leading intellectual tide.[7] Although the bearers of liberal modernism changed due to the succession of generations among political leaders, the fundamental ideas were inherited from intellectuals in the 1970s.[8]

In a more concrete, institutional context, Japanese-style pluralists positively evaluated the LDP predominance based on SNTV/MMD. Under the SNTV/MMD system, between two and six representatives are elected from one electoral district. A candidate generally needs only 15 to 20 percent of the total votes to be elected, thereby allowing socioeconomic minorities to be more easily represented and to gain substantial veto power in decision-making processes. At the same time, the SNTV/MMD system resembles a proportional representation (PR) system because shifts in the electoral strength of parties are relatively small over elections. In general, proportional electoral systems generate coalition parties. Japan's system after the war, however, took the shape of a permanent two-party coalition government in 1955 when two major parties, the Liberal Party and the Democratic Party, established a unified party, the LDP, in a merger. This practically gave the LDP a one-party government rule; however, there were many veto players and plural competition (and stagnation) within the party organization.

The political stability generated by the LDP's predominance provided a firm bedrock for rapid economic growth, but it also produced a number of downsides, including

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7 The argument in this section is largely based on my other article, in which I conduct a more comprehensive analysis of the process and results of Japanese political reforms. See Machidori (2015).

8 The relationship between the liberal modernism and the conservative mainstream of the LDP should not be ignored. Until the 1970s, both were firmly interconnected. In the 1990s, however, newly rising intellectuals in liberal modernism were close to LDP members such as Ichirō Ozawa, who were not necessarily regarded as members of the conservative mainstream. This point should be studied more in detail in future work.

the entrenchment of relationships between the ruling and opposition parties; the formation of factions within the LDP; a clientelistic and particularistic allocation of benefits; and the diminishment of the opposition party's ambition to come to power and hone its policy-making skills. The particular allocation of benefits based on clientelism resulted in the formation of relationships that exchanged political support for the political redistribution of goods between the LDP and its member politicians within various industries and interest groups. Transaction channels between patrons and clients stabilized due to frequent bureaucratic regulatory involvement. Over time, however, these exchanges led to excessively intimate, collusive relationships between politicians, bureaucrats, and interest groups.

Although non-Marxist liberal modernists believed LDP predominance had been a necessary condition for Japan to have socioeconomic stability and a secure international environment based on an alliance with the United States, it was not a foregone conclusion that LDP predominance was the only way to achieve these goals. Rather, if necessary, changes in power structure could have major positive effects on Japanese politics, economy, and society. Relatively, many modernists began to believe that the negative effects of LDP predominance exceeded the positive ones after the end of the Cold War.

Accordingly, the transformation of these intellectual tides naturally led to a dismantling of LDP predominance along with reforms to the electoral system. Liberal modernists argued for a party system that would allow alternations in power. They believed parties should compete not internally through factional infighting but against each other through proposals for differentiated policy programs. From the viewpoint of the electorate, votes could then be cast for parties based on their proposals for national policy rather than for the qualities of a particular candidate or the kind of services the candidate had provided to individual districts or specific industries. Britain's two-party system was considered as a model. As a response to the problems of Japanese politics in the post-war period, the introduction of a single-member district electoral system (SMDs) appeared to be a rational choice that went beyond a simple utopian view of British politics or two-party systems.

The decision to reform the Lower House's electoral system to one centered on SMDs was made to determine whether Japan would have a two-party or multiparty system, interparty competition or intraparty competition, and votes cast based on candidate quality or party programs. As comparative political scientist Arend Lijphart (1999) noted, the shift to SMDs was of crucial significance because this particular electoral system played a central role in "majoritarian democracies."

Majoritarian democracies in Lijphart's model are characterized by the concentra-

tion of power in the central government, and they tend to weaken the independence of institutions such as the Central Bank, the judiciary, and local governments. Over the course of Japan's political reforms after the 1990s, however, reformers believed the independence of these external institutions had to be strengthened because of the shift to majoritarianism. For that reason, decentralization reforms, judiciary reforms, and the revision of the Bank of Japan Law reinforced the autonomy of these institutions in tandem with the shift to majoritarianism. The reduction of government interference in society was also pursued through measures such as private sector deregulation and regulatory relaxation. Freedom of choice in education was expanded through the abolition of educational districts and the introduction of a public school choice system.

Was the Japanese Experience Exceptional?

Because of the political reforms taking place since the 1990s, the Japanese polity has become a hybrid, featuring a concentration of power around the chief executive in the central government and a diffusion of powers among decision-making domains such as local governments, the judicial branch, and the central bank. Because this is not a typical mixture if reforms are aimed at establishing a majoritarian polity, one might regard this as something exceptional or unique to Japan.

Interestingly, however, a similar kind of combination has been found in the British Constitutional Reform since the 1990s. Britain, the mother nation of majoritarian democracy, has experienced many institutional reforms, including the devolution of power to Scotland and Wales, the increased independence of the judicial branch, the partial recovery of some power by the upper house (the House of Lords), and the introduction of the PR electoral system to the EU parliament and subnational legislatures. Some argue that these reforms should be seen as "Madisonian"; they certainly led to the separation of powers by increasing the number of veto players in decision-making processes. Current British politics feature a hybrid of the traditional concentration of power and the diffusion of powers. Remembering that the Madisonian polity is pluralistic, we might regard the new polity as British-style pluralism.

British Constitutional Reform was conducted with the recognition that traditional majoritarianism worked poorly as socioeconomic diversity increased in British society and cooperation with EU became indispensable for British prosperity. Two-party competition and the concentration of power excluded the proper representations of minorities' interests. Because the European Union emphasized minority rights and its social diversity was significant, it requested that all the member nations adopt the PR

system for European Parliament elections. In sum, its political reforms were motivated by the recognition and evaluation of the current situations in Britain. The same was true in Japan. In this context, Japanese political reforms were quite typical.

What made Japanese political reforms unique was the intellectual starting point I argue for in this paper. Japanese-style pluralism described pluralistic decision-making processes in which many actors could participate and be satisfied. At the same time, however, these processes excluded other actors out of reach of LDP predominance and bureaucratic protections, including supporters of opposition parties, civic activists, and consumer activists. The most problematic aspect of this system was its lack of turnover of political power. Even without referring to Madison's original view, political turnover seems to be a necessary condition of a plural system. In this sense, we should say that Japanese-style pluralism had fundamental contradictions.

As a result, political reforms were necessary to reduce these contradictions, securing the possibility of turnover in party politics and separating overly interconnecting decision-making domains. These involved combining the centralization of power while also eliminating ties between the central government and external domains (economic, social, or local institutions). I label this package of reforms Japanese-style majoritarianism. Although Japanese-style majoritarianism is similar to the orthodox model of majoritarianism in terms of concentrating power in the central government's hands, Japanese-style majoritarianism is different in that it reduces the links between the central government and external institutions.

The deeply felt urge to cut through these collusive relationships is understandable. However, insufficient intellectual consideration was given to the consequences of reducing central government intervention in institutions such as local governments and the central bank. The reformers were also not fully aware that they were including elements that differed from standard majoritarianism. These two problems, layered upon each other, have resulted in what can be called "plural immobility." Plural immobility refers to a situation in which multiple actors with decision-making powers undertake diverging policy decisions independently, resulting in a loss of policy direction as a whole. The source of this immobility stems from the links between the central government and external institutions and groups being reduced, permitting each of these groups to pursue autonomous actions. In conjunction with certain areas that were left untouched by reform, a deepening pluralization within the political system rendered decision-making difficult. This outcome was not desired, but it could arguably have been predicted.[9]

Conclusion

In this paper, I deal with the intellectual origins of Japanese political reforms since the 1990s. It has often been noted that comprehensive political reforms stemmed from the recognition that the Japanese polity did not prepare for the new international environments existing following the end of the Cold War. The Gulf Crisis and War clearly showed weak points in the Japanese system. The reforms should be regarded as responses to this traumatic experience. In addition, the U.S.-Japan relationship qualitatively transformed after the mid-1980s. Until that time, it was a stable partnership between a senior entity and a junior one. Because of the American economic downturn and the Japanese upturn, the United States came to see Japan as a major competitor and to request structural reforms as a precondition to entering the Japanese market. These requests could not be fulfilled using the traditional Japanese decision-making style.

While this paper also emphasizes the latter aspect as a reason for political reforms, I argue that what the United States criticized during the economic frictions and the Structural Impediments Initiative (SII) talks in the 1980s was a significant factor in what LDP predominance depended on. This was called "Japanese-style pluralism" after Nakakita's prominent work (2014); it had two main features. First, it gave opportunities for equal participation and veto powers to many political actors connected with the LDP. Rank-and-file members of the LDP, bureaucrats, and interest groups handled bottom-up decision-making processes. Second, it excluded actors who did not have a positive relationship with the LDP. Although the LDP's "insider" policy communities allowed relatively frank discussions on policies and gave access to younger members, without political turnover for long years, they gradually became iron triangles, which maintain a status quo.

In this sense, the political reforms during the 1990s can be understood as rollbacks of the other intellectual wave that evaluated the LDP and postwar Japanese politics positively: non-Marxist modernism. Because this wave emphasized the significance of committing to liberal democratic values and alliances with the United States and other Western nations, the LDP wanted to maintain these commitments. Modernists did not believe, however, in LDP predominance and its distinctions between "insiders" and "outsiders" in decision-making processes. Instead, if these distinctions prevented Japan from employing the necessary policies to continue its commitments,

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9 For more detailed information on the results of political reforms, please see Machidori (2015). This section is partially extracted from that article.

LDP predominance and its decision-making processes should have been dismantled. For this reason, non-Marxist modernists advocated and initiated comprehensive political reforms intellectually despite their long-lasting support of the LDP government.

Modernists certainly had a clear understanding of the problems Japan faced and of the direction in which Japan should go. However, their prescriptions led to other kinds of problems in decision-making processes. Because they strongly believed that interconnections among insiders mattered, it was necessary for them to dismantle these interconnections by separating the decision-making domains and abandoning insider-only pluralities. As a result, each decision-making domain became autonomous and made decisions without considering the effects on other domains. Newly autonomous domains do not necessarily accept decisions from other domains. Such situations led to a pluralistic immobility of the Japanese polity, which is currently the largest challenge to Japanese government.

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