

COALITION GOVERNMENTS AND POLITICAL REFORMS IN JAPAN SINCE 1990

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DECLARATION


I declare that the thesis entitled "**Coalition Governments and Political Reforms in Japan Since 1990**" Submitted by me for the award of the degree of **Doctor of Philosophy** of **Jawaharlal Nehru University** is my own work. The thesis has not been submitted for any other degree of this university or any other university.

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Dedicated

To

My

Beloved

Parents

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PREFACE

Japan has witnessed many changes since 1990, and this has directly affected the politics, its economy as well as its society. The political scenario in Japan is directly associated with the process of modernity that began in the Meiji period, which created space not only for the political processes, however paved the way for the economy of Japan till World War II. The post war years saw the influence of the Occupation Forces and that of the United States. After World War II, the leading political party, the Liberal Democratic Party created history by staying in power for nearly thirty eight years; this record may not be erased in the near future in Japan. This era of single party rule led to political stability and economic miracles till the late 1980s. On the socio economic front, the Japanese made great strides in the industries and its allied sectors to emerge as a strong contender to the monopoly of the US and Western nations.

With the passage of time, unethical political behavior cause sudden changes in economic patterns. In addition to this, the ageing population of Japan led to labor shortage and the subsequent demand to adopt the welfare policies of the government. Year 1990 onwards, it became necessary to reform the old pattern of the political setup, the economic outlook as well as the social sector. The reform process, which thus began at the beginning of the 1990s, has been unrelenting process and is continuing till today. The thesis “Coalition Governments and Political Reforms in Japan Since 1990” concentrates on the arguments and reveals the new developments that have taken place as an aftermath.

The critical situation in politics and the uncertain economy led to the having little faith in the LDP, in the early 1990s. The election for the House of Councilors of 1990 proved that the people were in need of major changes and reforms. The proper defeat of the LDP in 1993, damaged the concept of the ‘1955 setup’ (merger of Liberal and Democratic Party in 1955), and the ‘coalition era’ began with the formation of the non-LDP government comprising of seven small parties. It was the first instance that the LDP played the role of opposition in Japanese politics.

The thesis has been divided into six chapters. Each chapter justifies the research and the title of the thesis. Chapter one highlights the developments of the political setup in Japan, from the historical background to the present political patterns and developments. In four main portions, the chapter discusses the developments of the political processes and the setup of institutions in the first portion. The emergence of political parties and their participation in the elections prior to World War II, and the new developments because of the Occupation Forces have in the second and third section simultaneously. A discussion on the collapse of the '1955 setup' and the formation of the coalition government has been focused in the last portion of the chapter. The review of literature, research questions and hypotheses also has been given in this chapter to justify the research work.

Chapter two deals with the challenges and determinants present in Japanese politics. The major changes in politics, that the 1990s witnessed, were due to these challenges and determinants. Unethical politics in Japan has been present since the 1950s, can be found till today. Unethical political practice or 'Corruption' was the key determinants that made the LDP lose power in 1993.

Economic recession, foreign policy and basic changes in the pattern of society have been discussed and analyzed appropriately as the determinants of Japanese politics, which later became the challenges for the Japanese political system. These determinants and challenges have affected politics and the society of Japan, whether directly or indirectly.

The changing natures of Japanese politics because of the challenges and determinants in the 1990s have been discussed in chapter three of the thesis. The chapter presents political nature and formation of coalition governments. The chapter has been divided into three main sections. The changing nature of Japanese politics and the coalition governments since the 1990s and after 2000s are the three main portions of the chapter.

The fourth chapter depicts the political reforms in Japan since 1990. The scandalous Japanese politics and the recessed economy in the late 1980s, led to the invitation of political reforms, which has been decided by the LDP government. These policies and economic reforms have been highlighted in this chapter.

Subsequent to the adoption of reform policies, which has been detailed in the previous chapter, the fifth chapter deals with the impact of the reforms on politics of Japan. During the Meiji period, the process of modernity was initiated and the reforms were completed; this has the required impact and led to the development of Japan. The chapter has been divided in two main sections; the impact of reforms before, and after 1990. The analysis of the impact of the various reforms mainly linked with Japanese politics, its economy and society since 1990 is based on the data collected in the field survey by the researcher.

The sixth and the final chapter is the summary and conclusion that deals with analytical remarks on Japanese politics. The political reform brought in by the coalition governments since early 1990s, is an important chapter in the history of the Japanese political system. The impact of reforms is an ongoing process and it will take time to provide stability to the politics of Japan.

In the thesis, the Japanese names have been used with the surname being first. All the political and economical events have been placed in a chronological order. At the beginning of each chapter and in a certain portions, a detailed background has been focused to bring continuity and a better understanding to the analysis. The election results have been shown in their respective tables and charts.

As the part of methodology of research, the data collection and its interpretation has been done accordingly. The methods of questionnaire and interviews have been used to collect data. The data collected from both males and females and their responses have been shown as a percentage in charts and bar diagrams. The use of questionnaires in field surveys was mainly for the fifth chapter of the thesis. However, some responses in the questionnaire have been used for the sixth chapter as well, in order to conclude it.

The English meanings of Japanese words wherever used in the chapters, have been noted in parenthesis. The Japanese terms for political parties before World War II and other important words have been mentioned along with the English. After the war the names were first written in English then in Japanese. Acronyms have been used to avoid the unnecessary repetitions of long words. ‘Appendices’ (*addendum*) have been attached after the chapters of the thesis for further reference. They are

explanatory, statistical and bibliographic in nature. The use of ‘appendices’ and their categories have been shown in the chapters, through footnotes, wherever needed.

The style of the thesis is based on the manual of School of International Studies, JNU. The font style, size, in text source, footnotes, style of references, space between sentences and paragraphs have been adapted from the manual of research. As for as the use of language is concerned, the Japanese media, politician and scholars prefer American English. Moreover, the translated texts are available in American English as well. Consequently, I have therefore used American English instead of British English, even though the manual encourages the use of the latter.

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(MAHENDRA PRAKASH)

Tuesday, 03 March 2009

GLOSSARY-I

JAPANESE TERMS AND MEANINGS

The important Japanese terms/ words used in this thesis have been mentioned below in alphabetical order:

Japanese Words	Meaning in English
<i>Aikokukoto</i>	Public Party of Patriots
<i>Aikokusha</i>	Society of Patriots
<i>Amakudari</i>	Descent from Heaven
<i>Atarashii Rekishi Kyokasho</i>	New History Textbook
<i>Baburu Keiki</i>	Bubble Economy
<i>Benrishi</i>	Patent Agents
<i>Byodo</i>	Equality
<i>Chuo-club</i>	The Central-Club
<i>Daimyo</i>	'Great Names' for Feudal Lords
<i>Dajokan</i>	Imperial Japanese Council of State
<i>Dokuritsu</i>	Independent
<i>Futsu senkyo kisei domeikai</i>	Universal Suffrage League
<i>Genro</i>	Elder Statesmen
<i>Gikai Seido Kyogi Kai</i>	Conference on the Parliamentary System
<i>Habatsu</i>	Faction
<i>Han</i>	Feudal Domain Controlled by <i>daimyo</i>
<i>Hoshu Shinto</i>	New Conservative Party
<i>Jieitai</i>	Self Defence Force of Japan
<i>Jiyo minshuto</i>	The Liberal Democratic Party
<i>Jiyu</i>	Liberty
<i>Jiyuto</i>	The Liberal Party
<i>Kaishinto</i>	The Reform Party

<i>Kokumin Seiji Kyokai</i>	People's Political Association
<i>Kakushin kurabu</i>	Reform Club
<i>Kakushinkei</i>	Progressive
<i>Keiretsu</i>	System or Series
<i>Keiseikai</i>	Association of Businessmen and Politicians
<i>Kenseihonto</i>	The Constitutional National Party
<i>Kenseikai</i>	Constitutional Association
<i>Kigyo hosei kenkyukai</i>	Research Committee on Business Law
<i>Kinki kakutai</i>	Local level, National Polity
<i>Kizokuin</i>	The House of Peers, Japan
<i>Koenkai</i>	Support Groups
<i>Kokkai</i>	The Japanese Diet
<i>Kokumin seiji kyokai</i>	People's Political Association
<i>Koto</i>	The Public Party
<i>Kozo Kaikaku</i>	Structural Reform
<i>Meiji ishin</i>	Meiji Restoration
<i>Minkan Seiji Rincho</i>	Committee for Promotion of Political Reforms
<i>Minkairen</i>	The Democratic Reform League
<i>Minseito</i>	The Democratic Party
<i>Minshu-Shakaito</i>	The Democratic Socialist Party
<i>Minshuto</i>	The Democratic Party of Japan
<i>Minto</i>	Popular Parties
<i>Nihon kyusan-to</i>	Japanese Communist Party
<i>Nihon shakai-to</i>	The Japan Socialist Party
<i>Nihon shimpoto</i>	The Japan Progressive Party
<i>Nihon Shinto</i>	The Japan New Party
<i>Rengo</i>	Japanese Trade Union Confederation

<i>Rikken doshikai</i>	Constitutional fellow thinker's association
<i>Rikken kaishinto</i>	Constitutional Reform Party
<i>Rikken Teiseito</i>	The Imperial Rule Party
<i>Sangiin</i>	The House of Councillors
<i>Seisaku hisho</i>	Policy Assistants
<i>Seiji</i>	Politics
<i>Seito</i>	Political Party
<i>Seiyukai</i>	Constitutional Government Association
<i>Shakai minshu-tō</i>	Social Democratic Party of Japan
<i>Shaminren</i>	Social Democratic League
<i>Shiho seido kaikaku ni tsuite no iken</i>	Opinions on the Reform of the Judicial System
<i>Shiho seido tokubetsu chosakai</i>	Special Research Committee on Judicial System
<i>Shiho shoshi</i>	Judicial Scriveners
<i>Shimpoto</i>	Progressive party
<i>Shin jiyu kurabu</i>	New Liberal Club
<i>Shinseito</i>	The Japan Renewal Party
<i>Shinshintō</i>	The New Frontier Party
<i>Shogunate</i>	Military Deputy
<i>Shugiin</i>	House of Representatives
<i>Shunto</i>	Labor Demonstrations
<i>Sohyo</i>	General Council of Trade Union, Japan
<i>Soka gakkai</i>	Value Creation Society
<i>Sohyo</i>	General Council of Trade Union, Japan
<i>Taisei yokusankai</i>	Imperial Rule Assistance Association
<i>Teikoku gikai</i>	Imperial Diet
<i>Yuai</i>	Fraternity
<i>Zaibatsu</i>	Big Business Conglomerates

GLOSSARY-II

ACRONYMS

ANA	All Nippon Airways
APEC	Asia Pacific Economic Cooperation
ARC	Administrative Reform Council
ASDF	Air Self Defence Force
BCOF	British Commonwealth Occupation Force
BOJ	The Bank of Japan
CTBT	Comprehensive Test Ban Treaty
DSP	Democratic Socialist Party
FEC	Far Eastern Commission
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Products
GHQ	General Headquarter of the Allied Command
GNP	Gross National Product
IAEA	The International Atomic Energy Agency
IMF	The International Monetary Fund
IT	Information Technology
JAL	Japan Air Lines
JCP	The Japan Communist Party
JFBA	Japan Federation of Bar Association
JNP	The Japan New Party
JNR	Japan National Railway
JP	Japan Post
JRP	The Japan Renewal Party
JSP	The Japan Socialist Party
JTUC	Japanese Trade Union Confederation

KDD	<i>Kokusai Denshin Denwa Kaisha</i>
KEDO	Korean Peninsula Energy Development Organization
LDP	The Liberal Democratic Party
LP	The Liberal Party
METI	Ministry of Economy Trade and Industry
MMD	Multi Member Districts
MOFA	Ministry of Foreign Affairs, Japan
MSDF	Maritime Self Defence Force
NCP	The New Conservative Party
NLC	The New Liberal Club
NLC	The New Liberal Club
NPT	Non Proliferation Treaty
NTT	Nippon Telegraph and Telephone Corporation
OPEC	Organization of Petroleum Exporting Countries
PAC	Patriot Advanced Capability
PAJ	Petroleum Association of Japan
PARC	Political Affairs Research Committee
PRC	People's Republic of China
PRC	Policy Research Council
SCAP	Supreme Commander for the Allied Powers
SDF	Self Defence Forces
SDL	Social Democratic League
SDPJ	Social Democratic Party of Japan
SII	Structural Impediments Initiative
SM	Standard Missile
SNTV	Single Non-Transferable Votes
UK	The United Kingdom
UNPKO	The United Nations Peace Keeping Operations

UNSC	The UN Security Council
US	The United States of America
USSR	The Union of Soviet Socialist Republic
VLSI	Very Large Scale Integration

TABLES AND CHARTS

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Chapter 1

INTRODUCTION: A HISTORICAL SKETCH OF JAPANESE POLITICS

Creating laws for public welfare is a major decisive factor in politics; therefore, it is called the art of government that deals with the political system. Remarkably, politics is an activity through which people make, preserve and amend the general rules under which they live and thus is totally associated with public affairs. The political system of any country is broadly influenced by domestic politics, which plays important role as the environment that affects the political system. In addition to this, economic interest, society and the external affairs of a country are closely linked with political system.

The development of the Japanese political system goes back a long way; it has been present since society started taking interest in public wellbeing. Japan has gone through many changes in its political system since its modernization, which was instituted in 1868 by the Meiji, who ruled Japan till 1912. It is known that the Meiji period influenced modern Japanese nationalism and this period was well associated with the reforms in the field of politics, society and the economy. These were initiated through the modern 'Meiji rules' (Neary, 2002: 13-18).

Whereas a consciousness of 'national characteristics' rests upon a subjective belief in collective destiny and the possession of a shared national culture, the samurai elite of the Tokugawa period governed through a system that fostered status rather than a national consciousness, and expressed cultural disintegration regionally and among the various social estates (Fujitani, 1998: 147). The events of Meiji Restoration (*Meiji ishin*) did not only bring in revolution; their long-term consequences were in the deepest sense, revolutionary. This restoration clearly set the stage for Japanese political experiments in the constitution, the parliament, and the political parties and in the elections to the public offices. The Meiji Restoration, in which peasant uprising was not politically motivated or even directly involved in the actual overthrow of the Tokugawa government, was achieved due to broad coalition between major clans (Kornicki, 1998: 244-57).

During the Tokugawa period, Japan was totally under the feudal system. *Bakufu* took even various reform steps, though they were not so effective especially to the agrarian and natural economy of the early Tokugawa era (Hall, 1991: 425-67). There was the need of the Japanese to overthrow the Tokugawa *Bakufu* (feudal government between the year 1192 and 1868, headed by the *Shogun*), and this was accomplished with the help of anti-Tokugawa elements from the clans of Satsuma (today's Kagoshima prefecture) and Choshu (today's Yamaguchi prefecture), who had structured the restoration movement.

Many Japanese historians have interpreted the end of more than two hundred and sixty years of Tokugawa rule and the subsequent restoration of imperial rule as a primary and crucial political event, as a product of the new social and economic forces that developed during the later part of the Tokugawa era (Hane, 1991: 224). It is true that social and economic problems had begun to trouble the *Bakufu*, however; these had not become serious enough to undermine its political authority. Elements of the ascending social and economic forces, the townsmen and the peasantry were not the only forces that challenged the existing political order.

The struggle that resulted in the downfall of the *Bakufu* was an old-fashioned power struggle between traditional feudal power blocks. Indeed, it was a struggle between the *Bakufu*, and the Choshu-Satsuma families in particular. The failure of the former and the success of the latter were due to the rise and growth of commercial capitalism.

The end of Tokugawa rule however did not bring about a completely new age and a new society overnight. During the course of the Meiji era, though significant transformations had taken place, the new changes were built upon the foundations of the old. The attitudes, values, practices and institutions that molded the Japanese mode of thinking and behavior prior to and during the Tokugawa era continued to govern the thoughts and actions of the people during the Meiji era and for a long time thereafter. There were many new elements, which were in not only science and technology; however a host of new political, social and cultural ideas that were imported from the West.

The year 1868 was a major landmark in Japanese political development as it brought Meiji Restoration that changed Japan from feudal to modern. Revolutionary leaders drawn from the old samurai class seized power at the center, sweeping aside the *shogun* and eliminating their domains. New leaders created a new structure of political authority that laid the foundation of modern Japan. A new governing body was constructed and the Emperor announced the Five Articles of Oath in April 1868 (Jansen, 2003: 353-67). This was a document couched in terms sufficiently general to conform to the social structure of its day, however it also held out the possibility of changes so basic that it could still be cited as authorization for democratic institutional changes that followed World War II.

The nature of the oaths were as follows—an “assembly widely convoked” to discuss matters of state, a unity of all classes to promote the “economy and the welfare of the nation”, all people “shall be allowed to fulfill their aspirations, so that there may be no discontent among them”, “base customs” would be abandoned and the government would be based on “principles of international justice”, and “knowledge shall be sought throughout the world and thus shall be strengthened the foundation of the Imperial polity” (Perez, 1998: 94).”

This intentionally indistinct declaration alluded to the hope for a more representative form of government; however, it did not specify what this would be. Consequently, the sweeping political reforms that took place between 1868 and 1889 were essentially imposed on Japan by an oligarchy unchecked by representative political institutions and operating largely from constraints of public opinion. New leaders toured Germany for a better political system.

One of the first tasks of the Meiji government was to dismantle the old order, which it did in gradual steps over a decade. In 1869 the new government prevailed on the *daimyo* (‘Great Names’ designation for feudal war-lords) to abolish the former domains and to reorganize the nation into new administrative units called prefectures. Along with these changes, the new government conducted a land survey that uncovered sizable pieces of untaxed land, registered all cultivated land for tax and legal purpose, and laid the new foundation for the new state’s revenue base (Stockwin, 1998: 16-17).

POLITICAL DEVELOPMENTS IN MEIJI JAPAN

The Meiji period was more liberal in comparison to the Tokugawa period as far as central government was concerned. The Meiji leaders were content to work for some twenty years based on temporary *ad hoc* administrative arrangements. Meanwhile, pressure for the wider sharing of political power was building up in some quarters, giving rise to the birth of political parties during the 1870s. A popular rights movement, seeking to preserve Western notions of popular rights into the party, was an important feature of Japanese politics. Kornicki has pointed out on the politicization process of early Meiji period. He said:

The Meiji Restoration resulted in the destruction of existing political norms and structure at all levels of society. Like the acts of emancipation which marked the end of the old order in rural Europe, the Meiji Restoration made everyone equally citizens of the state. Feudal loyalties were not immediately, nor universally destroyed, but the new government proclaimed the equality of all people, high and low, under one national law....Moreover, the new regime guaranteed liberties which struck further blows against established custom. People were free to choose their occupation...(Kornicki, 1998: 12).

In February 1889, the Meiji constitution came into effect, a landmark in the modern political development in Japan. In part, it represented a policy of the Meiji leaders that Japan should have at least the modern Western-form of state. Significantly, they were mostly attracted by the constitutional practices of Bismarck's Prussia.

Further, the Meiji constitution established a parliament, known in English as the Imperial Diet, comprising of two houses: a House of Peers; composed of members of the imperial family, nobles created after the Meiji Restoration and imperial nominees, and an elected House of Representatives. The House of Representatives (lower house *Shugiin*) was not to be seen as the more effective house, since each had equal power of initiating legislation; the House of Peers (upper house *Kizokuin*) had the right of veto over legislation initiated in the House of Representatives.

Meiji constitution in practice did not entirely bear out the expectation of the Meiji leaders. The House of Representatives proved anything, though docile, and the political parties, which despite their recent origin had already accumulated some

experience in regional assemblies, fought hard against the principle of transcendental cabinets. Successive governments applied a variety of instruments constitutional and otherwise, in an attempt to confine the parties to an advisory role.

All the development that was related to the major institutional functions was an outcome of Meiji Restoration that modernized Japanese politics as well as society at large. The political developments in Meiji Japan were the result of gathering knowledge from the west. Modernity started by creating political institutions and organizations that were formed on the basis of diverse ideas. However, few of them reflected the modernity and others remained conservative in the wake of changes (Allinson, 1999: 22-23).

A split in the Samurai oligarchy controlling the new government over issues of power and policy resulted in the formation of a political association in Meiji of Japan. Antagonized by *han* (feudal domain controlled by *daimyo*) favoritism and by certain economic and political trends, a dissident minority resigned from their posts determined to rally growing external opposition around them. By 1873, when the first of these defections took place, Western political techniques had already made a sufficient impact upon some of the anti-government leaders to suggest the utility of peaceful opposition with political parties (Scalapino, 1953: 40).

Single genuine enthusiasm for certain new concepts embedded in Western liberalism was combined with an insightful assessment of its value as a technique for obtaining personal power. Western political ideas enabled the opposition to revise earlier unclear concepts of *han* assemblies by bringing forth the model of a representative form of government, underwritten by a values of 'popular rights'. Under this values, the political associations led by people of Tosa and Hizen¹ sought to enlist a wider support for their cause and breached the Satsuma-Choshu's dominance of power.

The opposition to liberalism and the creed of party government changed its outlook in various forms and were compounded by numerous forces. It was foremost in the indifference of an unprepared society, and it lay strong in the purely traditionalist elements, who viewed any Western creed as an anathema. The immediate political

¹ Tosa of Meiji days is now as Kochi Prefecture, and Hizen was comprised of today's Saga and Nagasaki prefectures.

opposition that the liberal parties faced, however, was in the hands of different men, for it was the Satsuma and Choshu oligarchy that stood crossways in the path of party power. *Sat-Cho*² oligarchs were not purely traditionalists; they were men who themselves supported in greater or smaller degree the cause of Europeanization.

The ‘Constitution of Meiji’³ was the climax of the political development in 1889, it was a fundamental law superbly timed and written to face the oligarchies cause. The constitution was based on Western liberal theory (Lu, 1997: 333-39). It was a document largely for the oligarchs, and highlighted their own political concepts. It succeeded in riveting upon the nation a status quo, which was more strongly oligarchic than representative, and one, which perpetuated and strengthened the myth of imperial absolutism, thus making the party’s control of the government extremely difficult.

An intention of having a constitution was to consolidate this gain, that is, to ensure that men of substance would see enough advantages in the regime to make them to cooperate with it, leaving the Meiji police to deal with the rest. In this sense, one cannot dissociate with the formal written constitution from the decisions that were being taken during the 1880s regarding recruitment to the bureaucracy and the nature of local assemblies, though neither of these was to be the subject of specific provisions in the document of 1889 (Lu, 1997: 340-43).

The latter also had another function, however to persuade the world of Japanese enlightenment. To this, too, other decisions were relevant. Changes in the peerage and cabinet system, for example, were made not only for reasons of elite unity but also because they would present Japanese institutions to the West in a familiar and favorable form (Pyle, 1999: 657). Many political associations developed later vis-a-vis the political trends during the Meiji period. The emerging political associations used their popular rights theories to justify demands for an elected assembly. Allinson has supported the ideas of change, which were brought by the Meiji constitution.

He pointed out the gist of the constitution and said—

² *Sat-Cho* is the abbreviation of *Satsuma* and *Choshu* clans.

³ The Meiji Constitution has been reproduced in the appendix-I, pp. 255-62.

...the Meiji constitution-despite the appearance it conveyed of concentrated power-actually created a political system in which authority was diffused among many formal groups...this set the scene for constant political concentration after 1889...(Allinson, 1999: 65-68).

The expression “people” was limited for the time being to the peasants, and was not intended even by the liberals to include the obviously unequipped lower classes. Despite the use of terms *Koto* (public party), the *Aikokukoto* (Public Party of Patriots, formed on 14 January 1874) was nothing more than an association of a few samurai, without organizational structure and popular support.

In the later progress for functional politics, the formation of political parties (*seito*) began in earnest, hard on the heels of the imperial rescript of October 1881 proclaiming that a national assembly would be convoked in 1890. The *Jiyuto* (Liberal Party) and *Rikken Kaishinto* (Constitutional Reform Party, founded in 1881 and 1882 respectively) began parliamentary activities as soon as the Imperial Diet (*Teikoku Gekai*) was established.

The assent of both the Diet and the Emperor was required for the passing of bills or any amendment in the laws. This meant that while the Emperor could no longer legislate by decree he still had a veto over the Diet. The Emperor had the freedom to choose the Prime Minister and the Cabinet, and sometimes the Prime Ministers were not chosen from the Diet. The Imperial Diet was also limited in its control over the budget. While the Diet could veto the annual budget, if no budget was approved, the budget of the previous year continued in force.

The first cabinet formed under the Meiji constitution, however, was a ‘transcendental’ cabinet put together by members of the powerful clan based cliques who had been instrumental in bringing about the Meiji Restoration of 1868 and had put in place the institutions of the modern government of the era. Political parties had almost no power or prestige. As far as their ideas were concerned, all political ideologies were based on Western models such as Prussia and Britain. Words such as *jiyu* (liberty), *byodo* (equality) and *yuai* (fraternity) proved so popular that they went on to become the many names of district parties (Reischauer and Jansen, 1995: 81-91).

It is evident that the developments of political processes in the Meiji period were a beginning of political reforms as whole. This provided space for the political parties to execute their ideas based on varied thoughts that were present out side of Japan.

POLITICAL PARTIES AND ELECTIONS BEFORE WORLD WAR II

The most important symbol of political development is the active participation of masses in political events mainly in elections. Even though they are under different whatever ideological and institutional rubric, such elections have become the foremost method of seeking legitimization on the parts of government and the political elite. Citizens use their democratic rights, which provide them options to select the government by means of elections.

Allinson has pointed out the changing patterns, which has occurred in 1890 since the Meiji Restoration. He writes “economic spurts led to social turmoil and cultural divisions creating political intentions in the four decades after 1890 (Allinson, 1999: 61).”

Japan’s first general election⁴ for members of the House of Representatives was held in July 1890, in accordance with the Meiji constitution, which had been promulgated the previous year. This had created the bicameral Imperial Diet consisting of the House of Representatives and the House of Peers.⁵ The right to vote for members of the House of Representatives, meanwhile, was limited to male citizens 25 years of age and over, who had paid Yen (¥)15 or more in tax, for at least a year. Only male citizens 30 years of age and over were permitted to be candidates.

In July 1890 the first elections gave a majority in the lower house (160 votes out of a total of 300) jointly to the three parties led by Goto Shojiro, Itagaki Taisuke, and Okuma Shigenobu, all former members of the *Dajokan* (Imperial Japanese Council of State), who were openly at odds with the men still in office. Through several turbulent sessions—and intervening elections—they concentrated their attacks on the

⁴ Please refer appendix-V for the Election Results since 1890 of the Meiji period, p. 278.

⁵ When the Diet session was opened on 25 November 1890, the two parties were participated in the session, *Jiyuto* was with 130 members and *Kaishinto* was with 41 members. 45 independents also participated in the session few were anti-government (Robert A. Scalapino, 1954, *Democracy and Party Movement in Prewar Japan*, London: University of California Press, p. 154).

budget, forcing ministers to adopt a variety of illegal or suspect devices in order to get their proposals through. Matsukata, for example, tried to manipulate the 1892 elections by an extensive use of bribery and the special powers of the police.

After the election on 25 November 1890, the first Diet session was summoned; the two opposing forces confronted each other for the first time in the arena of practical politics. In the elections, the liberal parties were in a strong position. The so-called *mintō* (popular parties- the *Jiyūtō* ‘Liberal Party’ the *Kaishintō* the ‘Reform Party’ and their affiliates) held a combined strength exceeding 170 seats in the 300 members Diet. In addition, there were 45 independents, some of their votes were certain to be anti-government.

On 15 February 1892, the second general elections were held. It was marked by violence and charges of governmental repression. Japan had little experience in the practice of democratic election. In the elections of 1892, a pro-government party had been created under the name of the *Chūō-club* (central club). Moreover, a second party, the *Kinki Kakutai* (local level, national polity), was considered pro-government. Government support also went to the independents. In the second general elections, five parties received a sufficient number of elected candidates to be listed separately. Two of these were so-called popular parties, the *Jiyūtō* and the *Kaishintō*. This election witnessed the emergence of the multiparty system for parliamentary elections, and this continued throughout the pre-war period (Ward, 1973: 251).

The 1892 elections demonstrated clearly that only one party, the *Jiyūtō*, could be considered a truly national party. The *Jiyūtō* ran a total of 270 candidates who were representative in 44 of the 45 prefectures and metropolitan districts. The second ranking party, the *Chūō-club* (Central club), ran only 94 candidates in 25 prefectures and metropolitan districts, electing 83; 23 of these represented approximately one-half of the Japanese prefectures. The second “liberal party”, the *Kaishintō*, ran 100 candidates in 29 prefectures and metropolitan districts, electing 37 in 17. The *Dokuritsu club* (Independent club) ran 34 candidates in 17 prefectures and metropolitan districts, electing 32 in 15. The *Kinki Kakutai*, as its name suggests, was essentially a local party confined to the Kinki districts running 12 candidates in Osaka and Hyogo prefecture, and electing all 12 candidates (Ward, 1973: 257).

Jiyuto had secured only 31 percent of the elected candidates; it alone among the parties had run a number of sufficient candidates to contest seriously for a Diet majority. Its percentage of victor candidates to those who had run was relatively low (35 percent only), reflecting inadequate financing and government interference. The *Chuo*-club obtained 28 percent of the elected candidates, scoring a significantly higher percentage of victorious candidates, ran up to 88 percent for 787 seats.

The second popular party, the *Kaishinto*, ran less than half the number of candidates run by the *Jiyuto* and elected only about a third. This party represented 12 percent of the total house membership, with the same ratio of successful to unsuccessful candidates as the *Jiyuto* that is 35 percent. One third of the *Kaishinto* candidates came from Kanto, although these represented only 20 percent of the total Diet members.

The election of 1892 was a reflection of the truly national party of Japan in that year, namely the *Jiyuto*. The other two parties-*Kinki Kakutai* and *Dokuritsu*-club (independent club) was either wholly or largely sectional, and was very weak in the Diet representation. The *Kaishinto* while more national in scope, was also far behind the *Jiyuto* in full in national representation and in strength. The *Chuo*-Club, close to the *Jiyuto* in elected candidates, had a far greater regional imbalance, obtaining less than 10 percent of its seats in three of the seven great regions of Japan, and this despite the fact that it enjoyed some government support.

After 1892, many elections were held; however, just a few could make sense in development of politics in Japan. In the 1898 elections, the *Shimpoto* (the progressive party) rotted the *Jiyuto* in most of the rural areas as its rival party. Kyushu was the one area that was not well integrated in the national political scene as yet, still represented a conservative stronghold. In the tenth general elections of 1908, the election results were conclusive evidence of the supremacy of *Seiyukai* (constitutional government association, formed in September of 1900). The party, running 246 in all 46 prefectures and metropolitan districts, elected 188 members of the 379 member Diet; it obtained 50 percent of the seats and elected 76 percent of its candidates (Scalapino, 1953: 261-65).

The most basic reasons for the *Seiyukai* dominance lay in the fact that this party alone had that combination of support that is critical for any emerging society: the political elite already ensconced in power, and the bulk of rural elite and significant elements within the urban community.

On 20 January 1913, after heated and prolonged struggles in the Diet, Prime Minister Katsura Taro has announced the formation of a new party, the *Rikken Doshikai* (constitutional fellow thinker's association); beginning with some 81 Diet members, drawn from a variety of sources—the *Rikken Doshikai* eventually encompassed the great majority of the old *Kenseihonto* (constitutional national party) members (Reischauer and Jansen, 1995: 92).

However, *Rikken Doshikai* dominated *Seiyukai* in the 1915 general elections of the twelfth House of Representatives. This electoral change took place due to several reasons. Despite the preponderant electoral strength of *Seiyukai*, the *genro* had shifted the top leadership from Saionji (a *Seiyukai* supporter), to Katsura Yamagata, a non-party influential.

Prior to the 1915 election, Okuma Shigenobu had succeeded Katsura as Prime Minister. Despite the new Prime Minister's reputation for liberalism, his home minister was widely charged with extensive interference on behalf of the *Rikken Doshikai* in the course of the 1915 campaign. Indeed, the twelfth general elections were often labeled as the most corrupt election since 1892 (Scalapino, 1953: 268). After twenty-five years of parliamentary government, Japanese politics appeared to have established a two party system because of a realignment of the critical political forces in society.

The coalition form of political developments in Japan had occurred once in the early 1920s, after many elections were held under the provisions of Meiji constitutional system. The fifteenth general elections were held on 10 May 1924 under the auspices of a "neutral" government; Prime Minister Kiyoura Keigo was a veteran official without party affiliation. *Seiyukai*, moreover had been split into two almost equal factions, one calling itself the *Seiyuhonto* (faction of *Seiyukai*). The break up had developed out of personal and power rivalries, not due to any fundamental policy differences.

Thus, the 1924 election saw three national parties in place of the traditional two parties. It was the first time when Japanese politics experienced a coalition alignment in the House of Representatives. After the election of 1924, Japan had never experienced coalition politics till World War II; and after the war, under the new and free political situation, elections were held and coalition government appeared once again for a short period in 1947 and then yet again in late 1970s. It has become the most noticeable characteristic of the political system of Japan since 1993 until date, when Liberal Democratic Party (LDP) lost its ground due to a lack of commitment towards public issues. It has been detailed and discussed in the third chapter of this thesis. The election result of 1924 has been shown in the table below:

TABLE 1: HOUSE OF REPRESENTATIVES ELECTIONS RESULT OF 1924

Parties	Candidates Elected	% of Seats
<i>Kenseikai</i>	152	33
<i>Seiyuhonto</i>	112	25
<i>Seiyukai</i>	102	22
<i>Kakushin Club and Smaller Parties</i>	30	7
Independents	69	13
Total	465	100

Source: Robert E. Ward (ed.), *Political Development in Modern Japan*, Princeton University Press, USA, 1973, p. 598.

In the election of 1924, *Seiyuhonto-Seiyukai* seats combined, equaled 47 percent of the total house membership, substantially more than the 33 percent seats held by *Kenseikai* (later became *Minseito*, democratic party). Under these circumstances, the *Kenseikai* (constitutional associations) became the leading party, with 33 percent of seats in the House of Representatives. The second party was the *Seiyuhonto* and the third was the *Seiyukai*. However, *Kakushin Kurabu* ‘Reform Club’ and smaller parties achieved 7 percent of votes with 30 seats. Independents bagged 69 seats with 13 percent of votes (Ward, 1973: 598).

The decade of 1920s was the most successful year in the pre war Japanese politics. Perez has argued about the notion of changing political culture in the decade, which was important to bring in. He said:

Equally promising, in 1925 a domestic political compromise was reached that gave all adult males the right to vote. The trade-off was a harsh system of Peace Preservation Laws that made it possible to suspend the civil rights of political dissidents (Perez, 1998: 138).

In the 1930 election held in February, *Minseito* won a majority of 273 members from the 466 members House of Representatives in every prefecture and metropolitan area. *Seiyukai* was the second largest party in the election. However, *Seiyukai* emerged again as the largest party in the 1932 election, despite the fact that it had failed to achieve majority in the 1936 elections, where *Minseito* had won the elections as largest party with 205 members and *Seiyukai*'s strength was only of 174 members in the House of Representatives.

After the elections, an incident occurred in Japan in February 1936 that changed the history of Japanese politics. In the aftermath of an attempted coup, the military took a commanding position in the government. Government with short tenure led by Hirota Koki agreed the most military demands and was followed by a Cabinet headed by General Hayashi Senjuro in the same year (Scalapino, 1953: 282).

With the confrontation of the Diet with General Hayashi, new elections were scheduled in April 1937, *Minseito* and *Seiyukai* were the two parties in the first and second position in the election results. Internally, not much changed in Japanese internal politics, except that bureaucrats began to head the cabinet more often. Political parties were dissolved in 1940, and *Taisei Yokusankai* (Imperial Rule Assistance Association) emerged as an alternative to the political parties that turned the Diet into a rubber-stamp assembly.

Finally in December 1941, government headed by General Hideki Tojo led Japan into World War II, and the country's political system was totally prepared for aiding the war effort (Tipton, 2002: 131). The twenty first general elections that were held in 1942, after a one-year extension of the House Representatives members' term of office. In this election, candidates, who enjoyed powerful backing from the

government, were endorsed by the *Taisei Yokusankai* and they won 381 seats with an overwhelming majority.

Thus, from 1890 until Japanese defeat in World War II, 21 House of Representatives elections were held, all the elections involved restrictions of one sort or another, various forms of government interference, and controls of a dubious nature. In short, there were no free and fair elections held.

JAPANESE POLITICS SINCE 1945

In November 1945, Japan witnessed the reorganization of the major pre-war conservative, moderate, and progressive parties and the legalization of the Japanese Communist Party (JCP *Nihon Kyosan-to*). A parliamentary cabinet system was firmly established under the new constitution that was enforced in 1947. The first decade after the war, characterized by hardship and chaos, saw a succession of both coalition and conservative governments. Later the reunification of the Japan Socialist Party (JSP *Nihon Shakai-to*), which had split since 1951 and the merger of the two conservative parties led to the formation of the Liberal Democratic Party (LDP, *Jiyo Minshuto or Jimin-to*)⁶ in November 1955. The formation of the LDP in 1955 was a significant achievement. It led to more than three and half decades of a single party dominance, a period during which Japan moved from relative poverty to becoming the second-largest economy in the world (Stockwin, 1999: 132).

The merger was called the “1955 setup”, dominated by two parties actually it was a “one and a half party system” since the LDP had about twice as many Diet seats as the opposition party, JSP. During the early years of the cold war, the two major parties engaged in bitter ideological struggles (Tipton, 2002: 164). Accordingly, the rapid economic growth that began in the mid 1950s-60s, fixed the pattern of the LDP as the ruling party and the JSP as the “permanent opposition” playing a ‘big mouth’ role. In the 1970s, the two parties settled into a unique relationship of confrontation up front, and hand in hand cooperation behind the scenes due to the factional presence in the LDP as well as in the JSP, on which the interest of these parties faded the opportunities coalition of opposition in the 1970s. The politics of 1970s has been discussed further.

⁶ Name of the political parties is often called in English since the Occupation Period of 1945.

Dissatisfaction with the “1955 setup” in the meantime, prompted the formation of a number of smaller middle-of-the-road parties. Meanwhile, LDP’s political corruption was most evident in an apparently endless series of financial scandals. This led to an ever-increasing voter disappointment with politics and politicians. Many politicians of the LDP have left the party and formed the newer parties with the support of factions. Things came to head in the summer of 1993. The LDP fragmented by then had lost its House of Representatives majority in the July general elections, bringing to an end thirty-eight years of dominance in making governments and ruling Japan (Kato, 1997: 117).

The LDP’s long dominance of politics however, led to the emergence, through the close bonds among the government, bureaucracy and industry, of a political system that favored stakes. As a result, Japanese politics was infested by internal corruption and at the same time lacked the ability to adapt to changes in the socio-economic structure and growing international status of Japan. Consequently, the issue of political reforms emerged as a major item on Japan’s political agenda, analysis of the reforms were initiated by the coalition governments in 1990s and later. The detail has been discussed in the chapter “Political Reform in Japan Since 1990” of this thesis. Thirty-eight years of continuous rule by the LDP and its policies has been the major impact on Japanese politics, and this began in the mid 1950s with the merger of the Democratic and Liberal parties.

Formation of the LDP: The “1955 setup”

In one form or another, the LDP or its predecessors have ruled Japan since the new Constitution came in to effect in 1947. Through its various factions it has been a lineal descendant of the pre-war *Seiyukai* and *Minseito* parties which in various guises traced its history back to the early 1880s, and that over time gradually came to play an influential although never a dominant, role in pre-war Japanese politics.

Since 1947, there has been only one important exemption to the unbroken record of the LDP rule. This occurred during a nine-month interim from May 1947 to March 1948 when a socialist, Katayama Tetsu, held the post of Prime Minister. The illusion of Socialist Party rule created by this development was meaningless, since the

government was based upon a very tenuous link with a conservative party that effectively cancelled any possibilities of social innovation (Ward, 1978: 88).

In October 1955, the right and left wings of the Japanese Socialist Party merged into one, and this caused in the following month, the merger of two conservative parties—the Democratic Party and the Liberal Party, to create the LDP. By 1952, there were three major conservative groups in Japan. One was the Reform Party (*Kaishinto*), formed in February 1952 by its president, Shigemitsu Maoru. A second was the mainstream Liberal Party under Prime Minister Yoshida. The third group was the anti-Yoshida group of the Liberals, centering on Hatoyama Ichiro. This no doubt marked the founding of the “LDP setup”.

The rationale for the merger was the desire for political power and control of the government (Junnosuke, 1992: 34). The Socialist Party cracked over the issue of the San Francisco Peace Treaty, increased its Diet strength in the successive elections of 1952, 1953 and 1955. In the February of the 1955 elections, both wings campaigned on platforms promising a merger in the near future. The Diet strength of the conservatives, however, kept shrinking in succeeding elections, and the Democratic Party, which had organized the Hatoyama Ichiro (Prime Minister from December 1954 to December 1956) cabinet; fell due to a shortage of majority in 1956. The conservatives resolved to merge to form a stable conservative government and to respond to the socialists’ merger.

The mergers in the two camps however, were brought about by strong external pressure. *Sohyo* (General Council of Trade Union), the labor federation created by the occupation authority, turned sharply left and became increasingly radical during the Korean War (June 1950), directing a large-scale labor campaign against production “rationalization” in many factories. Without *Sohyo*’s total endorsement, the Japan Socialist Party (JSP) left wing could not have expanded as it did. Also without *Sohyo*’s pressure, the JSP would not have come together again.

Having launched a campaign of technology innovation and production rationalization, the business community needed a stable and conservative government to maintain good relationships with the US, to prevent the growth of the JSP’s, and to cope with the intensifying labor movement. Under this strong business

pressure, the conservatives resolved to combine into a single conservative party. In short, the “1955 setup” was challenging the system that emerged had against the conditions of intense labor-management conflict (Junnosuke, 1992: 35). Further, the JSP’s merger sponsors defended the 1947 constitution and wanted to abolish the Japan-US treaty, whereas the conservatives demanded constitutional revision and the continued maintenance of the treaty. Incidentally, it is still taboo for political parties to amend the constitution.

The standoff between the two camps intensified under the Kishi Nobusuke government (Prime Minister from February 1957 to July 1960), which stood for a “new era in Japan-US relationships”; the two camps had come to a head over the issue of the security treaty revision in 1960. The *Sohyo* centered organizations were mobilized and the media launched a campaign to attract an unprecedented mass of demonstrators around the Diet building, encouraging the Socialists and splitting the LDP.

Even though the treaty was ratified, US President M.D. Eisenhower’s trip was canceled and the Kishi cabinet resigned. Later, Ikeda Hayato (Prime Minister from July 1960 to November 1964) steered away from politics and made the economy a priority through his famous policy of doubling income. This led to the start of a full-fledged, high-speed economic growth. Over the years, the switch from politics to economics has taken the wind out of the sails of both the sides.

Therefore, the year 1955 can be reckoned as a turning point in the political and economic history of Japan. The government’s economic white paper for the year proudly proclaimed in its subtitle “the post-war period is over”, meaning that the Japan had completely recovered from the economic setback, which it had suffered in defeat. It was also in 1955 that the annual nationwide spring rounds known as the *shunto* (labor demonstrations) were launched, establishing the post-war Japanese pattern for determining wages. The year can also be said to mark the beginning of Japan’s period of high growth economic development. The “1955 setup”, characterized by political and administrative domination by a single conservative party, got off to a start as a political system for sustaining high growth that was to become legendary (Narita, 1995: 95).

The formation of “1955 setup” and the organization of the LDP were effective in the political sphere of Japan, and managed the economy so well that it maintained its long-term rule so that even the largest of the opposition party, the JSP was never able to mount a serious challenge. While the socialists criticized the financial setup by the LDP and occasionally fought for better wages for workers, the JSP never provided an economic blueprint for Japan. As alternative to the LDP, it also failed to articulate policies on important issues such as consumer prices, liberalization, the distribution system and agriculture (Junnosuke, 1992: 37-54).

Parties other than the LDP and JSP were not much organized, thus the relative weakness of the opposition helped prolong the rule of the LDP. The policy of the LDP towards other nations was very different to that of other opposition parties. The impact of the Cold War on Japanese politics also provided opportunities to the LDP to maintain its long rule. The Cold War produced an ideological division between the US-Western capitalist camp and the Soviet led Socialist camp. The US was found to be not only valuable strategic ally, although a valuable protector (Perez, 1998: 161-162). The two nations forged strong security and economic links, which is reflected in a bilateral security treaty, and growing trade, commercial and other ties. The US provided a nuclear umbrella for Japan, and Japan in turn provided an important military base for the US army in Okinawa against Soviet influence in East Asia. With a pro-US LDP and a pro-Soviet JSP, American interest in keeping the LDP in power was obvious (Jain, 1997: 17-19).

After the “1955 setup”, a congenial situation was created for the LDP to rule Japan for a continuous thirty-eight years as a dominant political party. This long tenure of LDP rule makes Japan the world’s pre-eminent example of what is often referred to as a dominant party system. There is a world of difference between the functioning of a political system in which the dominant party confronts on opposition consisting of vigorous and unified adversaries that embraces an ideology and policy positions opposing its own system. And, that in which the opposition is fragmented among several ideologically diverse parties, some of which advocate policy programs that put them closer to the ruling party than to other parties in the opposition.

Differences between the pre-dominant party systems, however, need not only be cross-national differences. As Japanese politics since 1955 shows, it is entirely

possible for a pre-dominant party system within a country to undergo a fundamental change both in its format and in the ideological positioning of the parties within it (Curtis, 1988: 15). In 1955, the LDP faced an opposition that was unified, unalterably opposed to what the LDP stood for, and ready to resort to extra parliamentary tactics of influencing the policy process. By dint of intensity of the opposition's support among a large minority of voters, it was able to prevent the LDP from realizing many of its policy goals and to force it to accomplish others only by resorting to what was widely referred to as a tyranny of the majority.

The '1955 setup' has its own importance and too perceived by Stockwin, who argued about the consequences after the LDP formation. He writes:

It seems not too contentious to say that the long-term dominance of the LDP, superimposed on the consolidation of cabinet-in-parliament system, is the most salient feature of Japanese politics since 1950s. It fundamentally conditions the nature of political representation, competition, leadership and policy making (Stockwin, 1988: 30).

Indeed, it would be hard to imagine how this situation could have been otherwise, given the rapidity of economic and social changes between 1955 and 1993. These changes greatly weakened the silence of a conservative-progressive cleavage in Japanese politics. They forced the LDP to alter its political program to become responsive to the demands of an increasingly urbanized, pluralistic, rich electorate, in order to retain its dominant position. The parties seeking the support of social groups were dissatisfied both with the policies being pursued by the LDP and with the alternatives proposed by the socialists.

Gerald L. Curtis writes about LDP's performance based on the three phases, which he assigns LDP's rule (Curtis, 1988: 15-37). In 1955, party mergers had created the LDP and reunified the JSP. In the 1958 general elections, these two parties together polled 91 percent of the popular votes and won 97 percent seats in the House of Representatives.

The first phase of Japanese predominant party system was distinguished by a two party format and by an intense ideological polarization. The communist party received only 2.6 percent of the votes, with the remaining 6 percent or so going to

the minor parties and to the independents aligned with the LDP. The relation between the LDP and JSP during the first phase was characterized by a deep ideological polarization that imparted to Japan an element of “polarized pluralism”. In Japan, ideological polarization took the form of a two-bloc competition rather than following Giovanni Sartori’s model⁷ of multiple parties.

Besides ideological clashes, the socialists resorted to physical force to prevent the LDP from ramming through legislation in the Diet; a student movement in the universities that was dominated by the communist party was launched. An ideological division was so deep between the conservative camp and the progressive camp that it seemed perfectly natural to use the language of warfare to describe their relations. The demonstrators brought about an atmosphere of tension and disagreement over the issues of rearmament and constitutional revision (Curtis, 1988: 17).

The first phase of the one party dominance was short lived. The LDP’s determination to retain political power pulled it more and more away from its formal program. At the same time the factions of the JSP effectively prevented that party from exploiting any opportunity to move to the political center, instead, it produced a fracture that within four years of the establishment of the 1955 structure led to a break in the two party formats, with the formation of the Democratic Socialist Party (*Minshu-Shakaito*) in 1960 (Hrebenar, 1986: 183).

In the ‘golden sixties’ of the LDP, the successive government under three ex-bureaucrat Prime Ministers: Kishi Nobosuke, Ikeda Hayato, Sato Eisaku seemed to be ushering in an age of “perpetual conservative rule”. The two major emphases of conservative rule were strengthening political and military cooperation with the US and enhancing Japan’s economic potential. Kishi reinforced the former and Ikeda the latter, while Sato worked to enhance both. The breakdown of the high-growth policy that began to be seen towards the end of the Sato administration aggravated environmental, urban, and inflationary problems. Consequently, the conservatives started to lose ground in both national and local elections (Jansen, 2000: 719).

⁷ Giovanni Sartori’s model is described in his book “Parties and Party System: A Frame Work for Analysis, Cambridge University Press, 1976.

There were several stabilizing forces behind the prolonged period of the conservative government. Firstly, the LDP administered its policies flexibly and effectively even though various intra-party problems remained to be settled, as in the case of attempts to amend the constitution. Secondly, the party's basic foreign policy, built around Japanese relation with the US, led to the belief that Japan was benefiting from America's economic support and they provided a basis on which high growth could be sustained. Thirdly, the power structure of the political-bureaucratic-business (iron triangle)⁸ complex had built up a colossal apparatus of political domination over local governments and organizations of various kinds with government subsidies and has influenced the Japanese political system as well. The fourth factor was the abstract anti-LDP arguments offered by the JSP that did not convince the majority of the Japanese that the Socialists were actually capable of running the country.

The largest opposition party, the JSP shrouded its foreign policy in abstract terms as "universal peace" and "unarmed neutrality" and offered only formal and theoretical criticisms of the nation's high growth economy. A notable factor is that criticism by the JSP had a political significance of its own, although it fell short of impressing the nation as a whole (Tetsuya, 1992: 25-28).

Moreover, the important factor behind the long period of conservative rule, however, was the mechanism for carrying out changes in the government within one and the same conservative party by taking maximum advantage of the fact that the party was a loose coalition of often disparate factions.

The shift of power from the bureaucratic faction led by Yoshida to the long-established professional politicians led by Hatoyama Ichiro initiated a "Hatoyama boom." Ikeda Hayato took over from Kishi, whose government fell in the aftermath of the tactics used, to force passage of the bill to ratify a new Japan-US security treaty in the 1960. He adopted a political stance of firmness and proclaimed the legendary "income-doubling plan" to divert public attention from political to

⁸ The term 'Iron triangle', is used to describe the government of Occupied Japan under the Supreme Commander of the Allied Powers (SCAP) after World War II, with the Liberal Democratic Party, *keiretsu* (used for set of companies), and the bureaucracy forming the iron triangle.

economic aspects, successfully neutralizing and redirecting the energy hitherto vented in mass demonstrations (Stockwin, 1999: 50-53).

The second phase began with the formation of the Democratic Socialist Party that ended the first phase of the LDP dominance. With the formation of *Komeito* in 1964, Japan moved into a period characterized by an increase in the number of relevant parties and a contraction in ideological polarization. Political stability, in this second phase of LDP dominance increasingly came to rest not on the balance created by political forces pulling in opposite directions, though on the competition between multiple parties seeking more and more to occupy the political center.

Both the LDP and the JSP steadily lost support during this period. The LDP's share of the popular vote in the House of Representatives election went down from a peak of 57.6 percent in the 1958 election to 41.8 percent in the election held in 1976 although, the electoral support for the JSP slid from 32.9 to 20.7 percent in the same period of electoral verdicts (Johnson, 2000: 57).

The LDP's electoral performances in the second phase of Japan's dominant party system disproved the notion that the LDP had been able to remain in power mainly because of the popularity of its high growth economic policies. Its support declined most sharply during the years of rapid growth. Moreover, pollution, urban congestion, and other social ills related to rapid industrialization brought in its wake by the end of the 1960s, an impressive group of urban protest movements by local government leaders, backed by the opposition parties.

By the end of the 1960s, one third of the Japanese population was living in the areas of Tokyo, Nagoya and Osaka. These crowded urban centers offered fruitful territories in which new parties such as *Komeito* and revitalized communist parties could expand support. They also provided the voters who, supported the New Liberal Club (*Shin jiyu kurabu* NLC), an offshoot of the LDP formed in 1975.

While politics in rural Japan remained characterized by an essentially one-and-a-half-party system in which only the socialist provided any degree of meaningful competition to the LDP, the urban scenario had by the mid 1970s, produced a system

in which six parties (the JSP, the LDP, the DSP, the New *Komeito*, the JCP and the NLC) were in active competition.

Likewise, competition intensified between the parties, and as the LDP's share of the popular vote and the proportion of Diet seats declined, speculation grew that Japan would not only experience the influence of conservative-progressive parties, also a reversal of the influence of the progressive parties and the conservatives, and the entry of the progressive into the government (Curtis, 1988: 21).

Furthermore, the second phase of the LDP dominance was characterized by the scuttling of progressiveness. Hane (1996) has supported the argument of Japanese extensive growth in the 1970s.

The 1970s were the height of the country's economic upturn. It was during the period that Japan ceased to be a debtor nation and began to export heavily to the rest of America-dominated free world...the balance of payments swung in Japan's favor... (Hane, 1996: 168).

Through the policy of high growth began to show signs of breaking down around the end of Sato administration in 1972, the collapse only began to be felt with decisive force at every level of national life with the oil crisis of 1973. The Arab states' embargo on oil supplies following the outbreak of the fourth Arab-Israel War on 6 October 1973 had a traumatic effect on Japan, which had to import almost all its petroleum needs. The economic confusion that resulted led to panic buying of some of the daily necessities. The ratification of an emergency 'anti-hoarding law' and a few measures taken by the government, aided by the re-establishment of the partial stability in the Middle East, restored national equilibrium. The outcome of these series of events finally made the Japanese public aware of the finite nature of natural resources. It put an end to the high growth period and ushered in a new era of low growth (Hane, 1996: 50-52).

The third phase began with the LDP dominance in 1970s. By the mid 1970s, it had become increasingly clear that the fragmented political opposition would not be able to escalate an effective challenge to the LDP dominance. However, just as in the late 1950s, a few observers had anticipated the shape of the party system that had evolved in the mid 1960s; similarly, a few intellectuals in the mid 1970s thought that

a decade later, the LDP would recover to a position of unassailable dominance. The situation of the LDP became critical in 1976 House of Representatives elections, when the party received few seats, however, it managed to form the government (Kevin, 1979: 1-2).

The LDP made steady progress throughout the decade in regaining control over local governments in Tokyo and other metropolitan areas. Its share of the popular votes in the 1979 House of Representatives elections increased for the first time ever and its share went even higher in the next elections in 1980. In 1983, its popular votes slid slightly, although it remained higher than that of 1979.

As the decade of 1980s began to open out, it became increasingly clear that Japanese politics had entered in a new, third phase characterized by a resurgence of LDP support to levels it had enjoyed during its first decade in power. The dominance of the LDP in the 1980s itself had become so independent of the support of the diverse social coalition that the need to avoid alienating any significant element within this coalition itself, acted as a powerful check on the LDP policies.

In the 1980s, the LDP put a firm brake on public spending increases. Under the slogan of “fiscal consolidation without tax increase”, it pursued a policy of retrenchment that within a few years brought to a complete stop the double digit increase in every year of budget expenditures that had earlier characterized government spending through the 1970s. Throughout the 1980s, the hallmark of Japanese policy and politics was concerned with administrative reform, privatization and a general effort to reduce the role of the government in the economy.

Japanese economic policy goals since the end of the World War II have included the goal of rapidly catching up with the West in per capita Gross National Product (GNP) and transformed Japan into a major industrial power (Tipton, 2002: 191-92). Rice price supports and agricultural subsidies, public work projects and subsidy programs for small businesspersons, financial transfers to local governments, and other income transfer programs, all contributed to reducing regional and personal inequalities in income distribution and to correcting distortions of high growth.

The leaders of the LDP recognized the threat to the party's hegemony posed by the rise of the opposition government in urban Japan. This was due to the spread of new citizen movements, and by rising public demands for better government services as symbolized by the popularity of the concept of a civil minimum. This meant the state's obligation to ensure a minimum of well-being, measured not in quantitative GNP terms, though, in terms of the quality of life. This idea improved the LDP's performance in the elections and in the formation of the governments.

The work culture of the LDP supported it for a long-term rule. Numerous issues related to the public were addressed by the LDP in the years of 1950s-1990s and later. The evolution of Japanese politics since 1955 has involved changes not only in the dynamics of the party system, however the policy priorities of the ruling party. There has also been an important evolution in the LDP rule and it has enabled the party to establish clear rules to regulate many of its activities. It has also brought about important changes in the role the party's leaders play in making a public policy. The party is no longer adequately described simply as a coalition of factions. It has evolved a complex organizational life of its own, one in which the factions themselves have developed organizational structures that are considerably different from what they were in the party's early years (Ramseyer and Rosenbluth, 1997: 94-97).

Throughout the history of the LDP, it is evident that factions (*habatsu*) have provided the primary political community for Japan's political elite, apart from the setting-up of intimacy and a common purpose. When the party was formed, factions were very much the personal entourages of powerful leaders (Hrebendar, 1986: 27). An inner core of men, marked factional organization, were intensely loyal to the factional leader and by a strong patron-client relationship in which the factional leader provided political funds and access to the government and party posts in return of his faction members support and more important of their votes in the party presidential election.

Factions within the LDP have been sustained by the multimember constituency system, which was the basis for all elections until the 1994 electoral reform was implemented. On the 6 April 2007, it appeared that the factions of the LDP were divided in supporting their Prime Minister Shinzo Abe on various domestic as well

as foreign issues, mainly on his statements of ‘comfort women’. This shows the presence of factions was really challenging for the party as well as its president; this would be harmful and it would be the major loophole in the party politics of the LDP in Japan in future (Yomiuri, 2007).

Since the more than 55 years of the LDP’s setup, the party has been transformed from a “coalition of factions” to a much more complex and differentiated institutions that has clear rules regulating the recruitment of members and leaders. It has played varied and important roles in drafting and executing public policies. It has also developed a relationship with the bureaucracy that has become increasingly close. Thus, the evolution of the LDP and the development of its relationship with the bureaucracy have contributed to a situation in which the JSP and other opposition parties are at a virtual loss for ways to mount an effective challenge to the LDP dominance (Neary, 2002: 110-11).

The Collapse of the “1955 setup”: Era of Coalition

The LDP was in power by maintaining single a party dominance till 1993. The downfall of the party begin in the late 1980s when scandals, factional politics and policies (mainly economic that led to the bubble burst) of the LDP caused the major setbacks for itself, and they also mounted challenges to Japanese politics. Japanese politics has faced these challenges continuously and trying to get rid of from them by implementing many reform programs, since the 1990s and 2000s. Although many scandals had surfaced in Japanese political history after World War-II, in the late 1980s the scandals caused a traumatic situation for the party.

In 1993, the ‘coalition form of government’ was started due to the collapse of a single party dominance. Only on limited occasions, the opponents gained a substantial number of Diet seats in elections and come close to taking control of government.

The following circumstances are an example that led to the defeat of the LDP in the 1993 general election of the House of Representatives.

1. The Recruit scandal that appeared in the late 1980s changed the situation of Japanese politics of the early 1990s. In the summer of 1988, reports started appearing in the media about a company named Recruit (founded in 1960 by Hiromasa Ezoe), which was allegedly distributing shares of a newly floated subsidiary, Recruit Cosmos, in an illegal fashion to a large number of politicians and others. The most important business operation of the Recruit Co. Ltd. was that of matching job opportunities with job seekers, particularly with students in their final year from the university. There was evidence that the company had exercised influence in order to obtain some examination results before they were officially announced, with the purpose of informing the companies about the qualifications of the job seekers ahead of the competition. Apart from this, the gift of the unlisted shares of Recruit Cosmos Ltd, to politicians, who would make the value of these shares rise substantially once they were floated on the stock exchange, constituted a technical breach of the law (Herzog, 1993: 173-188). The Recruit Cosmos Company distributed a large amount of its stock to particular Diet members, including some conservative leaders. Unlike the Lockheed scandal, which only affected a handful of LDP politicians, the Recruit scandal affected a large proportion of the political class as a whole. The ruling party in particular was affected, though some opposition politicians had also received shares. The impact of scandals on Japanese politics has been discussed in detail in the next chapter.
2. It is rather difficult to discuss the LDP and its dynamics without a thorough examination of its functional nature. Essentially, the LDP is an alliance of factions in which the greater part of the party affairs is conducted by factions. Most importantly, the factions play a crucial role in the resolution of the party's personal matters: the selection of the party president, the appointment of the cabinet ministers and naming of important party officials. In the face of the factional nature of the LDP, the abilities of individuals, no matter how capable they may be, have little if any influence over whether they will receive key political positions. Each faction maintains its own office and holds meetings at regular intervals. These factions are in essence, parties within the party. In the 1990s, as in the previous decade, the major players on the stage of Japanese politics were the LDP faction leaders. Although the

LDP had over time a complex organizational structure with regard to policy formulations that was not entirely faction based, the factions remained dominant when it came to the assignment of cabinet and key party posts and other matters related to the distribution of power. However, factional organization and the faction system itself had changed over time. There are fewer factions since the 1990s than in the 1960s, and they are larger and more complex organizations they had been in earlier years. For instance, in the House of Representatives election on 18 February 1990, three LDP and three candidates from the opposition party competed for the South Western prefecture, Kumamoto. Two candidates from the LDP publicly expressed bitterness for the third candidate. Local television showed supporters of the one of the LDP candidates cheered loudly when the third candidate was edged out of the fifth seat by a New *Komeito* candidate. Factional politics were no longer dominated by one leader, as typically was the case when they first were formed. No faction exhibits these complexities more than the Takeshita faction, the largest and more powerful faction in the LDP (Curtis, 1999: 84-85). Factional politics thus harmed the LDP because the leaders within the LDP were very ambitious and they used the party for their stakes.

3. The voting behavior of the Japanese voters also played a role in the collapse of the LDP dominance. Among the nations where voting is not compulsory, Japan has a very high rate of electoral participation, however, on the basis of a nationwide poll data, it is difficult to recognize clearly, any relationship between income group and party choice (Watanuki, 1967: 78). The decline of the conservative parties tapered off somewhat by the mid 1970s, despite a number of significant demographic changes that had occurred that were contrary to the LDP's political fortunes. The reason for this reduced decline ought to be found in the fact that the LDP had been strong in the rural sector of the country, and rural Japan had benefited the most from the rapid economic growth of the 1970s. The urban residents had certainly benefited from the Japanese economic expansion, though, they faced problem like pollution and urban congestion. The urban residents have often expressed their doubts about the LDP's high economic growth policies by supporting opposition parties in national and local elections. In marked contrast, the rural residents remained largely untouched by the ill effects of the economic

development. In the 1980s, the LDP appeared to begin to restore its popularity among voters. Except for the elections in 1983, the conservatives won more than 50 percent of votes in the 1980, 1986, 1989 and the 1990 elections.⁹ This growth of the LDP support is generally attributed to a rise of neo-conservatism among the Japanese electorate. However, the LDP declined in the 1993 election because the voter turnout was very low that caused the downfall of the LDP and the collapse of the “1955 setup”.

4. The Gulf crisis of 1991 was the decisive factor for the loss of the LDP in pre 1990s. The Gulf crisis has brought Japan face to face with fundamental problems in its defense and foreign policies (Motoo, 1991: 14). The political and bureaucratic performance of the Kaifu Toshiki government became the target of much international and domestic criticism, even though Japan provided the huge amount of US \$13 billion in the Gulf Operation. It failed in its attempt to provide a real physical contribution in terms of personnel on the ground. The bill related to the United Nations Peace Keeping Operations (UNPKO) was placed in the House of Representatives and it became controversial amongst the political parties in Japan. However, at the same time it went some way towards nullifying LDP’s loss of its majority for the first time since “1955 setup” in the House of Councilors in 1989 by bringing the New *Komeito* rather provisionally into the camp of its allies. This alliance, however, had sown the seeds of the LDP split that was to lead to its downfall in August 1993.

The beginning of the coalition form of government in 1993 was a result of circumstances given above, which had been present in Japanese politics since 1955 (Stockwin, 1999: 77). The collapse of the “1955 setup” provided other political parties to unite and form the government in 1993. However, the opposition parties in 1992 started attacking LDP’s policies and factions within the LDP, and prior to the elections of 1993, separated to form new political parties. These parties emerged as the alternative to the LDP in the 1993 general elections and they have shown their strength by defeating the LDP and forming a coalition government for seven months.

⁹ The details of elections for the House of Representatives and Councilors have been tabled in appendix-VIII, pages. 284-86, 88- 89.

Coalition politics has its history in Japan, it is important to remember that although the real beginning of coalition politics was in the year 1993, ‘coalition’ is still present in Japanese politics. Coalition government is the form of political practice in which political parties unite for a temporary period. In an election, if any political party fails to achieve even a simple majority of seats in the house as required by the law or constitution, then various parties come together to fulfill the majority in the house and work on the basis of an agreed common agenda.

In Japan, coalition politics had its beginning in the early 1920s, when most people were involved in its politics and ideology. Party leaders, well established in their constitutionally authorized position in the House of Representatives, claimed to speak for “the people” and fought back determinedly and with progressively increasing success in this period. They were able to demonstrate that the Meiji system of government could not operate smoothly within a considerable period without the positive support of a working majority in the House of Representatives. By 1924, they began to speak of a ‘true Parliamentary Government’ as having almost been achieved in Japan. The year 1924 is still referred to as a climax to the long struggle amongst authoritarian forces and that had been launched even earlier than the Meiji constitution in the 19th century.

It has been mentioned in the previous pages that the general elections of 1924 for the House of Representatives were the first instance where two political parties were united to form the government. *Seiyuhonto-Seiyukai* parties were combined and they gained 47 percent of seats in the House. In the earlier elections of 1920, the *Seiyukai* was the dominant party in the House of Representatives with 60 percent seats. In 1924, the party combined due to the factional politics within and this resulted in the formation of the *Seiyuhonto*.

In this election, the second largest party was *Kenseikai* with 37 percent of seats in the House of Representatives. Kato Takaaki formed his first cabinet through a coalition of three parties; the *Kenseikai* (Constitutionalist Association), the *Seiyukai* and the *Kakushin Kurabu* (Reform Club), generated in June 1924 by a constitutionalist movement opposed to the government by the military and privileged classes. It was the first coalition form of government in Japanese political history.

After World War II, Japanese politics began with parliamentary democracy that provided freedom of political activity under its new constitution. The development of political party activities was one of the significant activities after the war. As Tetsuya (1992) perceived:

Japan's post-war politics began with five political parties. The JCP and the JSP were called the 'democratic forces' (*minshu seiryoku*) until the general strike of February 1, 1947, was put down by SCAP, at which time they acquired the label of 'radical liberal forces' (*kakushin seiryoku*)...*Seiyukai* and *Minseitō* were the major actors on the conservative side (Tetsuya, 1992: 8).

The political parties started their activities by participating in the general elections of April 1946, when the Liberal Party emerged as the largest party in the House of Representatives with 140 seats. However, it failed to repeat the same in the April 1947 general elections. These were the first elections under the new constitution. The left wing of the Japan Socialist Party managed 143 seats in the house of 466 members in the 1947 general elections. This provided a chance to the JSP that formed the coalition government with Tetsu Katayama, leader of the JSP's right wing, as Prime Minister. He managed to lead a coalition government that was dominated by the conservatives.

The situation compelled the Socialists to accept conservative policy positions or risk the collapse of the government. This, combined with the fact that Katayama was a weak and vacillating leader, had a lot to do with the government's dismal performance during its nearly ten months rule in the office. It fell in February 1948, brought down in the end by the JSP's own left wing when Suzuki Mosaburo, the leader of the party's major left faction and the chairman of the House of Representatives' Budget Committee, led his supporters in that committee to vote with the communists in defeating the government's proposed budget. After a short period of nine months, another coalition government that included the socialists, and was led by Ashida Hitoshi of the conservative group succeeded the Katayama government. Nishio Suehiro, who became vice-premier, represented the JSP's right wing. Kato Kanju, an important leader in the left party, served in the cabinet as the labor minister.

This government came into power at a time when the importance was shifting from political reform to economic reconstruction. The government was responsible for implementing a severe anti-inflation policy, loosening some of the anti-monopoly restrictions that had been adopted earlier in the occupation period, and of particular agony to the socialists, depriving workers in public corporations of the right to collective bargain and to strike.

The government was brought down in October 1948 by post-war Japanese first major scandal, involving alleged political payoffs by the Showa Denko Company. The fall of the Ashida government marked the end of the socialists' participation in the government. In the subsequent elections for the House of Representatives held in January 1949, the Socialists' representation was reduced from 143 to 48 seats.

This election was followed by a "reconstruction congress" that became the setting for a fierce ideological debate between the right wing leader and former Education Minister Morito Tatsuo and the left's Inamura Junzo (Curtis, 1988: 11). Yoshida's Democratic Liberal Party registered a stunning victory in the January 1949 lower house elections. He invited the Democratic Party to join his cabinet.

In the year 1949, many political events occurred. The JSP split in January and again reunified in April 1950. However, it was not a major change for the JSP since it again split into right and left wings in 1951. The Yoshida cabinet resigned in 1953 when it faced the no-confidence motion in the lower house. Political changes occurred after many year in the 1983, elections for the House of Councilors and House of Representatives were held in June and December correspondingly.

The House of Councilors elections went in favor of the LDP where it scored 68 seats. The support for the JSP was relatively half of that of the LDP and it came close to losing its relevance of being the main opposition force. However, the LDP failed to get majority in the House of Representatives for the formation of the government.

Mean while, the LDP approached the New Liberal Club (NLC, formed in 1976 as LDP faction, however merged again in 1986 with LDP) for alliance and managed 267 seats to achieve the majority in the house and the JSP improved its tally from

the previous elections, achieving 112 seats as the main opposition. This was the first time that the LDP had drawn up a formal policy accord with another party and entered into an actual coalition since the party founded in 1955.

COALITION IN 1993: THE OPPOSITION OBTAINS POWER

Election results of the House of Representatives in 1993 provided once again an opportunity to the opposition parties to come together in August. In the elections, the LDP failed to secure its majority, bringing the curtain down on thirty-eight years of one party rule. The new government formed, was the coalition of eight political parties (one tiny party Democratic Reform League, *Minkairen* in the House of Councilors) led by Prime Minister Hosokawa Morihiro of Japan New Party (JNP, *Nihon Shinto*) (Stockwin, 1999: 81).

TABLE 2: THE HOUSE OF REPRESENTATIVES ELECTION RESULTS, 1993

Parties	Seats	Percentage of Votes
The LDP	223	36.6
The JSP	70	15.4
The DSP	15	3.5
The JCP	15	7.7
The Komeito	51	8.1
The Shinseito	55	10.1
The Nihon Shinto	35	8.1
The Sakigake	13	2.6
Independents and Minor Parties	34	7.8
Total	511	99.9

(The Japan Times, 20 July 1993)

Among the advanced democracies, no one party has managed to stay in power as long as the LDP has dominated the scene. The LDP has had many reasons for its longevity as well as many reasons for its collapse, which has been discussed in the previous pages. Corruption, dramatic political shifts and factional politics inside the LDP and a rigorous campaign of the opposition affected the LDP; these were the

main reasons that led to the collapse of the LDP as the single dominant party from 1955 in Japanese politics.¹⁰ The election of the 1993 was held on Sunday, 18 July and the low turnout on polling day reflected the voters' general disillusionment with the political process. The voting turnout was approximately 67 percent in this election (Inter Parliamentary Union, 1993).

In the lead to the elections, a television program had focused on the possibility of a non-LDP government to the extent that they were criticized for displaying bias. The new parties; the Japan New Party (JNP), the Japan Renewal Party (JRP, *Shinseito*) and the New Party *Sakigake* (*Shinto Sakigake*) were gaining popularity even before the elections were held. Voter alienation from politics resulted at the low turnout at the 1993 election (Ishikawa, 1997: 32).

The election results were not in favor of the LDP and other newborn parties managed to acquire the maximum number of seats that helped them to form the coalition government. This result was a new experience for the Japanese people, that is be too familiar with a non-LDP government in 1993, this new government brought about many of the political reforms. The LDP however, later headed in 1994 to form the coalition government on its own and since then the real experience of coalition politics in Japan was instigated.

Having kicked the LDP rascals out after thirty-eight years, a great deal was expected of the new government. An ambitious programme was announced which included reform of the lower house electoral system, anti-corruption legislation, substantial deregulation of industry...and the devolution of some central government function to local authorities (Neary, 2002: 8).

Being faced with internal strife occasionally and a power struggle with the opposition, the LDP had managed to hold on to power since 1955 and pave the way for Japanese prosperity. Ironically, the epicenter of the first change of the ruling party in Japan in thirty-eight years laid not in the opposition parties that had been in continuous conflict with the LDP, instead within the LDP itself. The starting point of the situation that was to unfold, came in October 1992, with a split in the *Keiseikai* (Association of Businessmen and Politicians), the LDP faction that had dominated the party.

¹⁰ Details have been discussed in chapter 3 of this thesis.

The former Prime Minister Takeshita Noboru formed the *Keiseikai*. Its chairman and deputy chairman were Kanemaru Shin and Ozawa Ichiro respectively. In August 1992, it was revealed that Kanemaru had received ¥500 million in illicit contribution from the Tokyo Sagawa *Kyubin* truck company. Kanemaru was forced to step down from his post of Vice President of the LDP and in October 1992, he resigned as a member of the Diet. In the wake of this scandal, there was an outbreak of criticism against Ozawa, who was dependent on Kanemaru and pulled the strings in the party. A fierce internal battle between the Ozawa supporters and opponents took place over the selection of Kanemaru's successor. After the anti-Ozawa forces succeeded in getting Keizo Obuchi appointed, the next chairman of the *Keiseikai*, the pro-Ozawa forces, including Ozawa himself and Tsutomu Hata, who had been the candidates for the post, split from the *Keiseikai* and formed a group called Reform Forum 21.

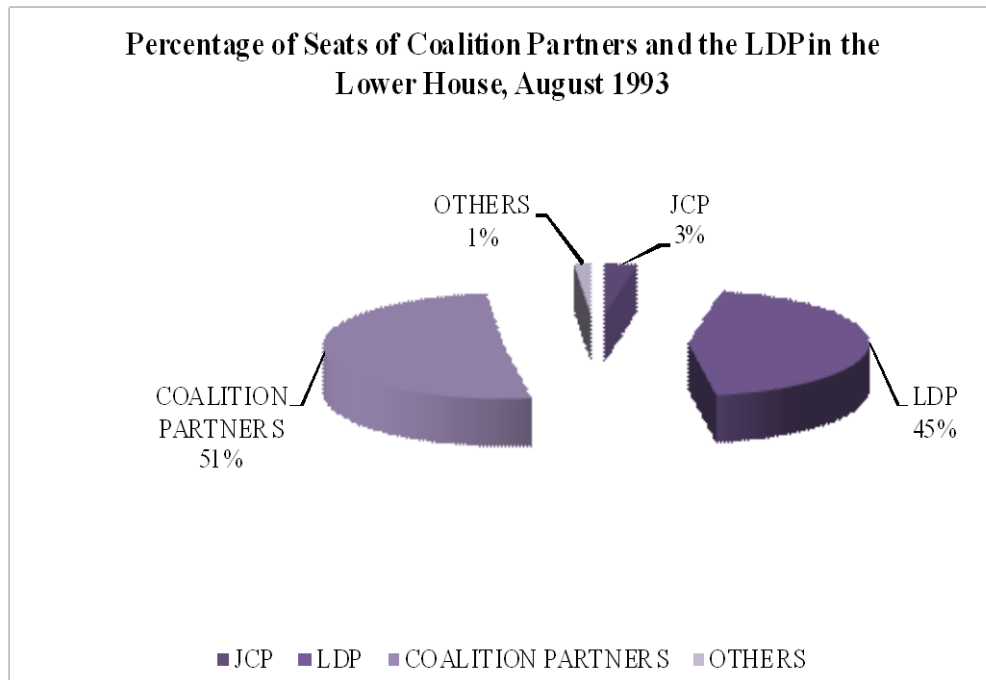
Calling themselves reformists, members of 'Reform Forum 21' pressurized Prime Minister Miyazawa Kiichi to realize the political reforms. When the Miyazawa administration failed to achieve this goal, members voted for a resolution of no confidence in the cabinet moved by the opposition in June 1993. Miyazawa resigned when the house passed the motion. Prior to the general election, 36 members of the House of Representatives and 8 members of the House of Councilors resigned from the LDP and formed the new party called the Japan Renewal Party on 23 June 1993. This rendered the LDP helpless in the House of Representatives.

In the changing political scenario on 1 July 1993, the JNP leader Morihiro Hosokawa announced that the JNP would join the New Party *Sakigake* after the election that was to be held in July (The Japan Times, 1 July 1993). The JNP joined with other parties; the Social Democratic Party of Japan (SDPJ *Shakai Minshu-to*), *Komeito* and Democratic Socialist Party (DSP) to build an alliance on 2 July 1993 when the LDP lost its majority (Narita, 1995: 12-14). The alignment of the ruling coalition and opposition has been mentioned in chart 1 on next page.

Enjoying the support of the new party from public, the JRP, *Sakigake* and the JNP increased their strength in the Diet after 18 July 1993 general elections. Although it made slight gains, the LDP failed to recover its majority in the House of Representatives. After the elections, Prime Minister Miyazawa took the responsibility for the defeat and resigned. On the following day, the JNP and

Sakigake agreed to establish a joint parliamentary group in the House of Representatives.

CHART 1: THE PERCENTAGE OF SEAT SHARING IN THE HOUSE OF REPRESENTATIVES, AUGUST 1993



Note: Chart Prepared on the basis of Election Results of 1993, Source: The Japan Times, 7 August 1993)

Within the LDP, moves to choose a successor to Miyazawa as president of the party were focused on two individuals; Michio Watanabe, leader of the Watanabe faction, who was keen to assume the post and Gotoda Masaharu, deputy Prime Minister in the Miyazawa administration. Since Gotoda was a senior proponent of political reforms within the LDP and had friendly relations with Takemura of *Sakigake*, it was widely hoped that with Gotoda as party president, the LDP would be able to form a coalition with *Sakigake* and the JNP.

However, Gotoda firmly refused to run the party because of his advanced age and Yohei Kono was selected as LDP president in competition with the Watanabe. Since it was certain that the LDP would have to join the ranks of the opposition, the party wanted to give the impression of being fresh and reborn. Soon, policy talks began in the camps of the ruling coalition and the opposition (The Japan Times, 28 July

1993). For the first time in decades, the election on Friday, 30 July, Kono as the new president of the LDP was made through fair and open election by all the Diet members and those who represented the party at the local level (The Japan Times, 01 August 1993).

Yet the LDP maintained itself as a major party in both chambers of the house, far ahead of the SDPJ and other political parties. The Diet groupings of political parties in August 1993 were dominated by the ruling coalition only in the House of Representatives. However, relative to the other parties, the LDP as opposition was strong in the House of Councilors.

TABLE 3: THE DIET GROUPINGS OF POLITICAL PARTIES IN 1993

Parties	House of Councilors	House of Representatives
The LDP	99	228
The SDPJ	73	77
The <i>Shinseito</i>	8	60
The New <i>Komeito</i>	24	52
The <i>Sakigake</i>-JNP	4	52
The DSP	11	19
The JCP	11	15
The DRP	11	—
The <i>Niin</i> Club	5	—
Independents	6	8
Total	252	511

(Source: The Japan Times, 7 August 1993)

In contrast to these trends, the LDP maintained its strength in the both chambers of the house, because the election of 1993 for the House of Representatives was held after one year of the House of Councilors elections. In 1992, while the LDP was ruling, SDPJ and other parties were in the opposition. The demand to reform the politics and economy was intensive since the last elections held in the 1990.

A good number of seats in both the chambers helped the LDP to return to the power after the ouster of Prime Minister Murayama. Of course, the LDP had played a role in appointing Murayama as Prime Minister. Later in January 1996, the LDP retained power and Ryutaro Hashimoto of the LDP was appointed as the Prime Minister with the coalition of SDPJ and *Sakigake*. The third chapters of the thesis deals with the coalition government formations since 1993, and details have been mentioned there in. After the inauguration of the Hosokawa administration, the LDP declared that it would act as a 'responsible opposition party' as it had been relegated to the opposition. Nevertheless, the LDP failed to keep its promise. Since the fall of Hosokawa and Tsutomu Hata governments, the LDP participated in the coalition formation immediately under Tomiichi Murayama (member of SDPJ) leadership.

Non-LDP Governments of 1993:

After the victory of the opposition parties in the July 1993 elections, a new seven party coalition government was formed in August, excluding the Communists and the LDP. The LDP became the opposition. The seven parties led coalition government however, never provided the stability that was fulfilled by the LDP and as a result, they lost their power within nine months of forming the government. Moreover, there was confrontation on various issues within the seven-party coalition. These circumstances of instability against smooth functioning of governments have resulted in a series of coalition governments, which began from 1993 by smaller parties together and LDP later.

Within eight months, many difficulties were experienced inside the coalition. On 14 August 1993, the support for the Prime Minister Hosokawa went up to 76 percent. This popularity rating for Hosokawa, alerted other ambitious politicians, who turned against the Prime Minister and asked the resignation based on his involvement in the corruption when he was governor of the Kumamoto prefecture during 1983-91. They waited for an appropriate time to demand the resignation from the Prime Minister. On 8 April 1994, Prime Minister Hosokawa announced that he would step down because of his past financial deals (The Daily Yomiuri, 08 April 1994). The same day the *Komeito* and *Shinseito* suggested to SDPJ that the coalition should draw a fresh policy agreement, which was denied by the SDPJ. However, it is well known that Prime Minister Hosokawa initiated many reform programs during his term to

eliminate the problems that were present since post World War-II in the Japanese political system.

A new development emerged inside the LDP. The party president Watanabe said that he would quit the party with 20 supporters and offered himself for the post of the Prime Minister. However, he gave up his idea, finding that he could not obtain as much support as he had expected in the Diet. The ruling coalition then put forward the candidature of Hata Tsutomu, leader of the JRP. Then the JRP, the JNP, the Democratic Socialist Party (DSP) and some small groups in the Diet formed a joint parliamentary group called *Kaishinto* (Reformation).

The SDPJ considered this shift as an act of treachery aimed at undermining its position as the biggest party in the ruling coalition. After it had supported the Hata government for quite some time, SDPJ decided to leave the coalition. The Hata administration was inaugurated as a minority government in April 1994 with support from a few lawmakers (Pollack, 25 April 1994). After Diet's approval of the long-delayed budget for the fiscal year 1994 in June, the LDP put forward a resolution of no confidence in the house.

The outcome of the voting depended on the support of SDPJ. While SDPJ's right wing (mainly faction) aimed for a return to the coalition, the left wing opposed the very move. Some LDP Diet members had already begun secretly to make proposals to the SDPJ's left wing about the possibility of an LDP-SDPJ alliance. This resulted in the tie up between the LDP and the SDPJ, which had been on opposite sides of the fence under the "1955 setup". This was certainly unexpected. However, from the LDP's point of view, the top priority was to return to the ruling power by any means whatsoever.

Hoping for the return of the SDPJ to the ruling coalition, Hata, who was Prime Minister for only two months, handed in the resignation of his cabinet. Later, the ruling combination began policy talks with the SDPJ. As these talks ran into difficulties, the LDP president Kono held meetings with the SDPJ chairman Murayama and announced that his party wanted to recommend Murayama as the next Prime Minister. The *Sakigake*, which had been advancing its ties with the SDPJ, also supported him.

Later, on the final day of the Diet session on 29 June 1994, the policy talks between the ruling parties and the SDPJ broke down. Murayama resolved to run for the Prime Minister post and after the general meeting of the LDP Diet members of both houses, Kono announced that “bearing the unbearable, we have decided to designate Murayama, the chairman of the second largest party, as our candidate for prime minister in order to fulfill our responsibilities as the largest party.”

By contrast, the ruling parties agreed to cast their votes for former Prime Minister Toshiki Kaifu, who was pushed by a few LDP Diet members who opposed the LDP-SDPJ administration. In a run-off ballot at a plenary session of the House of Representatives, Murayama was elected Prime Minister. A few members of both the LDP and the SDPJ voted against him, though not as many as the ruling party expected it. Then Kaifu, being annoyed, resigned from the LDP membership along with other members of the house. Consequently, the politics of the coalition in 1994 shifted towards the LDP (Curtis, 1999: 191-92).

The LDP played a long-term politics in selecting Murayama as Prime Minister. The birth of the LDP-*Sakigake*-SDPJ administration led by Murayama evoked complicated emotions among the Japanese people as they had become comfortable to the LDP and the SDPJ as they were under the “1955 setup”. The essence of the matter however, was that the LDP had achieved its goal of returning to power by taking advantage of the split in the coalition and making the surprise move of recommending the chairman of the SDPJ, and formerly the LDP’s main challenger, as its Prime Minister. The LDP had always rotated the post of Prime Minister among its own factions.

For most Japanese voters, election of Murayama was much unexpected. For four decades, until only recently, the SDPJ was the LDP’s vocal rival. As the main opposition party in a leading role it had severely attacked the governing participation of the Self Defense Force (SDF *Jieitai*) personnel in UNPKOs, national policy on nuclear power plants, and the revision of the constitution (Michitoshi, *Japan Quarterly*, October–December 1994).

In addition, just as the coalition government of the Prime Minister Hosokawa had consisted of non-LDP forces, similarly Murayama coalition was significantly made

up of forces that were present in the previous coalition. To fulfill the desire of the leaders in the coalition, Murayama allotted 13 cabinet posts to the LDP, 5 to the SDPJ and 2 posts to the *Sakigake*. The LDP president Kono was appointed deputy Prime Minister and foreign minister, and the *Sakigake* leader Takemura became the Finance Minister (Pollack, 01 July 1994).

Thus, coalition that was formed based on the unity of the opposition forces against the LDP lost power due to factional, shifting political alliances among the political leaders and ambitious politicians inside the parties. The LDP entered in the governing politics once again by supporting Murayama as Prime Minister. Since then, the coalition government is headed by the LDP with its permanent coalition partner New *Komeito*.

The shaken political system of Japan in 1993 brought political changes in the system. Political reform was the main issue in the Diet for long time since the Liberal and Democrats merger took place in 1955; however, the fundamental issues of political corruption; bureaucratic reform, campaign funding and economic recession actually received very little attention. Masataka (1993) has deliberately mentioned about the reforms in his article. He pointed on reforms measures, said:

At present stage, political reform is the principal issue facing the nation. Narrowly interpreted, this reform must eradicate corruption, but seen in a broader light. It must transcend special-interest politics altogether. The reformers may want to aim first at rooting out corruption, but because the problems we face are linked, they must not neglect an overhaul of the electoral system (Masataka, 1993: 49).

Japanese voters had expected the Diet to discuss measures to break the vicious link between money and politics, however, the debate primarily centered on the system of elections. Moreover, political reform was to create an electoral system based on single-seat districts in the year 1993.

Many reforms were begun after the occupation period, in the 1990s and during the period of coalition governments, it was intensified. In the reform process, the first reform that the government had to deal with was political reform. Political factions and scandals have been major problems in Japanese politics (Masumi, 1994: 255-62). Looking on the Japanese politics it is rather difficult to argue the LDP and its

dynamics without a thorough examination of its factional behavior. More importantly, factions play a crucial role in resolving internal party matters as for example: the selection of the party president, the appointment of cabinet ministers and the naming of important party officials. In view of the factional nature of the LDP, individual capabilities matter little in receiving key political positions. Detailed discussions of the problems in Japanese politics, economy and society have been mentioned in chapter two of the thesis.

In the first coalition government in August 1993, Prime Minister Hosokawa tried to reform the electoral system and style of the campaign in which he placed the new electoral law that was passed on 18 November 1993 in the House of Representatives (Christensen, 1996: 50-51). It was also the boldest political reform since the post-occupation period. This was the first change to an electoral system that dates back to 1925, when Japan first introduced the universal male suffrage.

Introduction of major reforms started in the year 1996, when Prime Minister Hashimoto Ryutaro tried to counter the challenges through administrative reforms for reorganizing the government ministries and the bureaucracy. The LDP, big businesses and high-level bureaucrats virtually ruled Japan from 1955 until 1993. In the mid 1980s, one out of every four LDP member was a former bureaucrat. Likewise, a vast majority of the post-war Prime Ministers were former bureaucrats. It is often contended by critics that top bureaucrats, rather than party leaders or cabinet members, actually run the government (Drucker, September- October 1998).

More than these concerns, one of the major areas in the Japanese reform program was associated with its stagnated economy in the late 1980s and in the 1990s. The most significant factor in facilitating the popular acceptance of a Liberal Democratic form of government in post-War Japan has been the dramatic expansion of the economy. The success story is well chronicled, beginning in 1952 and accelerating with the amazing rapidity after 1960. Domestic production, consumption and prosperity have boomed on a scale unprecedented, in the recent economic history of any country.

From the late 1980s, change in the world economy and the intensification of global capital and technology transfer have produced changes in Japan too. Moreover, it

was in this period that one of the longest phases of expansion in post-war Japan called the *Heisei* (era began in January 1989) boom set in. The economic boom induced by the strong Yen (JPY) bottomed out by the end of 1986 and recovery began in 1987 (Tipton, 2002: 192-94). This upswing eventually lasted for over four years before peaking in 1991. A reform measure in 1992, divided the financial sector into various public sectors, it permitted institutions to branch out into the other businesses only through subsidiaries, and stopped far short of full deregulation. Prime Minister Hashimoto had initiated several measures related to the reform of the Japanese economy in the mid of 1990s.

Reforms in Japanese politics have to be enduring and long lasting. The promises made to the public remain unfulfilled for three main reasons. One is that the kinds of policies issued by parties were highly theoretical and lacked the kind of specific measures that could be carried out after the elections. Secondly, individual candidates also made promises, which tend to be mere wish lists that avoid mentioning what resources would be needed or what specific course of action would be taken to realize them. Thirdly, the political factions in Japan have always created problems for the governments. The postal reform bill of September 2005 is an example where in the House of Councilors, even the ruling LDP members voted against the bill. The problems therefore, will not disappear until they are implemented with active interest and cooperation of the political parties.

REVIEW OF LITERATURE

Considering the above introduction and background on coalition government and political reforms in Japan, a quantity of literature is available that is partially correlated with the topic. Not abundant, but a small number of studies have been concluded on the Japanese coalition governments and its political reforms. This section reviews some of them below focusing on two major themes: coalition government and political reforms. The former theme coalition government includes (1) factors that led to the formation of coalition government (2) impact of coalition government on Japanese political system leading to: (a) destabilization of Japanese politics and (b) political reforms. The latter theme highlights the adaptation and

materialization of political reforms, which consist of electoral, funding of political parties, bureaucratic reforms and constitutional revision etc.

Otake Hideo (2000) has viewed that coalition era of the 1990s was a period of change in the party system. Many political parties appeared and disappeared from the political stage and various factions played a major role in defeating LDP in the 1993 elections. In the late 1980s, LDP's structure was that of a coalition of several parties with internal factions. Many young members of the LDP, however, began to adopt stances at variance with party policy, when they confronted such controversial issues as introduction of a new tax system.

Gerald Curtis (1999) argues that the one of the main reasons for the LDP's defeat was corruption. It was a source of repeated scandals in the pre-war period. The Recruit scandal that appeared on 18 June 1988 has changed the future of LDP in July 1993 elections. Seven parties coalition replaced LDP and formed the government. The LDP, which ruled Japan for thirty-eight years continuously, had lost in 1993 election because of its voters who had not supported its policies and hated factions and corruption present in the party. According to Otake and Curtis domestic and party issues were major factors for this political change in Japan. Curtis writes that the international environment has also played a role in changing Japanese politics in 1993, in that the LDP had maintained unity despite intense factional conflict during the Cold War era because of the deep ideological and policy differences separating it from parties in the opposition.

The above factors have transformed the political scene of Japan with the formation of coalition government in the 1990s. J. A. A. Stockwin (1999) has viewed that one of the major consequences of coalition government was the destabilization of Japanese political system in his book, *Governing Japan: Divided Politics in Major Economy*. This opinion was supported by Curtis, who viewed that the Japanese politics faced instability due to the coalition government, which comprised not only different political parties, however, the political factions and ambitious politicians too.

Yumiko Iida (2002), talked about the international changes and its impact on the politics of Japan. She said that the year 1989 saw internationally the end of the half-

century long US-Soviet bipolar system and the beginning of structural transformations in the search for a new order. The fall of the Berlin wall and the collapse of Soviet Union led many to adopt the neo-conservative euphemism of the 'end of history' and to believe that the triumph of democracy and the coming age of freedom and prosperity of the now singular capitalist world were at hand. In reality, the intensive integration of capital and technology networks across national boundaries was limited to the most advanced economies, while large part of the global economy lay outside these networks. In political terms, the doublespeak of global democracy was clearly shattered with the advent of the Persian Gulf War. In the war, the world witnessed the smooth diplomatic maneuvering by which the President of US George Bush's vision of the 'new world order' was quickly transformed into the UN multilateral expeditionary force that took up position on the frontier of Iraq. The Gulf War was a test case for the US, and the world at large, to define the new norms for international politics in the 21st century.

She later argued that the Japanese participation in the Gulf crisis was mere financial assistance of 13 billion US\$ to the UN multilateral forces and this led to the new tax imposition on the people of Japan. This financial contribution has led the debate on Article 9 that prohibited Japan, in any form of participation in any war.

The author also argued about the decline of the LDP in the early 1990s. In the pre-1990s, Japan faced severe crisis in the domestic politics, the conservatives were divided on Gulf participation issue and the corruption led the defeat of the LDP in the 1993 elections. She further says that the financially driven economic crisis in the first of the 1990s had a number of important outcomes on the domestic political front, the first of which was severely weakened power base and legitimacy of the LDP. Indeed, the LDP experienced a defeat in the fall 1993 House of Representatives elections, for the first time. The immediate cause of the defeat was a challenge posed to the core party factions by the younger generations, mostly the LDP politicians, who demanded the administrative reforms and an end to corruption.

The defeat of the conservative forces in the 1993 is vested in their policies. As the nature of political ideas, the 'conservatism' of the LDP was described by the Nathaniel B. Thayer (1976), he described the work ethics of the LDP, the factions play an important role in choosing the party leaders and as well as the prime

minister. Prior to the election of 1993, the sudden shift of LDP lawmakers to the other group of party faction also played a role in bringing the coalition government of seven parties in August 1993.

Moreover, that to the LDP conservatism, the Japanese politics after the World War II, is described by Junnosuke Masumi and Lonny E. Carlile (1995). The authors have examined the unfolding relationship between the LDP, the state, and the forces of industrialization in Japan from the 1950s through the 1980s. Masumi argues that Japanese rapid economic growth was promoted by an 'iron triangle' among three actors—the LDP, the bureaucracy, and the big business. This growth fueled the enormous social changes of the 1960s and 1970s, which in turn forced the transformation of the 'iron triangle' and the basis of party power. In the final chapter, Masumi reflects on the end of LDP rule in 1993.

However, the 'iron triangle' was successful in the 1950s and subsequently three decades, though the people's aspiration from the policies and politics of Japan was gained its maximum momentum in the 'lost decade'. In addition, the reforms emerged as the crucial issue in Japan in the late 1980s and later which is never ignored until today.

The '1955 setup' has played an important role for dominance of the LDP for almost more than three decades. Supporting this argument, Kataoka Tetsuya (1992) said that the 1955 system refers to system of party politics established in the fall of that year when the parties in (the Conservatives) and out (the Socialists) of power confronted each other. As is true of many things, Japanese in the post war period, the 1955 system carried a deep US imprint because changing Japanese political system was the highest desideratum of the US during the Occupation period.

Gerald L. Curtis (1988) explained about the factors, which were responsible for the dominance of the LDP till the late 1980s. To some extent, its strength has been a reflection on the inflexibility of the political opposition in the face of change and of the steadfast support; the party continues to receive from rural voter whose representatives are over represented in the Diet. The LDP's success in retaining the power owes a great deal to its ability for closely track the changes in its social and economic environment to adjust its policies accordingly. It has used all of the

resources at its command as Japan's only governing party to perpetuate its dominance, its ultimate control over the government budget being among the most important of these resources distribution. Popular stereotype bureaucratic dominance in Japanese policymaking notwithstanding, the LDP has energetically used the government purse to reward its supporters, to cultivate new support, and to reorder the government's policy priorities.

He further added that the spending government money to make it popular with the voters that kept it in power was not a difficult task in the 1950s and 1960s, when the economy was too strong and LDP majority was produced mainly by farmers, merchants and owners of small businesses and their employees in different prefecture of Japan. Later, in the 1980s, the LDP has become dependent on diverse constituencies for its electoral support.

Coalition for the government formation also placed in 1970s, which could not be succeeded due to ideological differences in the opposition parties. This argument was made by by Stephen Johnson (2000). He said that the enthusiasm with the DSP leadership started to call not only for electoral cooperation, though the realignment of the opposition early in 1970 caught of their most counterparts by surprise. DSP, nevertheless, preserved with its plan to encourage closer cooperation between the opposition parties, leading to announcement on 15 June 1970 by the DSP chairman, Nishimura Eiichi, of his idea to build a new democratic progressive party, comprising the DSP, JSP and New *Komeito*. Nishimura scheduled the merger to be completed by 1972 and new 'progressive joint government' to be formed three years later.

Once again, in the 1990, the opposition parties failed to grasp the opportunity to hold power. In support of this argument, Matsuzaki Minoru (*Japan Echo* 1990), wrote that much has changed in the three and half decade. However in the past three and half decade, the longest between 1955 and 1990 is that the LDP now controls only the House of Representatives, since for better or worse—the House of Councilors elections of the 1989, has provided the majority to the oppositions. It was the fact that two houses of the Diet were dominated by the opposition parties, and they had chance for new setup, though they failed.

Marking the defeat of the LDP in 1989 elections for the House of Councilors election, Masuzoe Yoichi (*Japan Echo* 1989) called it is as the end of the political era. Due to the corruption issue, which has emerged prior to the elections, the Japanese voters has shown their disregard with the ruling LDP. Supporting the Masuzoe argument, Inoki Masamichi said that the disastrous outcome of the July 1989 election have reflected as explosion of popular indignation over the consumption tax. Moreover, in supporting his argument for the LDP would hold again in the coming elections, the LDP needs its internal reforms.

J. Mark Ramseyer and Frances McCall Rosenbluth (1997) have discussed the need of electoral reforms, which is needed much prior to 1994 electoral reform bill. In the late 1980s, the talk for the electoral reforms was initiated. Both writers stated that the LDP seemed content with its ability to muddle through, albeit with perennially thin electoral margins and a constant risk of the US trade retaliation, until its loss of the House of Councilors majority in July 1989. It is ironic that a House of Councilors defeat should have been the decisive prod to action, since the house is governed by electoral rules that gives less play to the personal vote strategy needed for the House of Representatives elections.

Masuzoe (*Japan Echo* 1991) in another opinion said that the favor that the LDP in since 1990 was faced the crisis on the policy and as well as the support level. However, it has maintained the trust of the people and enjoyed the single party rule for many years. The consolidation of Japanese system of one-party dominance has been enabled by the repeated policy failures of the parties in the opposition, though it would not have come about had the Liberal Democrats been inept. LDP politicians maintained good relations with their constituencies by means of the personal support associations they have organized.

It was perceived in Japan, that the challenges are endless after the ‘bubble economy’ and corruption in politics staged along with other issues. Roger Buckley (1990) has pointed out that Japan at the end of 1990s, faced enormous crisis relating to the domestic and international issue. Those need to be discussed and solved quickly by the Japanese lawmakers. Eto Jun (*Japan Echo* 1991) writes by claiming his argument that the Japanese participation the days of gulf war has through financial support emerged in the reviewing the constitution’s Article 9.

Inside the Japanese domestic politics, the faction and its related problems, has brought a sudden blow to the LDP in the pre-1990s. Odawara Atsushi (*Japan Quarterly* 1993) said in support of his argument that factions played a major role inside the politics of LDP and this has been a major factor for the defeat of the LDP in July 1993 elections. The long presence of the factional politics in the party was very important, since the strong faction has always influenced the internal politics of the LDP by electing the party leader. He further said that the maintaining the membership of faction and swelling its rank was achieved by raising money and making it available to members. This process was apparently the cause of Kanemaru's involvement in the scandal, who was alleged that he has distributed millions of yens to the LDP contestant of his faction.

The domination of the '1955 setup' ended as it was assumed by Fukatsu Masumi (*Japan Quarterly* 1995). He said that 1955 system has created political stability, it is true, though it distorted the political structure in which the ruling LDP held semi permanent power and the rival JSP was content with the semi permanent opposition. This political structure, in place for nearly four decades without any change of ruling party, nurtured cozy relationship between the LDP, bureaucrats and big business. The 1955 system eventually became a source for corruption, as was revealed by the Lockheed, Recruit and Sagawa scandals. The end of prolonged rule of the LDP was brought about in 1993 by popular intolerance of political corruption. He argued that the political turmoil since the July 1993 represents the end of the LDP monopoly of power and Japanese politics' dynamic search for a new balance of power to replace the 1955 system.

Daniel A. Metraux (*Asian Survey*, November-December 1999) writes that Japanese party politics has experienced a considerable transformation since 1980s. The stability of so called '1955 setup' has dissolved into a very unstable multiparty framework of the 1990s in which no party had absolute majority. The consequent search for majority continued in the late 1990s. Kiyohiko Fukushima (*International Affairs*, January 1996) writes that the coalition government, which began in 1993, was the beginning of reshuffling the Japanese political arena leading to the long awaited political reforms.

The non-LDP administration came into the power in July 1993 and the Japanese politics has entered in a transition period as argued by Masuzoe Yoichi (*Japan Echo* 1993). It was a major setback for the LDP politicians who were involved in the corruption and factional politics rather than organizing the LDP for the better performance that the people of Japan desired.

The coalition government tried to reform the Japanese politics by introducing a number of reform policies and programs. The reform process of political funding and electoral system has begun in the tenure of Prime Minister Kiichi Miyazawa. The new coalition government that came into being following the July 1993 general elections, pledged to respond to the electorate demand to stem the seemingly endless tide of major scandals. The electoral reform bill was passed in 1994 by coalition government led by Prime Minister Morihiro Hosokawa.

The electoral law was last adopted in the year 1925, when the medium sized constituency system was introduced. Prior to it in 1889, the electoral law was modeled on the English and German laws. Later, the government in the Meiji period has revised the electoral law in 1900. In the continuation of this electoral law revision, Haruhiro Fukui (1988) said that the year 1900 law retained the popularity formula and the single ballot ruled out, nonetheless, introduced a highly complex constituencies electing variable number of representatives. This has setup a norm for the 1925 electoral system, which continued until the electoral reforms took place in 1994. However, in 1919 the system of single-member election system was introduced before the 1925 law. The 1925 law survived till the SCAP has forced to revise it in 1945. Then after this revision, again, the old model of 1925 was brought back after the 1947 election and it was not amended till 1994.

Albert L. Seligmann (*Asian Survey* 1997), has pointed out that on balance, it was very difficult to discuss any major influence that the new electoral system has had on Japanese political scene. There were also far less to the new electoral law than may have met the eye, many of its features favoring the status quo. However, Machidori Satoshi (2005) argues that the overhaul of Lower House in 1994 transformed the basic conditions on which LDP politics had been premised. The multi-seat constituencies were replaced by a combination of single member districts and regional proportional representation districts. In essence, factions support groups and

the bottom up approach based on specialization ceased to be useful tools in winning elections. Nevertheless, factional politics and corruption did not disappear even after adopting the new electoral laws. It is concluded by Fukatsu Masumi (1994), who said that the path towards the reform of political system might some time shrouded by the clouds of political instability however, the road ahead is actually quite promising.

Ian Neary (2002) viewed that in the year 1993, reform plan would have made political funding more transparent and redrawn constituency boundaries to eliminate imbalances, and however, it was based entirely on single member districts using a first past-the-post system. Such a system would have meant that the LDP would win 80 percent of the seats, wiping out most of the smaller parties. The opposition parties therefore, refused to consider it.

The administrative reforms have begun to counter the challenges that were present in Japan since the late 1980s. The bureaucratic reform was one of them, that was needed to be reformed since long. However, it was difficult to bring out the reforms suddenly, as it was opined by Kitaoka Shinichi (*Japan Echo* 1996). In addition, Joji Harano (*Japan Echo* 1997) in his article wrote that the period from June 1994 to January 1996, the task for reforming Japan to meet the demands of the post Cold-War world, which called for prompt action, was left unattended during the tenure of Prime Minister Murayama. The LDP president Hashimoto who succeeded him in January 1996, upon launching his new administration after the general election, declared his intension of breaking the policy logjam by undertaking simultaneous reform in six key areas; government administration, fiscal structure, economic structure, the financial system, social security and education.

In support of Joji Harano's opinion about the reforms in the Hashimoto administration, Tomohito Shinoda (2000) argued that the period of Prime Minister Hashimoto Ryutaro was a successful one in reforming the bureaucracy and economy of Japan. Sato Michio (1997) emphasized the reform of Japanese bureaucracy that became challenge for the system and which attempted in the tenure of Prime Minister Hashimoto. He further advised that a government official should be unwilling to accept the smallest gift and there is a need for correct attitudes on the part of bureaucrats. Further reforming bureaucracy was opined by Matsubara

Ryuichiro (1996), who said that the bureaucracy should articulate the concept of public interest. Sam Jameson (1997) concludes that any attempt to clean up the dust in the bureaucracy without vacuuming the rug of politics is not likely to produce a clean house. It should be noted that Hashimoto would have reformed bureaucracy properly.

Kitaoka Shinichi (1999) argues that since the end of Cold War, while major political reforms have been transforming various parts of the world, Japan has changed little; it is still unable to shed the political vestiges of the Cold War era. The future of its economy depends on the progress it can make in political change. This may be realized by transformation of the LDP occasioned either by the LDP-liberal coalition or by the advent of a *Minshuto* administration.

The coalition government led by Prime Minister Junichiro Koizumi in April 2001 was strong enough to deal with certain issues on reforms due to his strong base among the people, as Kabashima Ikuo (*Japan Echo* 2001) has pointed out. The economic reform of the recessed economy was Koizumi's priority and he has planned it properly and succeeded. Noda Takeshi (*Japan Echo* 2002) has pointed out that carrying out the reforms programs and strategies were very crucial in the Koizumi years. In the continuation of coalition government, Koizumi administration has planned to amend the 1947 constitution. Hanaoka Nobuaki (2005) said that the drive to amend the constitution has gained unprecedented momentum in Japan. He said that taken at face value, Article 9 certainly seems to prohibit Japan from maintaining any military capabilities in form of the Self Defense Force (SDF). Constitutional debate in Japan, therefore, always returns to the question of whether the SDF is in fact constitutional.

The New *Komeito*, the LDP's coalition partner, took a negative stance on the revision of constitution. The reports of the Upper and Lower House constitutional commissions are likely to take center stage when LDP, New *Komeito*, and DPJ sit down to shape amended constitution acceptable to all the three parties. Amendment of the constitution is part and parcel of Japan's ongoing efforts to forge a new national image for new era.

However, Nishi Osamu (2005) said, as globalization has progressed since the late twentieth century, actions by the international community, as a whole have become a far more common phenomenon. Such actions have been taken not only to tackle violations of the international order, but also to achieve goals, as protecting people from environmental destruction and alleviating poverty and the task is clear. He viewed that Japan must invent new constitutional concepts and frames the debate on the revision of Article 9 within the context to the overall makeup of a revised constitution.

Machidori Satoshi (2005) concludes that the Japanese administration has changed the shape of political leadership through the working of two sets of reform that were adopted in the 1990s; the overhaul of the electoral system enacted in 1994 and the administrative reforms adopted during the 1996-98, when Hashimoto was the Prime Minister. In short, these changes involve the establishment of a leading position for the executive, consisting of the line from prime ministers through the cabinet ministers. Coalition governments and political reforms in Japan are linked to each other. In the sense, the problems, which are fraught with the Japanese politics, need to be reassured. In the continuation, Alisa Gaunder (2007) agreed that the reforms in Japan is really a matter of leadership that helps in making the better policies and bear the responsibility of the people. Only few Prime Ministers in Japan have been succeeded in fulfilling the requirements of Japan since 1990 by their policies and, however, few of them failed.

The review of literature has touched the thematic presentation of the title of the research work for thesis and provided some argument in the support of the work, though not fully, because shortage of intensive works on Japanese coalition politics.

RESEARCH QUESTIONS

The study intends to raise and answer the various research questions. Like, what are the challenges bothering the Japanese politics periodically. The main reasons for the formation of coalition government since 1990, how the challenges have compelled coalition governments to address the same seriously, are the ongoing political reforms enough to lend stability to Japanese politics and what will be the nature of

future Japanese party politics mainly focusing on coalition politics and reform programs.

HYPOTHESES

There are some hypotheses on which the research study has been carried out. The hypotheses are—the major challenges for Japan are in the intrinsic flaws in the political and economic structures. In the days to come, the challenges and its implications might lead to the other problems like; review of article 9 and demographic changes in Japan. Only a very few parties would dominate in the elections though, many may contest in the near future and the LDP would lead the government as has been the case since 1993 with a minor exception. Junior coalition partner would likely to remain junior even if the coalition combination changes, the only strong opposition party that may emerge in the future would be the DPJ.

Chapter 2

THE CHALLENGES AND DETERMINANTS OF JAPANESE POLITICS SINCE 1990

Reforms become indispensable when uncertainty begins after definite norms are ignored, this happened to Japanese politics in the 1980s, when the LDP failed to implement various policies and reforms, which became inevitable. Various problems that were closely coupled with the Japanese political system created obstacles for its smooth functioning in the early 1990s. Japan has never experienced such dramatic changes in the past thirty-five years when changes in its politics and economy emerged as a drawback for its system and affected society largely. The sustenance of 'iron triangle' was losing its existence by the newer developments in the domestic as well as in the international politics and the people's aspiration to change the old-fashioned politics and the demands for the reforms has begun in the late 1980s. It is a well-known fact that the internal and the external environment present in the political system can influence it in its better as well as in its worst form. These environments both good and bad come up with new outcomes to the political system¹¹, which are directly allied with and responsible for public interest. Policies for public interest might survive for as long as it may; and the unsuccessful policies need to be reformed by governmental policies and the political system.

Japanese politics was totally dominated by the LDP and its policies until it faced problem in the late 1970s and lost permanently in 1993. The performance by the Japanese ruling party in the mid 1970s was undesirable when the LDP received fewer seats in the House of Representatives elections of 1976 and in the year 1979.¹² In February 1976, a sub-committee of the US Senate Foreign Relation Committee heard the evidence from the Deputy President of the Lockheed Corporation that several million dollars were made available to the unnamed politicians through bribes in Japan and elsewhere, in order to influence aircraft contracts (Stockwin,

¹¹ The system theory in politics is properly defined by Gabriel Almond and G. B. Powell in their writing—*Comparative Politics: A Development Approach* (1966) and presented a model (please see appendix- IX p. 295) for details.

¹² The election results of 1976 and 1979 is been listed in appendix V, p. 284.

199: 57). This caused a major factor for the defeat of the LDP in the election, and the 'Lockheed scandal' came to dominate the country's politics for a long period. In the general election in December 1976, the LDP performance since its formation in 1955 was poor. Prior to that in June 1976, a party called the NLC based on factions, was formed by the defectors of the LDP. This also played a role in the weak performance in the elections. Takeo Miki resigned after elections, and Takeo Fukuda was appointed the new prime minister (Perez, 1998: 164-70).

The government headed by Prime Minister Fukuda began to feel the loss of LDP's dominance in Japanese politics and control over parliamentary committees when the party was forced to incorporate tax reduction into its 1977 budget. In domestic politics, the LDP faced problems in the same way as it happened to the opposition party. In 1977, the Social Democratic League (SDL *Shaminren*) was formed from the fragment of JSP, headed by Eda Saburo, who died shortly after the party was formed. In the 1970s, there was a better chance for the JSP to unite opposition parties to challenge the LDP. It was a protest against the continued influence of Marxists within the party that led to the formation of *Shaminren*. The other parties in the opposition did not perform better even after the LDP was ignored by voters.

However, by the end of the decade it became clear that the informal power structures within the LDP were facing serious instability. The problem was related to the 1972 incident when Tanaka Kakuei was appointed as the Prime Minister and his term was changed by Masayoshi Ohira of the LDP in December 1978. This made the relations between the intra-party factions tense (Stockwin, 1999: 59). Ohira in fact turned out to be a pioneering and active Prime Minister and a number of policies were subsequently taken up in the 1980s by Yasuhiro Nakasone. It was not so easy with Ohira at the top position in Japanese politics. In the general elections of 1979, the LDP won only 248 seats and its performance was worse than it had been in 1976. The main reason behind the LDP won such few seats, was due to the introduction of indirect taxation. Throughout the 1980s and the 1990s, this remained as controversial issue.

After the 1979 election, the problems of selecting the Prime Minister surfaced, which Ohira was to continue with. A crisis resulted for more than forty days after the LDP put forward two candidates for the prime ministerial post. Ohira and Fukuda

were to be elected in the parliamentary election. Ohira won the contest with the backing of the LDP lawmakers. His second term continued to be plagued by the political circumstances that had led to the forty-day crisis in November and December 1979. On 16 May 1980, the JSP brought a no confidence motion in the Diet, mentioning corruption and proposing defense spending increases and rises in public utility charges as reasons why the House of Representatives withdrawn its backing from the government. Suddenly, 69 LDP members of the Diet from Fukuda Takeo, Miki Takeo and Hidenao Nakagawa factions abstained from voting on the motion. The government was defeated by 56 votes out of a total of 243, and resigned.

Neary has pointed out the problem of faction as the major cause for poor performance of the LDP in the elections. He writes:

.....after the party did marginally worse in the 1979 election than in 1976 as a result of a commitment during the campaign by Ohira about his intention to introduce the new sales tax. The party was divided after the election that it could not decide whether to propose Ohira or Fukuda as Prime Minister, so it nominated both of them. Ohira with Tanaka's backing, mustered most votes and was confirmed as Prime Minister. In May the following year, the JSP proposed a vote of no confidence in the government, the Fukuda faction refused to vote with the government and it was soundly defeated (Neary, 2002: 71).

For the first time elections for both houses of the Diet were called for in June 1980. In the elections of both the houses, the LDP gained a perfect majority. After the election of 1980 (the election results of both houses are shown in the table on next page), politics in Japan was in a muddle because of the involvement of many politicians in scandals. Having experienced a setback in the late 1980s and the early 1990s, the bureaucracy failed to check social problems causing the Japanese economy to enter into a bubble phase. After the bubble burst and recession that followed, Japan experienced a very slow recovery process through reforms. However, the current global economic meltdown has caused Japan to declare the fiscal 2009-10 as zero growth years, implying the impact of global crisis is far deeper and slower than one is generally given to understand. The economy is still facing difficulties and measures are being adapted to reform Japanese politics and the

economy (Saft, 2 September 2008). These factors not only influenced the politics of Japan, though, determined and created challenges for it.

TABLE 4: THE ELECTION RESULTS OF BOTH HOUSES IN JUNE 1980

Political Parties/ House	House of Councilors (Constituencies)			House of Representatives
	National	Prefectural	Total	
The LDP	21	48	69	284
The SDPJ	09	13	22	107
The JCP	04	03	07	29
The DSP	04	02	06	32
The NLC	00	00	00	12
The New <i>Komeito</i>	09	03	12	33
Smaller Parties	01	01	02	03
Independents	03	05	08	11
Total	50	76	126	511

(Source: About Japan Series, Foreign Press Center, Japan, 1999)

The domestic politics in the 1980s changed continuously and factional politics emerged as an important phenomenon in Japan. In February 1985, Tanaka Kakuei, appealed against the pending Lockheed verdict which had brought him down because of his involvement in the scandal in 1983. He suffered a stroke and this effectively put him out of politics. Being the leader of the largest and most powerful factions of the LDP, his retirement created a space within the party.

After a good deal of maneuvering one of Tanaka's main partners in political dealings, Takeshita Noboru, took charge of his faction, though a minority of members refused to recognize him as a leader. The weakening thus caused to the party's kingmaker faction conversely strengthened Nakasone, who became less dependent upon the former Tanaka's faction, and could make appointments with less concern for the interests and preferences of that faction. He became as popular statesman, after facing the July 1986 elections for both the houses, which were very much in favor of the LDP.

In November 1987, Nakasone stepped down as the Prime Minister because of the strong protest among the business groups in Japan against the tax reform proposal. Takeshita was appointed as the new Prime Minister on 06 November 1987, because of his hold on a strong faction within the LDP, after Tanaka's resignation in 1976. Later, in the April of 1989, the idea of a tax reform proposal was introduced with 3 percent tax burden; however, this was strongly protested by against, housewives and businessmen from small industries (Economic Eye, Spring 1989: 23-26). It was introduced on the announced date after having delayed previously, in 1987. There have been many experiments in politics in the 1990s. The LDP policies had ignored many public issues had indulged in scandals for a long time. For this, they paid seriously, by finally being out of power in 1993 (they had been in power since 1958) and entered into coalition politics.

Numerous challenges and its nature were responsible for the changing scenario of Japanese politics since 1990, the details of which are mentioned on the next page. Scandals, a bubble economy, foreign policies, electoral problems-mainly campaign style and funding of the political parties, an aging society and loss of labor, evaluating and reviewing of article 9 of the constitution and other smaller issues like unemployment¹³, security etc. are the main determinants of these changes, essential to be analyzed and solved within a time frame.

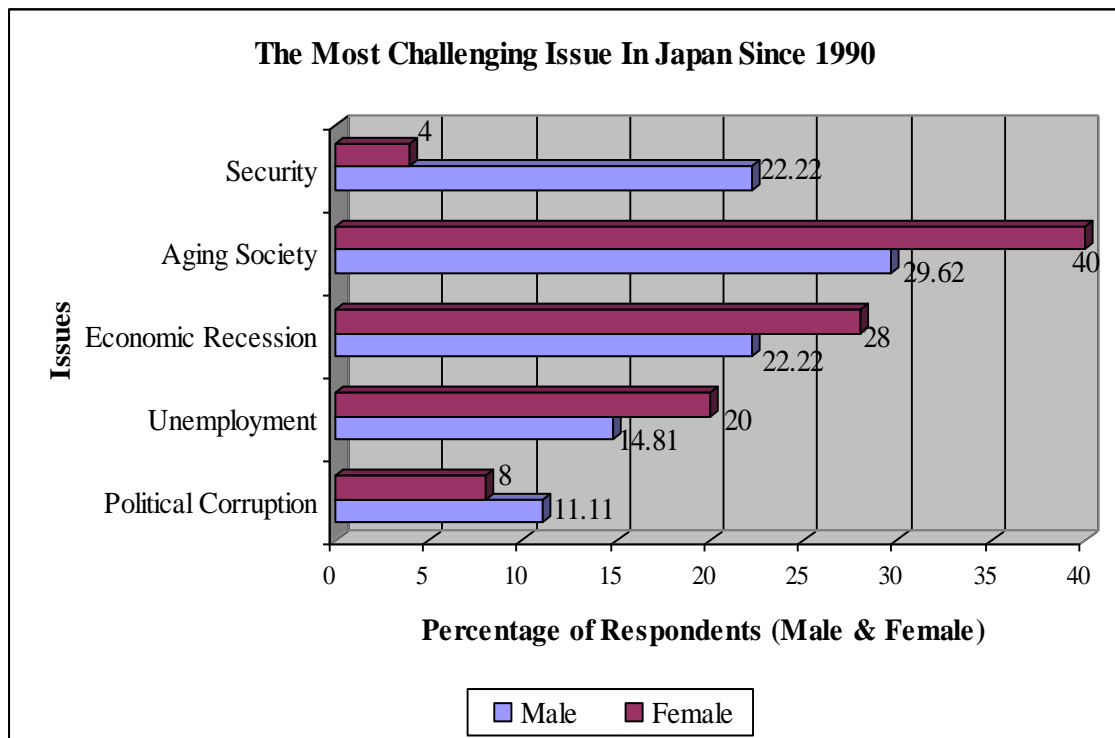
Japanese politics has often faced both several crises and challenges, domestically as well as internationally. The presence of domestic corruption, economic slowdown and its implications, social problems, unsolved issues of foreign affairs and drastic political changes along with some minor issues are the main challenges and these determined the character of Japanese politics. These challenges caused the defeat of the LDP after thirty-eight years of continuous rule and 'coalition period' since 1990s and later. Reforms were needed in the 1990, when Japan underwent in a series of crisis.

Corruption in Japan was present since long. Nevertheless, the economic crisis in Japan caused a major setback and it became a challenge in the 1990s for the

¹³ Japanese unemployment rate have been emerged as a challenge after the domestic markets entered into the recession since 1990. However, it has increased much more after the global economic meltdown and touched the unemployed figure approximately 4.4% in January 2009 (www.tradingeconomics.com/unemployment-rate.aspx?Symbol=JPY#).

government to overview the policies. In the late 1980s, sliding stock and real estate prices marked the end of the “bubble economy (*baburu keiki*)” and ushered in a decade of stagnant economic growth. Land prices in Japan increased unreasonably in certain parts because companies purchased urban land and used it as security for bank borrowing (Shiratsuka, 2003: 2-3). Due to the sudden change in the economy, the relationship between Japan and US became tense, as the US pressured Japan to open up their markets further and threatened retaliation against Japanese products in its own markets if barriers to imports into Japan remained integral. The conclusions about most challenging issue for Japanese political system have been shown in the chart below.

CHART 2: THE MOST CHALLENGING ISSUE IN JAPAN SINCE 1990



(Source: Survey conducted by the researcher in Japan in March-April 2008)

However, all these issues were hardly attended by the LDP. Only small-scale reforms were taken into account; and even they failed to bring about something advanced for Japanese politics, its economy and its society, prior to 1990s. The Researcher did a questionnaire survey on the ‘most challenging issues in Japan’ in

different parts of the country.¹⁴ At present, the aging society and the economic recession are the most problematic issues in Japan. The concern over these issues tends to be changing by nature and depends on the priority in the public sphere. The issues, which are related to Japanese politics, are persisting; the people of Japan seem to have little concern for it.

In the 1990s, it had become inevitable to understand the determinants of Japanese politics and face the challenges, which it had posed for it since 1950s. This has been discussed below.

CORRUPTION AND JAPANESE POLITICS

The Tokugawa era (1600-1868 A.D.) of Japan is considered the most remarkable period in seventeenth century. The society was under the control of Neo-Confucian (reformed) ideology. Like the primeval Confucianism, the reformed version was based on the concept of moral regulation, and on the faithfulness that governed family and other social relationships, it has been suggested that nature itself demanded an efficient rule by the “best and the brightest”; the educated, the moral and the astute. It argued that the earthly moral order was best served when “men of talent” were allowed to rise in society and government, regardless of their family and social standing (Perez, 1998: 63).

Japan was very peaceful in this period, the uneducated *samurai*, but politically influential, was the administrators, and it made great sense to educate them in Neo-Confucian principles of moral administration, to become honest and selfless. The scope for scandals (corruptions) was morally absent in the Tokugawa era, in the Meiji period, however morality started losing its ground on the stake of ‘modernity’ which seemed to be necessary in the changing world at that time. The formation of political parties and the electoral process began in this period, and in the process of industrialization, Meiji businessmen have bribed the bureaucrats and big leaders for their business growth (Perez, 1998: 103). In January 1914, one of the several spectacular political scandals in the late Meiji and pre-Taisho days occurred and it was related to the Japanese navy.

¹⁴ The data collection through questionnaire could be read out from the Appendix-XIV of this thesis, pp. 305-10.

The corrupt behavior involved complicity between several high ranking officials of the Japanese Imperial Navy (1869-1947) and the Siemens AG (founded in October 1847), German industrial conglomerates. The navy of Japan was engaged in a massive expansion program, and at the time, many major items were still being imported from Europe. Siemens AG, the German company paid approximately ¥2, 10,000 in the year 1911 and 1912 to Fuji, the navy officer in command. The issue was raised by the Diet members of the *Rikken Doshikai* party. On 24 March 1914, the Japanese Prime Minister Yamamoto Gonnohyoei resigned. However, he was not involved in the dealings, the implication of scandal and responsibilities made him do that (Sims, 2001: 107-15).

The post-war years were very difficult and the scarcity of daily necessities and material for industrial production together with a weakened government authority encouraged not only disregard of legal restrictions, though moral duties too. The disgraceful characteristic of post-war development of Japan has been the rather frequent occurrences of cases of inducement involving politicians and bureaucrats. In the days of war, the arms industry resorted to bribing all the powerful military bureaucracy, in order to stay afloat, while after the end of the war, businessmen were anxious to improve their chances by bribing officials operating under that authority of the Allied Occupation issuing licenses and providing contracts. Japanese bureaucrats were involved in these illegal acts because their purchasing power with these salaries was below their luxurious life.

Corruption was at a high due to the ascendancy of party governments and it included the misuse of political funds. Parties as well as politicians were frequently in need of funds and open to deals, which promised attractive returns, with little risk. Kyogoku analyzed the Japanese corruption as against norms and ethics. However, politicians involve themselves in the corrupt activities. He argued:

The borderline that separates contributions from bribes can be very thin, so politicians are sometimes linked to performers walking a tightrope. Sometimes they fall and are prosecuted for bribery. But no code of professional ethics has been developed in the political world that would force such individuals to be automatically expelled from the political arena. Several defendants in bribery cases have run for reelection repeatedly and have won...(Kyogoku, 1987: 227).

The description of some of the major scandals will illustrate the synergism of politics and business in an economy operating under the regulatory restraints, which had been present since Japan emerged after World War II. These scandals created losing grounds for LDP's dominance in the politics of Japan, since its setup. The appearance of the lowest support from the public was highlighted in the 1970s due to the corrupt behavior of politicians since post World War II. These were the circumstances prior to 1990 caused the LDP to be in the opposition in 1993.

Corruption Cases after World War II in Japan

Japan and its political system faced many crises in the post-war period. One of the reasons for this was the corrupt and immoral attitudes of the politicians and the bureaucrats. The corruption cases since the post-war period have been mentioned below:

Showa Denko

The first corruption case in the Japanese post-war history, which appeared in 1948, was Showa Denko, which led the resignation of Prime Minister Hitoshi Ashida in October of that year. He was affiliated to the Democratic Party and the government was in coalition with the Socialist and National Cooperative Parties. Showa Denko, a chemical enterprise was accused for bribing Prime Minister Ashida during his term when he was foreign minister in the Tetsu Katayama (from the Socialist Party in 1947) cabinet (Perez, 1993: 152). Four other politicians were also involved in this corruption; one of them was the Deputy Prime Minister Suehiro Nishio (affiliated to the JSP) in the Ashida cabinet. Thirty businessmen and politicians including Ashida and Nishio were arrested. After ten year of court trials, the Tokyo High Court found Ashida and other defendants not guilty since their action did not reflect criminal offenders. The reputation of the Japanese politicians after this case was at stake.

Ship Building Scandal

The ship building scandal, which became known in 1954, was the shipbuilding program between a certain shipping company and a certain shipbuilder. The shipbuilding companies returned between 3 to 5 percent of the price of the ship to

the shipping companies secretly, and the funds thus created were used as donations to politicians and bureaucrats who were in a position to influence the allocation of ships to be built under the new law, which had been passed by the Diet in 1954. It was stopped by the Occupation Authorities after the war. Hayato Ikeda and Eisaku Sato were among the 71 culprits who were later appointed Prime Ministers of Japan.

The office of the Tokyo public prosecutor started investigations in January 1954. The office asked the Foreign Minister Katsuo Okazaki, secretary general of the Liberal Party (LP), Sato and Ikeda and the chiefs of the political research division of the party, to appear voluntarily for questioning. Executives of Yamashita Steamship Company were arrested and officials of the Ministry of Transport investigated. In February, three shipping companies were searched and their presidents arrested.

The House of Representatives granted arrest permission to arrest Jiro Arita, Deputy Secretary General of the LP. On 19 February, Shoka Moriwaka, a financier gave a memorandum to the House of Representatives Budget Committee listing the names of politicians and government officials who had been entertained by businessmen before and after the enactment of the Shipbuilding Interest Supplement Law.

A member of the Diet belonging to the Progressive Party (which later became the Democratic Party), Yasuhiro Nakasone, alleged in the budget committee that the transport minister Ishii and Bambuko Ohno, a minister and in charge of Hokkaido Development Agency, had received money from businessmen of shipping companies. In February, Ikeda was interrogated by the prosecutor in charge of the ship building case that several politicians had been arrested in March and April. The prosecution intended to indict Sato and Ikeda under Article 197, Sub Clause 4 of the Penal Code of Japan, by a charge referring to the ‘acceptance of bribe by third party’ and to have another official perform such action.

However, Sato managed to prove that the donation from the ‘shipbuilders and ship-owners association’ was legal, and was only a donation from these associations, not a bribe. The prosecution asserted that the donations were intended to influence the revision of the Ship building Interest Supplement Law and budgetary allocations. Sato’s arrest and prosecution in the case was delayed by the Justice Minister and Director of National Police on 17 April 1956. Taketaro Ogata (the Deputy Prime

Minister) and Prime Minister Shigeru Yoshida got in the way of the arrest and saved him. Justice Minister Inukai Takeshi resigned on 21 April after he had ordered that Sato was not to be arrested (Perez, 1993: 154). His successor, Ryogoro Kato, decided that the deferment of Sato's arrest would end with the closing of the Diet session on 19 June. However, a vote of no confidence against the government was defeated and the government managed to save the face.

Later, on the next day on 20 June, Sato was indicted for violation of the Political funds Control Law, the case was discontinued due to the general amnesty declared on the admission of Japan to the UN in December 1956 and he resigned. In this shipbuilding scandal case, over 100 people were investigated, and only four arrests were made from the Liberal Party. Sato managed to do away with the case.

The scandal has raised questions over the morality of Japanese politicians and the way of its politics began under the new constitution and electoral process. Anyhow, the Liberal Party (which merged with the Democratic Party in 1955 and the LDP came into existence) managed to keep itself working for the interest of the Japanese people, in that years to come. However, after 1955, in the elections in Japan, this scandal was an issue for voting against the party (Reed and Others, 1996: 399).

Black Mist

During the administration of Prime Minister Eisaku Sato (1964-1972) the term *kuroi kiri* (black mist) came in to vogue for shady transactions in which politicians and officials were involved. Reports published by Securities and the Exchange Commission in 1978 and 1979, stated that two American aircraft manufacturers, McDonnell-Douglas and Grumman Aircraft Engineering Corp., bought the influence of Japanese officials in the selling of their products. The office of the Tokyo public prosecutor discovered after investigations, that Nissho-Iwai, a leading trading company, had made payments to politicians in order to sell McDonnell-Douglas's F-4E Phantom Jet Fighter planes to the defense agency.

In 1965 Hachiro Kaifu, then vice-president of Nissho-Iwai, had repeatedly visited the former Prime Minister Nobusuke Kishi and the elder brother of Prime Minister Sato, to ask for his intervention in favor of McDonnell-Douglas. Through Nagaoshi

Nakamura, the chief secretary of Kishi arranged a meeting between him and the Vice President of McDonnell-Douglas at San Francisco hotel in 1965 and he was paid ¥7.2 million. The trial of Kaifu, which started in May 1979, convicted him for the violation of the Foreign Exchange Law and for perjury (false testimony in Diet). He was punished and put in jail for two years and for three years in probation (Perez, 1993: 156).

The opposition parties of Japan in 1975 were united against the LDP for its involvement in the scandal. They propagated this issue among the Japanese public. However, the idea of unity of opposition against the immoral activities of the LDP members and bureaucrats could not succeed. Only a few seats were lost by the LDP in 1976 election of the House of Representatives, and it managed to form the government.

Kokusai Denshin Denwa Kaisha (KDD)

KDD was founded in March 1953 as a data communication company and till the 1970s, KDD held a monopoly over Japanese international telecommunications. In October 1979, it appeared that KDD and Ministry of Telecommunications were involved in irregularities, two officials who had accompanied President Manabu Itano of KDD and Yoichi Sato, chief of the president's office secretariat to Moscow, were arrested at Narita Airport custom office for violating custom laws. Almost 130 items of jewelry and other articles were discovered by the custom police of airport from KDD officials. In the course of investigation, it appeared that in addition to evading ¥384 million in custom duties and commodity taxes, KDD had spent billions of yens on gifts to 190 politicians and bureaucrats, since 1975.

Two officials of the Ministry of Posts and Telecommunications were accused of taking bribes. KDD paid the expenses for a two-week trip to Italy and Spain when the officials had been sent to Europe, as members of a delegation, to attend a meeting in Geneva. Two KDD officials, who were questioned by the police on the irregularities, committed suicide. Two former KDD employees charged that the company had donated to politicians who were associated with the telecommunications department of Japan.

Three members of the LDP received ¥5 million each and two members of the JSP ¥2 million each. All five denied the allegations as did two former ministers were said to have been given ¥1 million each. No politicians were accused in connection with KDD scandal (West, 2006: 126). Not only the LDP, however, other parties in Japan along with the bureaucracy, have favored several companies illegally.

Lockheed Corruption

In a summit meeting between the Japanese Prime Minister Tanaka Kakuei and President Richard Nixon of the US was held in August 1972, it was agreed that Japan would import large numbers of Lockheed passenger jets. It was one of most infamous corruption issues in post-war Japan. An attempt was made by Lockheed Aircraft Corporation to bribe Japanese politicians in order to sponsor the sale of its wide-bodied L-1011 TriStar jet to All Nippon Airways (ANA). The accused in the scandal was Yoshio Kodama, with strong right wing connections, and working for Lockheed as a consultant since 1958. He was also involved in the sale of P-3C Orion (anti-sub marine patrol plane) to the Japanese defense agency (Time Magazine, August 1976).

Tetsuo Oba, president of ANA, negotiated with Mitsui Corporation, the mediator for Douglas Aircraft Co., on the acquisition of DC-10. In October 1969 Yoshinari Tezuka, chief of the Ministry of Transport's Aviation bureau, announced that the ministry's intention to use administrative guidance for unifying the types of aircraft used by Japan Air Lines (JAL) and ANA. A few months later, ANA constituted a committee for selecting the new aircrafts. Tokuji Wakasa, the Vice President of ANA, was appointed chairman of the committee. In February 1970, Wakasa met A. Carl Kotchian (died on 14 December 2008, New York Times), the Vice President of Lockheed, in March; Oba informed Douglas that ANA would take an option on the L-10 in September.

In May, the Minister of Transport, Tomisaburo Hashimoto hinted at a possible reorganization of Japan's airlines and announced in June that ANA would be permitted to fly international routes (which had been the exclusive domain of JAL). In 1971, Hashimoto declared that the introduction of the new wide-bodied aircraft would be postponed. The circular giving the administrative guidance for postponing

the introduction of the wide bodied jet, was officially sent by the Vice Minister of Transport Takayuki Sato and in July 1972 the Minister of Transport declared that the new jets would be introduced after 1974 (Perez, 1993: 159).

The scandal took place on 23 August 1972. Accompanied by Toshiharu Okubo, Managing Director of Marubeni Corporation, Hiyama Hiro (former Chairman of Marubeni) visited the Mejiro house of Tanaka located in North West of Tokyo. In the case, Tokyo District Court noted that Tanaka had once been asked Kazuo Ishiguro, the Managing Director of Mitsui Corporation, to recommend that ANA should purchase the McDonnell Douglas DC-10 (DC-10) airliner and had been told of the competition between Douglas and Lockheed as well as of ANA's plans to buy large size aircraft. This makes it plausible that Tanaka understood the meaning of request of Hiyama.

In the month of October, Kotchian was assured that ANA would buy the TriStar. On 29 October, Okubo contacted him and told him that TriStar would be chosen on the following day if Lockheed would pay ¥120 million. On 30 October, Kotchian handed Okubo ¥30 million in cash and ANA gave a written notice that it intended to buy the TriStar. On 6 November John W. Clutter, former representative of Lockheed in Tokyo handed ¥90 million to Okubo.

After the election for the House of Representatives in 1972, Tanaka formed his second cabinet and in January 1973, ANA and Lockheed signed a contract for the purchase of TriStar jets. Several other politicians from the LDP were paid heavy donations from ANA. The Lockheed affair first surfaced in hearings of the subcommittee on multinational enterprise of the US senate. It became known that ¥22 million had been spent by Lockheed to sell TriStar in Japan. A few days later, Henry Kissinger then Secretary of State advised the subcommittee that publication of names would destabilize a foreign government. Later, the Japanese government asked the American authorities for the information brought to light in the Senate hearings (Pharr, 1990: 40-71).

The American Department of State as well as the Securities and Exchange Commission provided information on condition that it should not be made public until the persons names therein had been indicted. Finally, the case was opened in

Japan and the Budget committee of the House of Representatives called Kenji Osano, Hiro Hayama, Hiroshi Ito, Toshiharu Okubo, Tokuji Wakasa and Naoji Watanabe to testify as witnesses. All the accused people denied any knowledge of the transactions in which they have been reported to involve. The trial charged them with perjury, after the fact had been established.

The case has twisted disorder in Japan and LDP politics. Tanaka resigned from the post of Prime Minister in November 1974 (MacDougall, 1988: 18). The same year Japan faced many challenges; the worldwide economic expansion which had started in 1970 reached its peak in 1973, when the oil crisis triggered by the oil policy of the Organization of Petroleum Exporting Countries (OPEC) led to the combination of recession and inflation. Restrictive policies implemented by the leading industrial countries depressed world trade, while oil dollars flooded the Eurodollar market and played an important role in the upward price curve, which was reinforced by the extreme liquidity.

Tanaka was caught in the problem due to his involvement in 'money politics' and on 27 July 1976 he was arrested on the violation of the Foreign Exchange Law, he was however released on bail by depositing ¥200 million in the court (Curtis, 1999: 81).

In 1976, in the wake of the Lockheed bribery scandal, a handful of younger LDP Diet members dissented and established their own party, the New Liberal Club (NLC). A decade later, it was merged with the LDP.

In October 1983, a long awaited verdict in the Lockheed case was handed down by the Tokyo District Court. As far as Tanaka was concerned, he was fined ¥500 million and sentenced to four years in prison, though the sentence was not operative, pending appeal. It has often been remarked as surprising, that Tanaka could continue to exercise crucial political influence within the LDP despite the Lockheed trial and its implications for him.

In part, this reflects the dynamics of the politics in Japan. In the political scenario of Japan, it was to become evident that after a long trial in court top politicians managed to rescue themselves (Masumi, 1989: 135). After the case of corruption, the Yomiuri conducted a survey stated, that the public support for political parties

dropped heavily because of public anger (Susumu, 1989: 52-53). Morality and politics, after the Lockheed scandal in Japan made its impact on party politics and the LDP faced a serious blow in the 1990s.

Pachinko Donation Issue

Corruption was related to a pinball business game in Japan and this appeared in the media in, the year 1989. A weekly publication from Tokyo Bungei Shunju in October 1989 drew attention to the large political donations from the National Federation of Entertainment Association, the industrial organization of Pachinko parlors to the SDPJ and its leader head Ms. Takako Doi (Sanger, 1989). A total of 60 percent machine of this pinball game was owned by both the South and North Koreans agents in Japan. The general charge was that Ms. Doi had received political donations from the Pachinko Federation along with other Socialist Party politicians in 1989, which were against the Political Control Funds Law. The Socialist Party undertook its own investigation and because of this and other independent enquiries, it was clear that from 1984 to 1987 the Federation had spent a total of about ¥150 million on political donations and the purchase of party tickets.

Additionally, the Diet members of Socialist Party had received a total of ¥802,000 from the federation. In the same period, 81 LDP members were also paid a bribe of ¥124,825,000 by the federation, and 15 members of the other parties were paid of about ¥13.8 million. Eight members of the cabinet, including Prime Minister Kaifu Toshiki received ¥4.97 million. The Communist Party of Japan was the only party, which had not received donations from Pachinko Federation.

In addition, it was appeared that five members of the New *Komeito* and the DSP had received ¥2.75 million each. On 20 October 1989 Ms. Mayumi Moriyama, the Chief Cabinet Secretary announced that seven cabinet members including Prime Minister Kaifu had received a total of ¥3,170,000 from Pachinko Industry. Nothing happened in the case, even after the investigation. However, the talk for political reforms began since then, and in 1993, the coalition government of Morihiro Hosokawa brought up the bill related to manage political donations and it was passed by the Diet.

Recruit Corruption Case

The Recruit Company was founded in 1960 by Ezoie Hiromasa for handling advertisements in the University of Tokyo (*Todai*) newspaper. Further, the Recruit Cosmos was established in 1964 when the company's business growth increased (Masumi, 1989: 135). The Recruit scandal appeared in the newspaper Asahi Shimbun on 18 June 1988. According to the report, in 1984, Vice Mayor of Kawasaki city (South of Tokyo) had purchased thirty thousand shares as unlisted stocks in the Recruit Company.

In 1987, the total sales of the Recruit group, which included 27 subsidiaries with 6,200 employees, exceeded ¥350 billion. In October 1986, Recruit Company was the main stockholder of Recruit Cosmos Co., owning 11,191,000 shares, out of which about 34 percent of the 35 million shares represented the capital of the firm. The purchase of the Recruit stock by the Vice Mayor was financed with a loan from Recruit's own financial affiliate, the First Finance Company.

When Recruit Cosmos came into public view in 1986, the Vice Mayor sold his stock, paid his loan to First Finance, and enjoyed a large profit from it. Two months before the Recruit had offered him the opportunity of buying unlisted shares in the company; the company had announced its hope of involving in a "Kawasaki Technopia" urban development project.

The scandal swept through the political world immediately. Prime Minister Takeshita, the former Prime Minister Nakasone, the Finance Minister Kiichi Miyazawa, the Secretary General Shintaro Abe of the LDP, the Chairman of Democratic Socialist Party, members of the JSP and the New *Komeito*, all received unlisted shares in Recruit Cosmos, either on their own names or in the name of their personal secretaries. In addition, Recruit had given money to Abe, Miyazawa, Nakasone and Takeshita as direct political contributions and through the purchase of hundreds of thousands of Dollars worth of tickets to fund rising parties (Williams, 1994: 45).

The offer to purchase unlisted shares in Recruit Cosmos, often with loans from the First Finance (the Recruit Financial Company) was extended to the Chairman of

Nippon Telegraph and Telephone (NTT), the President of the Nihon Keizai newspaper company, the Vice President of Yomiuri News Paper Company, a professor at Tokyo University and the Vice Ministers of Education and Labor (Sanger, 1989).

The Recruit corruption issue resulted in the indictment of twelve individuals; however, the legal process trapped only two of the Japanese politicians. One was the Chief Cabinet Secretary in the Nakasone government, who was indicted for having interceded with the Ministry of Labor to change the term of the proposed law that would have adversely affected job placements of the Recruit Co. and the other was a member of the New *Komeito*, indicted for having accepted money from the Recruit in exchange for raising critical questions on the Diet floor about the proposed legislation of the Ministry of Labor.

The Minister of Finance resigned and the former Prime Minister Nakasone, who came under particularly strong criticism due to the sale of Recruit Cosmos shares during his tenure in office, resigned from the membership of the LDP for being responsible. He retained his Diet seat however, and two years later in April 1991, after the uproar over Recruit had quieted down, he returned to the LDP and in November, he resumed his position as an advisor to the LDP.

The main political victim of the Recruit corruption case was Prime Minister Takeshita. His popularity, already battered by his decision to press on with the introduction of a 3 percent consumption tax, plummeted as the Recruit scandal widened, finally sinking into single digits. In April 1989, the records that he had received ¥151 million from Recruit Company were made public. Two weeks later, Asahi Shimbun reported that in 1987, when he was running for the LDP presidency, he had borrowed an additional ¥50 million from Recruit Company in the name of his former secretary and long time fund organizer. No longer able to witness Takeshita resigned three days after the story broke, and the former secretary committed suicide on the following day.

The Recruit case generated the public anger over political corruption that was far bigger than in any previous scandal. The people of Japan lost their faith over politics and immoral politicians; the common people, as well as the politicians, made a

strong demand for reforming Japanese politics (Seizaburo, 1989: 43). A poll by Kyodo News Service in April 1989 found that public support for the Takeshita cabinet had dropped and the rate of disapproval of the cabinet had dropped to 87.6 percent, this was a huge reprisal from the Japanese people since the post war period, for any cabinet. Even Kaifu Toshiki (1989-1990) faced the Recruit problem in his Prime Minister days.

Curtis has maintained that the corruption in Japan is unacceptable and people dislike it. He commented:

For years, Japanese has talked about having a “first rate economy and third rate politics” (*keizei ichiryu, seiji sanryu*), usually with a shrug that suggested that simply was the way the things were in Japan. As Japan emerged as one of the World’s major economic power, the belief that Japanese politics remained characterized by practices widely associated with underdeveloped countries became a source of anger and of embarrassment. The public became less willing to tolerate political corruption as an unfortunate and unpleasant but mostly unavoidable part of political life (Curtis, 1999: 76-77).

In the support of Curtis opinion, Mitchell has pointed that the recruit scandal had brought Japanese politics as its worst condition, however the effect was less. He mentioned:

...as with earlier political bribery scandals the effect of Recruit Affair quickly dissipated over the months between 1989 to 1990 elections, all but two of the sixteen candidates tainted by corruption were reelected, with the victorious candidates claiming that the elections restored their public reputations..(Mitchell, 1996: 126).

Corruption Cases of 1990s

Political corruptions remained in focus for a long time due to excessive nexus between business and politics, whereas politics depended on business’ donations as cost of winning elections remained very high. It took place also due to the involvement of politicians and bureaucrats, who were dissipated and wanted to make money in short period in politics to enjoy status within society in Japan. In the 1990s, the politics of Japan was rocked by new scandals. The cases, which surfaced in Japan, were mainly related to the misuse state and political funds.

In Japan, political parties and mainly the LDP were involved in most corruption cases. Since the “1955 setup”, the LDP was the only ruling party for thirty-eight years. The involvement of LDP members in the scandals is closely linked to their power hunger politics. The reason was that the electoral system in Japan had continued prior to World War II and it was revised in 1993.

In the elections for the Diet, voters used to elect one member out of 4-5 nominated for the elections. Under the Multi Members Districts (MMDs), each voter has voted based on Single Non-Transferable Votes (SNTV) to elect one representative from one district. Unable to rely on a party label to get votes, the LDP members always tried maintain their personal assets, for the elections. One consequence of this personal vote strategy was to rely on the head of the faction for party support, financial help and cabinet posts and another consequence was campaign expenses that were out of all proportion to what most parliamentary systems experienced (Cox and Thies, 1998: 267-91).

This attitude of the candidates got them involved in corruption and scandals. Candidates and chief politicians along with the involvement of bureaucracy were used to getting funding from the businessmen. In 1987, a group of parliamentarians belonging to the ruling LDP, estimated that annual expenses for ten newly elected members of the Diet averaged ¥120 million each. This figure, which included expenses for the staff and constituent services in the home district of member, including that of local supporters, was less than the average of the Diet members as a whole, since long-term incumbents tended to incur higher expenses.

Yet in the late 1980s, the government provided each Diet member with only ¥20 million for annual operating expenses, leaving ¥100 million to be obtained through private contributions, heads of political party factions, or other means. After revelations of corrupt activities forced the resignation of Prime Minister Tanaka Kakuei, who was involved in money politics in 1974, the Political Funds Control Law of 1948 was amended to establish the upper limit for contributions from corporations, other organizations, and individuals.

Proposals for system reform in the early 1990s included compulsory full disclosure of campaign funding, more generous public allowances for Diet members to reduce

their reliance on under-the-table contributions, and stricter penalties for violators, including lengthy periods of being barred from running for the public office. It was that the MMDs made election campaigning more expensive because party members from the same district had to compete among themselves for the votes of the same constituents.

In the electoral process, it was assumed that the smaller size of single-seat districts would also reduce the expense of staff, offices, and constituent services. Gerald Curtis however, has argued that the creation of single-seat constituencies would virtually eliminate the smaller opposition parties and would either create a two-party system or give the LDP an even greater majority in the House of Representatives, than it enjoyed under the multiple-seat system.

In 1993-94, after the LDP was out of power, the electoral law reform bill was passed and funding was fixed for parties and members. Prime Minister Hosokawa and his cabinet therefore embarked upon the controversial path of public funding of elections and this came to be embodied in the revised legal structure. The amount of money needed to finance public funding of elections was calculated based on ¥250 per head of population per annum and in 1994, funding slightly exceeded ¥30 Billion.

The electoral reform regarding political funding has been detailed in chapter four of this thesis. Funding political organizations could not end easily even after passing the 'fund control law' to control corruption. Many cases became visible even though the electoral law was revised.

Kyowa Corruption Case

Kyowa Co., a steel manufacturing company, which became the victim of the collapse of the bubble economy; in its attempt to expand its business, Kyowa Co. spent large sums in order to influence politicians it was a typical case of bribery (Reed and Others, 1996: 403). Fumio Abe, a former aide to Prime Minister Kiichi Miyazawa and the State Minister in charge of the Hokkaido and Okinawa development agencies was arrested and indicted for bribery in February 1992 (Sterngold, 1992).

Abe was charged with having accepted ¥50 million from Kyowa for information on highway projects in Hokkaido prefecture. Goro Moriguchi, former President of the Kyowa Company, pleaded guilty of having paid to Abe ¥90 million in bribes. The former Prime Minister Zenko Suzuki (1980-1982) was allegedly given ¥100 million for his agreement to become honorary chairman of a golf club, which Kyowa intended to organize.

Another politician implicated in the Kyowa affair was Jun Shiozaki, also a member of the Miyazawa faction and the former director general of the Management and Coordination Agency, who received ¥120 million from Kyowa to buy a plot of land from the company. Amid accusations of corruption, Abe resigned in December 1991. He was arrested in January 1992 and in May 1994, sentenced to two years imprisonment.

Sagawa Kyubin Case

The Sagawa Kyubin (trucking company founded in 1961 by Hiroyasu Watanabe) scandal was linked with the largest trucking company of Japan; it comprised twelve regional companies of which Tokyo Sagawa was the core member firm. The former President of the firm, Hiroyasu Watanabe, who died on 31 January 2004 and former executive Jun Saotome borrowed from banks and other financial institutions, the guaranteed loan thus raised a total of ¥528 billion (Sterngold, 12 September 1992). They channeled these funds to 58 companies and 26 individuals. Some of the companies were not eligible for bank loans, other were dummy corporations setup to circumvent the ban of the organization. Tokyo Sagawa Kyubin donated about 130 members of the Diet (Williams, 1994: 32).

According to a TV news report based on the statements of Hiroyasu Watanabe to the prosecutors, 12 politicians received more than ¥2 billion in 1989 and 1991. Kanemaru Shin, Vice President of the LDP, head of the Takeshita faction and chief power broker, admitted to receiving ¥500 million as an undisclosed political donation from Watanabe. Other recipients included former Prime Ministers Takeshita, Nakasone and Sosuke Uno. The reports also stated that the former head of an opposition party was given ¥200 million; a former cabinet member and a former head of an LDP faction with each given ¥30 million.

Another person who suffered because of the corruption was Kiyoshi Kaneko, who was forced to resign as governor of the Niigata Prefecture. He had received ¥100 million in secret donations from Kyubin for his gubernatorial campaign in 1989. After the scandal appeared in the newspaper, Kanemaru tendered his resignation as Vice President of the LDP and offered to quit as head of the Takeshita faction (Clark, 6 July 1993).

The charges of corruption were only brought to those who had served his period at the time of the scandal according to the Japanese Bribery Law. Some of them who had been paid by the Kyubin were arrested. Watanabe and Saotome were arrested on suspicion of a breach of trust. Yet, Kanemaru refused to appear before the court. The factional nature of Japanese politics paved the way to dilute the corruption charges. As Atsushi talked about the factional influence on the corruption case, he said:

When Kanemaru scandal broke, the LDP old guard and particularly Keisei-kai members rallied around to protect Kanemaru. Even politicians from the opposition parties were slow to react to the scandalous revelations of influence-buying and questionable connections with gangsters. Finally, the man in the government's highest executive post is prevented from exercising effective leadership for fear of retaliation by a faction (Atsushi, January-March 1993, 30).

Zenecon Case of 1993*

The Zenecon corruption case was appeared slightly before the elections for the House of Representatives in July 1993. In connection with payments to politicians by large enterprises of the building and construction industry (general contractor 'Zenecon'), the Mayor of Sendai City (Miyagi Prefecture) was arrested in 1993 (Woodall, 1996: 40-48). The scandal soon widened, involving also the governors of the Prefectures of Ibaraki and Miyagi. In October 1997, Nakamura Kishiro, the former Minister for Constructions, was convicted of corruption (Mitchell, 1996: 131).

Scandals in Japanese politics changed its nature; and, political reforms were initiated to counter this problem in future. Due to scandals and corruptions, the LDP lost its majority in the 1989 election of the House of Councilors and in 1993, in the House

* Zenecon is also written as Genecon.

of Representatives. The plan that was made during the period of the Prime Minister Takeshita in April 1989 to counter scandals was completed in the year 1993.

Corruption Cases and Japanese Politics in the 2000s

In the beginning of the 21st century, the Yoshiro Mori government was formed in April 2000 with coalition of the New *Komeito* and the NCP. In April 2001, Junichiro Koizumi was appointed the new Prime Minister with the coalition government. The tenure of Koizumi was clean; nothing has come to notice regarding his irregularities and corrupt behavior in politics.

The corruption cases that were highlighted by the Japanese media were linked with the involvement of the Diet members in the misuse of the state fund. A member of the House of Representatives, Kiyomi Tsujimoto, quit the Diet in March 2002 over a scandal involving her alleged misuse of a secretary's state-paid salary. The others were a former senior secretary to the former LDP Secretary General Koichi Kato and a former secretary to the deputy leader of the main opposition DPJ, Michihiko Kano, who had mishandled state money for personal use (Kyodo News, 15 April 2002).

In 2004, Knaju Sato of the DPJ was the Minister of Home Affairs in 1993 and the chairman of the National Public Safety Commission resigned from the Diet due to his alleged involvement in using state-paid salary for a fake secretary (Japan Times, 8 March 2004). In another corruption case, it was revealed that the former Prime Minister Hashimoto had received a payment of ¥100 million from the Japan Dental Association on 15 July 2004, after the results had been announced for the House of Councilors. The payment was allegedly made to Hashimoto prior to the 2001 House of Councilors elections; as political donations for his faction of the LDP (Kyodo News, 12 October 2004).

Political funding is a major problem, as it is illegal and a punishable offence with a fine. In 2006, the involvement of the LDP officials in 'funding' was brought to light by the Japanese electronic media. A total of 109 groups which had been approved to receive government subsidies in 2006, donated about ¥780 million to the ruling Liberal Democratic Party's fund-managing group and this was discovered by The Asahi Shimbun of Japan.

The Political Fund Control Law prohibits entities receiving government subsidies from making political contributions within a year of the subsidies being approved, in principle. Companies and organizations however, say they were exempted from that ban. Exemptions apply to subsidies for research, surveys, post-disaster recovery measures or other actions that would not normally result in favors and special interests. The Asahi Shimbun compared the 2006 political fund report filed to the government by People's Political Association (*Kokumin Seiji Kyokai*) of the LDP with records of subsidies given by government ministries to companies and organizations (The Asahi Simbun, 30 November 2004).

The report showed that many of the 109 entities that made donations within a year of being approved for subsidies were in fact, major companies in the automotive, electric power, construction and railway industries. In total, the entities gave ¥780.3 million to the LDP fund group, and in 2006, the association collected more than a quarter of the total ¥2.8 billion in donations. The 109 entities received at least ¥28 billion in subsidies from the ministries of economy and trade, environment, land, infrastructure, transport and agriculture. The subsidies were for development projects in advanced technology, to fund equipment investment for alternative energy resources, to reduce greenhouse gas emissions, barrier-free public transportation and other areas.

About 20 top contributors to the LDP association were asked about their donations. The majority of them replied that the contributions were within the legal exemption since they received subsidies for nonprofit projects. The Petroleum Association of Japan (PAJ, established in November 1955), an industry for nationwide sale and refining oil, was approved to receive about ¥4 billion in subsidies in the first half of fiscal 2006. It made political contributions totaling ¥80 million to the LDP fund-managing group. All corporate contributions to the LDP were being handled by its fund-managing entity and within the law, a party official said (Eguchi and Yotsukura, 07 January 2008).

After Koizumi, Shinzo Abe was appointed as the new Prime Minister of Japan in September 2006. The tenure of Prime Minister Abe was not impressive, and the political circumstances that surrounded him till he resigned due to illness in August

2007 were full of uncertainties. In December 2006 itself, the Japanese media had started bringing news about the scandalous nature of the Abe government.

It was brought to notice by the Japanese media that five members of Prime Minister Abe's Cabinet and two senior members of his ruling LDP had registered their fund management groups in rent-free buildings and had declared ¥680 million over five years through 2005 as the cost of running the offices. The accounting practice, which resulted partly from inadequacies in the way such groups are allowed to declare expenses in their reports to the government, expected to call for review the Political Funds Control Law, which governs accounting rules for such groups. According to the Internal Affairs and Communications Ministry, office expenses for the groups include rents, casualty insurance payments, phone bills, postal fees, maintenance and other outlays needed to maintain them. The law, however, did not require these groups to itemize the expenses in their funds reports, prompting concerns about deficiencies in the law.

Of the seven lawmakers, five were Cabinet members; the Education Minister Bunmei Ibuki, the Agriculture Minister Toshikatsu Matsuoka, the Finance Minister Koji Omi, the Internal Affairs and Communications Minister Yoshihide Suga, and the Administrative Reform Minister Yoshimi Watanabe. The other two from the LDP, Shoichi Nakagawa, chairman of the LDP Policy Research Council, and Yuya Niwa, chairman of the LDP's Executive Council resigned and were asked to explain their expenses before the fund control committee (The Japan Times, 12 January 2007).

The LDP's Nakagawa declared that he had spent about ¥286 million in the five years, the largest amount among the seven, followed by ¥227 million by the Education Minister Ibuki. Niwa of the LDP claimed that he had spent ¥110,000, the least amount among the seven indicted. An official at Nakagawa's office claimed that they declared the rents of offices other than the one at the lawmakers' building.

Meanwhile, an official at Ibuki's office had declared in his political funds report the rents of the offices in Kyoto and in Tokyo, including the costs of meetings to maintain the offices. The office of Watanabe, which had moved its political fund management group to a rent-free building in November 2005, said the expenses for

the year 2006 were likely to be reduced substantially. An official at Suga's office said most of the expenses were phone and postal outlays and denied that they included rents.

Not only the LDP members, though a member of the Democratic Party of Japan, Takeaki Matsumoto, declared about ¥18.7 million in office expenses for the fiscal 2005, despite basing his fund-management group at the rent-free building. Matsumoto's office claimed most of the expenses were rent and communication fees, including those spent at an office in his home district. Members of both the House of Councilors and the House of Representatives can have free offices in buildings across the street from the Diet in Chiyoda Ward of Tokyo. The Chief Cabinet Secretary Yasuhisa Shiozaki said that the case of Matsuoka, however, did not amount to irregular accounting. Matsuoka had disclosed his political funds reports, based on the Political Funds Control Law and had explained the use of money.

In September 2007, when Abe was about to quit from premiership, the problem of political funding emerged for a second time. The Environment Minister Ichiro Kamoshita acknowledged that an organization managing his political funds had borrowed ¥12 million from him in 1997 and it was reported that only ¥10 million had been borrowed. Making false statements in political funding reports is punishable by up to five years in prison or ¥1 million in fines. Kamoshita denied any ill intent, and Abe and other government officials rallied to his defense, although they acknowledged that they were concerned about the potential fallout (Watanabe, September 2007).

Prime Minister Abe faced serious setbacks after various scandal issues emerged within his cabinet. Abe's third agriculture minister in the past four months, Takehiko Endo, resigned on 2 September 2007 after acknowledging that a farm cooperative, which he headed, had received ¥1.15 million in government subsidies, by exaggerating weather damage to a 1999 grape harvest (The Japan Times, 3 September 2007). Abe's first agriculture minister, Toshikatsu Matsuoka, killed himself in May 2007 amid allegations that he had misused public money. Matsuoka had been scheduled to appear before a parliamentary committee on 28 May to answer questions about allegations; he had claimed the equivalent of around ¥25,

400,790 million in utility bills for member offices where such services are supplied free. He also faced allegations over other issues, among them being political contributions (Web Source, guardian.co.uk, 28 May 2007). His successor, Norihiko Akagi, too resigned in August 2007 in a separate scandal.

In September 2007, new Prime Minister Yasuo Fukuda after Abe had started negotiations with the opposition parties to fix the issues, after a series of politics and money scandals rocked the administration of the former Prime Minister Abe. The question however, remained where one is to draw the line on such accusations. Democratic Party of Japan (*Minshuto*) was the first to provide ideas and put together a bill to revise the Political Fund Control Law in 2007, even though it had been planned in July 1999 by the DPJ. The revision would make it mandatory for politicians to submit photocopies of receipts of all expenditures down to a single yen. At the time, politicians were only obliged to provide receipts for expenditures of ¥50,000 or more (Editorial, The Asahi Shimbun, 08 October 2007). Reforms related to political funding have been detailed in chapter 4 of this thesis.

The corruption case related to defense emerged in October 2007 in the premiership of Fukuda. The credibility of the nation's defense administration was at stake in the wake of a fresh scandal embroiling a former top bureaucrat of the Defense Ministry and a defense contractor. The 63 year old Moriya, who had just retired from the ministry two months earlier after having served as its administrative chieftain for four years, was under fire over his alleged dubious relations with defense equipment trader Yamada Corp (The Yomiuri Shimbun, 27 October 2007).

According to the media, he frequently played golf with a senior executive of Yamada Corp., and was wined, dined and entertained on the executive's expenses, in possible violation of the Self-Defense Forces ethics code enforced in April 2000. Another allegation was that Moriya possibly influenced the Air Self-Defense Force's (ASDF) choice of engines for the next-generation C-X (cargo transport) aircraft. The deal went to General Electric Co. of the United States. (The Japan Times, 28 October 2007).

This scandal surfaced just as Japanese national lawmakers launched crucial deliberations on a contentious government-proposed bill to extend the Maritime

Self-Defense Force's (MSDF) fuel-supply operations in the Indian Ocean, as part of Japan's contribution to the international fight against terrorism in Afghanistan, the contract ended in November 2007, though it was passed again by the Diet in January 2008 amid protest by the DPJ which has the majority in the House of Councilors (Norimitsu, 12 January 2008).

A Japanese refueling vessel and a destroyer had operated in the Indian Ocean since 2001, supplying 132 million gallons of fuel to warships from the US, the UK, Pakistan and other countries. Though the mission was not considered militarily significant, it carried political significance for a country whose military activities had been severely curtailed by its pacifist Constitution. Although, the defense scandal was not directly related to the fuel-supply operations, Moriya reigned supreme in the nation's top defense bureaucracy for many years, and was evidently in a position to oversee matters related to the MSDF's refueling mission in Afghanistan.

The corruption evolved led to a low support rate from the Japanese people at large and this affected the tenures of Abe and Fukuda. The ruling coalition faced severe crisis since Koizumi left the Prime Minister post. Abe's government faced strong public distress over the corruption cases and his way of handling government policies (People's Daily Online, 12 September 2007).

The support rate for Fukuda declined in October 2007 because defense corruption case had appeared during his tenure (Kyodo News International, 28 October 2007) and it went at the lowest level after his performance was not satisfactory in ten months that led Fukuda resign on 01 September 2008 (IHT, 01 September 2008).

In the period of Prime Minister Taro Aso since September 2008, various cases on the mishandling of political funds appeared. In an event, Transport Minister Nariyuki Nakayama was alleged for having donation from two companies in 2005 and 2006 (The Japan Times, 28 September 2008). Later, he resigned on the unexpected remarks made by him on teacher's union of Japan (NHK, 28 September 2008).

This has shocked the politics of Japan, since the issue has emerged suddenly after the new cabinet was installed. In the year 2009, on 17 January, it has been again in the news of a huge scandal in the insurance sector that rocked again the business nexus with politics (17 January 2009, Asahi News Web Source). On 24 February 2009, Diet member of the LDP, Nobuko Iwaki admitted for irregular accounting for a foundation that she headed (Japan Times, 24 February 2009). Corruption is a problem for Japan even though the laws for political funding are vigilant since about fifteen years.

It seems in the 'politics of Japan', the scandal has become unchallenged obsession even though the various measures have been adopted and law is enforced. The main challenges that need to eradicate fully with strong commitments.

BUBBLE ECONOMY

Economy is the backbone of a country. Its slowdown cannot be ignored at any cost, for too long. Japan is the second largest economy today. In the 1960s and the 1970s, in spite of its unconditional surrender to the Allied Authorities in 1945, it had become the largest growing economy in the world. In the late 1980s however, the economic progress, in comparison to the previous decades became slow.

The economy of Japan thus entered a period of major stagnation and distress in the early 1990s. In 1990, the stock market declined more than 25 percent from January to April. Then, during the spring of 1992, the stock index fell rapidly again, until by the July, the index was at its lowest point in six years at 62 percent below the record high of 1989. The recession of the Japanese economy changed the nature of domestic politics after the 1980s and in the late 1990s (Wudunn, 4 December 1998). By the end of 1993, Japan was in the midst of its worst economic downturn in at least 20 years and since then the coalition governments onwards 1993 started economic reforms to counter the economic recession and challenges (Curtis, 25 August 1993).

Four decades ago, the institutions, which have created a better economic outlook for Japan, brought Japan to the edge of an economic debacle. The changes needed to resolve the crisis would broadly affect the economy of nation, politics, finances,

foreign policy, and social life. The roots of the current depression can be found in the years between 1930 and 1945, when most of the economic structures that still dominate Japan today were created. The “1940 system” was developed as a rational way to put the economy of Japan on “wartime”, and it was successful (Noguchi, 1998: 404-07). It also proved useful after the war; the “1940 system” functioned brilliantly for many years after the Japanese surrender, helping the Japanese economy rebuild leading to years of amazing growth.

The same features that once did so much good for the economy have brought the nation to the edge of collapse. The mobilization of the war period created many practices, now regarded as distinctively Japanese, and wove them into the “1940 system”. Prior to the war, it was common for employees to move from one enterprise to another. Most industrial funding was secured through issues of stocks and bonds, and shareholders were granted a high status in corporate governance. Numerous bankruptcies brought down businesses of all types, including banks, though the government introduced no economic planning or detailed regulations.

Such a disorganized system was, poorly suited to the extreme demands of war. The solution was the creation of a new, highly centralized economy partly modeled on aspects of the German economy and Soviet Union’s pattern of economic developments. Among the changes introduced by the Japanese government were lifetime employment, seniority wage, company unions, firms that gave priority to employees over shareholders, government policies that put banks before capital markets, and the institutionalization of policy coordination between the government and corporations (Saito, 2000: 23-50).

All of these changes were made as Japan decided to lay stress on new pattern for its economic development. The new system grasped individual consumption to a minimum, channeled savings into the government and thence into favored industries, allowed banks to focus their lending on affiliated companies, coordinated business and government planning, and gave bureaucrats vast financial and economic power with limited political accountability. It also reduced the rights of shareholders in favor of the interests of banks and employees, made it harder for workers to leave big companies, and encouraged domestic cartels and international protectionism to safeguard the most important industries of Japan.

The 'reverse course' helped Japan for being concentrate on its economic policy, with help from the US. By late 1947 and early 1948, the emergence of an economic crisis in Japan, with concerns about the spread of 'communism' sparked a reconsideration of occupation policies. This period is sometimes called the 'reverse course.' In this stage of the occupation, which lasted until April 1952, the economic rehabilitation of Japan took center stage (US Department of State, 25 April 2008). The post-war economy of Japan has developed from the remnants of an industrial infrastructure that suffered widespread destruction during World War II. In 1952, at the end of the Allied Occupation, Japan had initiated its development after war, and the condition of the economy was that the per capita consumption was roughly one fifth of that of the United States.

In the following two decades, after the 1950s, Japan averaged an annual growth rate of 8 percent, enabling it to become the first country to move from maintaining its economic condition to an advanced economy in the post-war era. The reasons for this include high rates of both personal savings and private-sector facilities investment, a labor force with a strong work ethic, and an ample supply of cheap oil, innovative technology, and effective government intervention in private-sector industries (Hane, 1991: 41-45).

Japan was a major beneficiary of the swift growth attained by the post-World War economy under the principles of free trade advanced by the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT now World Trade Organization, WTO since 1995). In 1968, the Japanese economy became the world's third largest, behind that of the Union of Soviet Socialist Republic (USSR).

In December 1960, Prime Minister Ikeda Hayato announced a policy of income-doubling plans, which set a goal of 7.8 percent annual growth during the decades of the 1960s and the 1970s. Government economic planning aimed at expansion of the industrial base proved exceedingly successful, and by 1968, national income had doubled, achieving an average annual growth rate of 10 percent (Osamu, 2002: 22).

The basic economic and social plan of Prime Minister Tanaka Kakuei in February 1973 forecast continued high growth rates for the period of 1973-1977. By 1973, the domestic macroeconomic policy had resulted in a rapid increase in the money

supply, which led to extensive speculation in the real estate and domestic commodity markets. Japan was already suffering from double-digit inflation when, in October 1973, the outbreak of war in the Middle East led to an oil crisis. The costs of energy rose sharply and the exchange rate of the yen, which had not reflected its true strength, was shifted to a floating rate (Osamu, 2002: 35). The consequent recession lowered expectations of future growth, resulting in reduced private investment. Economic growth slowed from the 10 percent level to an average of 3.6 percent during the period of 1974-1979, and 4.4 percent in the decade of the 1980s.

While the oil crisis had its consequences, the major export industries of Japan maintained competitiveness by cutting costs and increasing their efficiency. Industrial energy demands were reduced and the automobile industry in particular, was able to improve its position in world markets by developing lighter and more economical vehicles. The second oil crisis of 1979 contributed to an elementary shift in industrial structure in Japan from emphasis on heavy industry to expansion of new fields, such as the VLSI¹⁵ semiconductor industry. By the late 1970s, the computer, semiconductor, and other technology and information-intensive industries had entered a period of rapid growth.

In the high growth period, exports continued to play an important role in the economic growth of Japan in the 1970s and the 1980s. However, the trade friction that accompanied Japanese growing balance of payments surplus brought increasingly strident calls for Japan to open its domestic markets and to focus more on domestic demand as a stimulates of economic growth. The strong yen and the low interest rate of years, following 1985, resulted in booms in share stocks and real estate markets, and as recently as a year or two ago the prevailing mode was one of exhilarated confidence that the economic prosperity of Japan and its position as the world largest economic power lost forever (Kazuhide, 1991: 23).

Following the 1985 Plaza Accord (meetings of finance ministers of five industrial nations at the Plaza Hotel, New York), the yen increased sharply in value, reaching

¹⁵ Very Large Scale Integration: A process for creating electronic integrated circuits.

¥120 to the US dollar in 1988, three times its value in 1971, under the fixed exchange rate system (Osamu, 2002: 46).

The rise of the yen led naturally to lower interest rates in Japan and the consequent increase in the price of Japanese export goods reduced its competitiveness in overseas markets, although government financial measures contributed to growth in domestic demand. The official discount rate, which was 5 percent at the time of the Plaza Agreement, was lowered five times to 2.5 percent by February 1987 and the yield on government bonds dropped from a high of 7.2 percent in February 1985 to a low of 3.7 percent in May 1987 (Kazuhide, 1991: 24). Three reasons can be offered for the fall in interest rates. One was the export slump and the resulting economic slowdown produced by the rise of the yen. Another was the decline in the domestic rate of inflation, a consequence of the lowering of import prices brought about by the rise of the yen and the third was the concern about possible recession because of the strong yen.

Corporate investment in Japan rose sharply in 1988 and 1989. The higher stock prices and new equity issues swiftly rose in value making them an important source of financing for corporations, while banks sought an outlet for funds in real estate developments. Corporations, in turn, used their real estate holdings as collateral for stock market speculation, which during this period resulted in a doubling in the value of land prices and a 180 percent rise in the Tokyo Nikkei stock market index.

In May 1989, the government fixed its monetary policies to suppress the rise in value of assets such as land. However, higher interest rates sent stock prices into a downward spiral. By the end of 1990, the Tokyo stock market had fallen 38 percent, wiping out ¥300 trillion (US\$2.07 trillion) in value, and land prices dropped steeply from their speculative peak. This plunge into recession is known as the ‘bursting’ of the “bubble economy”.

The term “bubble economy” came into vogue in Japan at the end of the 1980s, when the prices of Japanese land and stocks were being pushed ever higher amid a surge of speculative investments (Yasuo, 1991: 8). Since the mid of the 1980s to the 1990s, it was necessary for Japan to embark on fostering new industries that could be the leading industries in the 21st century, as well as implementing fundamental

changes in its socio-economic system. However, during that period the bubble emerged and burst, and caused serious delay in such structural changes.

A large extent of domestic demand and a sharp rise in asset prices due to the bubble allowed inefficient sectors to be preserved and permitted unprofitable investment businesses to expand. In the financial sector, a substantial rise in land prices caused an expansion of bank lending in a period when more emphasis should have been placed on financing through capital markets and securities.

Furthermore, the bursting of the bubble combined with characteristics of the financial system indigenous to Japan and a high proportion of bank lending, caused serious problems such as the problems of non-performing loans (NPLs) and firms' debts and that restrained economic activity for a long time. Proficient reallocation of resources through structural adjustments should have been realized because of risk-taking activities of various economic entities to explore business frontiers (Kingston, 2001: 43-44). However, the financial strength of banks and firms and hence their risk-taking capacity were damaged significantly. Against this background, macroeconomic policies in the 1990s had to continuously deal with downward pressure on the economy, stemming from the bursting of the bubble.

The situation caused for the bubble economy of Japan was never taken seriously. Curtis has appropriately pointed this issue by arguing with the statements:

It is hardly fashionable to say that political change was not propelled by economic concerns, and it sounds particularly counterintuitive to argue that the economy was not the major factor in the calculations of Japanese politicians in the early 1990s. After all, the economy was clearly in trouble, whereas just a few year earlier it seemed to many people, foreigners and Japanese alike, that Japan was unstoppable economic machine on the road to dominating the world economy...The public reaction to these economic developments, however, was conservative and cautious, and so, too, was the reaction of politicians. The reality was that politicians, like the voters who elected them, were uneasy about Japan's economic situation and about the government economic policies, and ambivalent about what to do in the face of the country's new and unexpected economic troubles (Curtis, 1999: 72).

The post-bubble recession continued through the mid of the 1990s. Some temporary improvement in the economic outlook was seen in 1995 and 1996, partly due to a fall in the value of the yen and an additional demand generated by the recovery efforts for the Great Hanshin-Awaji Earthquake of January 1995. In 1997, however, a variety of factors, including a rise in the consumption tax rate, a reduction in government investment activity, and the bankruptcies of major financial institutions quickly worsened the recession. Burdened with a huge volume of bad debt aggravated by still-falling land prices, financial institutions tightened their lending policies, thereby forcing companies to reduce plant and equipment investments. This, combined with falling exports caused by the Asian economic crisis, resulted in lower profits in almost all industries. Employment salaries and wages also fell, further dragging down consumer spending and in 1998, the Japanese economy suffered negative growth.

In the same year of 1998, government established a ¥60 trillion funding framework to provide the public funds necessary to promote economic recovery, and it allocated an additional ¥40 trillion for emergency measures to deal with reduced lending by financial institutions. The national budget for the fiscal 1999 included a large increase in public project spending and action, such as an increase in tax credits for new home purchases, was taken to reduce taxes. Beginning in February 1999, the Bank of Japan instituted a zero percent short-term interest rate policy to ease the money supply and in March the government poured ¥7.5 trillion in public funds into 15 major banks, which had been decided on 12 February. On 26 February 1999, the Japanese government assured Group-8 (G-8, Russia was observer then) countries about its economic recovery till 2008. However, in the G-8 Summit in Hokkaido, which was held in July 2008, Japan and other member countries only discussed environment issues along with food shortage in the world (Japan Times, 10 July 2008).

By late 1999 and the early 2000s, signs of recovery, such as increasing stock prices and revenue growth in some industries, became visible. In addition to the aforementioned government policies, other factors contributing to brightening economic prospects for Japan included a growing demand for Japanese products in

recovering economies in Asia and rapid growth in information-technology-related industries.

Despite improvement in some sectors, however, many companies still bear a heavy cost burden of surplus facilities, surplus employees, and excessive debt, so Japan in the 2000s is likely to see an unprecedented level of restructuring and merger and acquisition activity, including major mergers and alliances with foreign companies. The need to restructure to survive is forcing many companies to end traditional lifetime employment practices, and this is reflected in Japan's unemployment rate, which went from only 2.1 percent in 1990 to 4.8 percent in March 1999 and to 4.2 percent in February 2006 (Osamu, 2006: 7-10).

In addition, to deal with business trends such as deregulation and globalization, the Japanese industry is also likely to be profoundly affected in the 21st century by the aging of the Japanese society. In 1998, only 16.2 percent of the population was 65 or older; nevertheless, by 2025 this figure is expected to be about 27 percent. This means an increase in the tax and social security burden would have to be carried by workers, while at the same time, drop in savings would depress capital accumulation. It is also possible that the resulting labor shortages will be a factor limiting growth potential.

Slow growth of the economy in the late 1990s led some people to express fears about the competitive capability of Japanese industry. It is a fact that US firms now stand at the forefront of the computer software industries. Moreover, the US automobile industry has made a strong comeback. Still, technological innovation has enabled Japan to regain a strong market position in the construction of large-scale machinery, while retaining its position as a leader in the semiconductor and automobile industries.

A factor influencing the slow recovery of the Japanese economy was the sharp rise in value of the Japanese Yen, which went from ¥145 per US dollar in 1990 to an all-time high of ¥79.75 in April 1995. Although the Yen has since retreated relative to the dollar, the steep rise impelled many Japanese companies in key export industries, notably electronics and automobiles, to shift production overseas. Manufacturers of electrical products such as TVs, VCRs, and refrigerators opened assembly plants in

China, Thailand, Malaysia, and other countries in Asia, where work quality was high and labor inexpensive.

For such products, the market share of imported goods now exceeds that of the same domestic items. This process of industrial and market globalization has resulted in increases in the export of both component parts and capital financing as well as in the import of finished goods. Even strongly competitive industries such as the automobile industry are expanding production in Europe and North America. Overseas production by Japanese manufacturers accounted for 13.8 percent of total production in 1998 and this figure continues to rise, although it is still relatively small in comparison with the US ratio of approximately 30 percent, it is stronger than of any other country. Moreover, the LDP is trying to bring reform measures to tackle the economic recession.

The current world economic meltdown has caused a fresh challenge to Japanese economy. In November 2008, it was noticed that the growth for the July-September has shrank by 0.1 percent from the April-June period of 2008. The crisis in Japan has rendered rose in unemployment and would cost more even after bailout packages kept expanding in manufacturing (19 November 2008, Editorial, Japan Times). In February 2009, Japanese economy sank deeper into recession with its worst quarterly reduction since the oil crisis in the 1973, its dependence on exports and soft domestic demand dragging down as the second largest economy of the world (Yuzo, IHT, 16 February 2009).

PROBLEMS IN THE JAPANESE FOREIGN POLICY

Japan always promoted international cooperation not only in the East Asian region, though all over the world after the World War II, and consistently followed the path of a nation devoted to peace. While maintaining national security by equipping itself with the necessary minimum Self Defense Force (SDF) permissible under the Japanese constitution, and by a firm commitment to maintaining security arrangements with the US, Japan has endeavored to promote interchanges and cooperation in every area with other countries. After the war, Japan concentrated on its economic development as the sole agenda. It accommodated itself flexibly to the regional and global policies of the US, while avoiding major initiatives of its own;

and adhered to pacifist principles embodied in the 1947 constitution, referred to as the “peace constitution”.

Kawashima stated about the objectives of Japanese foreign policy. He argued:

The basic objectives of the foreign policy of Japan, like that, of any other country, is to ensure the nation’s security and property. It can be concluded that the Japan has succeeded in the pursuit of that objective for more than half a century. Since the end of the World War II, Japan somehow managed to ensure that the war, revolutions and other crises witnessed in East Asia throughout the period have not fatally damaged its own security (Kawashima, 2005: 1).

After the war, Japan adopted the Yoshida Doctrine (on the name of Prime Minister Yoshida Shigeru), and therefore opted for a limited degree remilitarization within the context of the Japan-US Security Treaty (Motto, 1991: 15). The foreign relations of Japan with other countries were “Omni Directional Diplomacy,” which was a policy of maintaining political neutrality in foreign affairs, while expanding economic relations. This policy was highly successful and allowed Japan to prosper and grow as an economic power, however it was feasible only while the country enjoyed the security and economic stability provided by its ally, the US. In 1952, Japan re-entered in the international community as an independent nation; found itself in a world of Cold War between the West and the East in which the Soviet Union (now Russia) and the US headed divergent camps after allied occupation had handed over power.

Japan and the United States

Japan signed Treaty of Peace with US in San Francisco on 8 September 1951. It was the end of the state of war between Japan and with most of the Allied powers, except the Soviet Union and China. And, the Mutual Security Assistance Pact between Japan and the US, signed in San Francisco the same day, Japan essentially became a dependent ally of the US, which continued to maintain bases and troops on Japanese soil in Okinawa Island (Ward, 1978: 188-90).

The objectives of the Japanese foreign policy during most of the early post war period were essentially to enhance economic viability and establish its credibility as

a peaceful member of the world community. National security was entrusted to the protective shield and nuclear umbrella of the US, which was permitted under the security pact that came into effect in April 1952, to deploy its forces in and about Japan. The pact provided a framework governing the use of US forces against military threats either internal or external in the region (Yutaka, 2003: 19).

Tsuneo discussed about the Japan-US relation is based on complexities and necessities. He said:

In the immediate postwar years, Japan, as a vanquished nation, was at the mercy of the United States for its domestic political reforms, economic reconstruction, and international political rehabilitation. The U.S. led occupation forces undertook sweeping political reforms in Japan, introducing the “no war” clause in the new Japanese Constitution and demobilizing all military personnel at home and abroad...Following the onset on the Cold War in Asia, with the emergence of Communist China in 1949 and the outbreak of the Korean war in 1950, the United States took advantage of its Occupation Japan to bring Tokyo into its strategic fold (Tsuneo, 2000: 178).

During the 1950s and the 1960s, foreign policy actions were guided by three basic principles: secure cooperation with the US for both security and economic reasons; promotion of a free-trade system amiable to its own economic needs; and international cooperation through the UN to which it was admitted in 1956 and other multilateral bodies. Adherence to these principles worked well and contributed to phenomenal economic recovery and growth during the first two decades, after the end of the occupation.

In the 1970s, the basic postwar principles remained the same as of that the 1960s. The so-called ‘Nixon Shock’ involving the surprise visit to China by the US President Nixon and the sudden reconciliation in Sino-American relations, also argued for a more independent Japanese foreign policy. A similar move in Sino-Japanese relations followed. Changes in the power relationships in the Asia-Pacific quadrilateral changed the Japanese stance on the People’s Republic of China (PRC), the US, and the Soviet Union, for reexamination of its policies.

Japanese foreign policy was influenced by the rise of a new post-war generation to leadership and policymaking positions. The differences in outlook between the older

leaders still in positions of power and influence and the younger generation that was replacing them complicated the formulation of the foreign policy. Under Prime Minister Yasuhiro Nakasone, a more hawkish stance on foreign policy was introduced. Japan built up a close political and military relationship with the US as part of a *de facto* international front of a number of developed and developing countries intent on checking Soviet expansion (Watanuki, 1977: 103-106).

Through the 1990s, the foreign policy choices of Japan often challenged the tendency of leadership to avoid radical shifts and to rely on incremental change. Generally supportive of close ties, including the alliance relationship with the US, Japanese leaders were well aware of strong American frustrations with Japanese economic practices and growing economic power relative to the US, in world affairs. Some optimistically predicted ‘a new global partnership’ in which the Japan and US would work together as truly equal partners in dealing with global problems (Yutaka, 2003: 23-54).

Inside Japan, both elite and popular opinion expressed growing support for a more prominent international role, proportionate to the economic power of the country, foreign assistance, trade and investment. However, the traditional post-World War II reluctance to take a greater military role in the world remained. A firm consensus continued to support the 1960’s Treaty of Mutual Cooperation and Security, along with other bilateral agreements with the US as the keystones of the security policy of Japan (Sasae, 1994: 45). Japanese officials were increasingly active in using their financial resources, seeking a greater voice in international financial and political organizations and in shaping the policies of the developed countries toward international trouble spots, especially in Asia.

Pessimists predicted that negative feelings generated by the realignment in Japan and the US economic power and persistent trade frictions would prompt Japan to strike out more on its own, without the ‘guidance’ of the US. Given the growing economic dominance of Japan in Asia, Tokyo was seen as most likely to strike out independently there first, translating its economic power into political and perhaps, eventually, military influence.

The collapse of the Soviet Union and the growing preoccupation of its former republics and the East European nations with internal political and economic problems increased the importance of economic competition, rather than military power, for Japan. These formerly communist countries anxiously looked for aid, trade, and technological benefits from the developed countries, such as Japan. The US was forced to look increasingly to Japan and others to shoulder the financial burdens entailed in the transformation of the former communist economies in Eastern Europe and other urgent international requirements that fall upon the shoulders of world leaders (Nye, Jr., Winter 1992-93: 95-115).

In 1993, the coalition government of seven parties led by Prime Minister Hosokawa Morihiro pledged to continue the policy of LDP on economic and security ties with the US. Both the countries responded to the domestic and international expectations along with the greater political and economic contributions by Japan, and of international cooperation through the UN and other international organizations for the world peace; disarmament; financial aid to developing countries; educational and technical cooperation. The mutual security treaty of 1996 improved the bilateral relations between Japan and the US (Mochizuku, 1998: 4-16). The support for the US by Japan after 9/11 was strategic centered rather than economic ties (BBC News, 19 September 2001).

In the tenure of Prime Minister Shinzo Abe, the Japan and US relations were normal and based cooperation. During his visit to the United States on 26-27 April 2007, Japanese Prime Minister Abe had wide-ranging consultations with President George W. Bush on Japan-US alliance, the situation in Iraq, the nuclear issue of North Korea. Moreover, both countries has issued a joint statement and other documents on the promotion of energy and economic and trade cooperation, environmental protection and cultural exchanges between the two nations (People's Daily Online, 30 September 2007).

Japan is keen to follow the same conventional pattern of agreements and relations with the US. The Japanese policy towards the US, under President Barack Obama administration is much closer to economic cooperation (in the phase of global economic recession after 2008) and as well as in the context of global warming

being the major concern for the world as environmental issues (Hirokawa and Sakamaki, 29 January 2009).

It could be opined that Japan-US relations in East Asia has evolved a strategic partnership in the region after the Cold War. Relationship of both the countries have influenced the bilateral ties between Japan-China and Japan-Korean relation in every aspects either it is strategic or economic cooperation.

Japan and the People's Republic of China (PRC)

Foreign relations of Japan have faced much turbulence mainly through its neighboring countries. Even while maintaining its primary relationship with the US, Japan has diversified and expanded its ties with other nations. Good relations with its neighbors continue to be of vital interest, except the relations with China and Korea, with whom Japan has disagreements on certain issues.

After the establishment of the PRC in 1949, relations with Japan changed from hostility and an absence of contact, to cordiality and extremely close cooperation in many fields. After Japan signed a peace and friendship treaty with the PRC in 1978, ties between the two countries developed rapidly (Hunt, 1996: 43). The Japanese extended significant economic assistance to the Chinese in various modernization projects.

Japan-China relations made considerable progress in the 1980s. In 1982, there was a serious political controversy over the revision of Japanese textbooks dealing with the history of imperial Japanese war against China in the 1930s and the 1940s. There is much anti-Japanese sentiment in China because of Japanese history textbooks.

This has been exacerbated by burgeoning feelings of Chinese nationalism and Prime Minister Junichiro Koizumi's visits to the Yasukuni Shrine, a Shinto shrine that honors the war dead including 14 Class A war criminals (China Daily, 08 June 2005). There also remains the dispute over the Senkaku Islands, which has resulted in a clash between Chinese protesters and the Japanese government.

Japan and Korea¹⁶

Japan's significant presence in East Asia and big economic power in the world has always supported the US in its efforts to support North Korea to abide by the nuclear Non-Proliferation Treaty¹⁷ (NPT) and its agreements with the International Atomic Energy Agency (IAEA). Even though, after the North Korea's missile tests on 31 August 1998, Japan has maintained its support for the Korean Peninsula Energy Development Organization (KEDO) and freezes the North Korea's nuclear program. Moreover, the Six Party Talks¹⁸ on nuclear program of North Korea has made very little progress until date. While North Korea agreed to perform normal relations with Japan and US (Masters, 17 December 2007).

Japan, South Korea and the US, at least at the level of governments closely coordinate and consult trilaterally on the policy toward North Korea. Japan has limited economic and commercial ties with North Korea; Japanese normalization talks halted when North Korea refused to discuss a number of issues with Japan (Song, 1995, 1095).

North Korea has refused to discuss the case of Yi Un Hee, a Korean resident of Japan whom North Korean agents had allegedly kidnapped to North Korea to teach Japanese in a school for espionage agents. For many years, the North denied the abductions, however admitted of 13 of them in 2002. In 2002 and 2004, Prime Minister Koizumi made two high-profile visits to Pyongyang to pressurize for their return (Hanson, 16 February 2004). North Korea eventually returned some of the kidnapped, claiming that the rest had died. It seems that the normal relation between Japan and North Korea would never exist; until the disputes resolved peacefully.

¹⁶ Korea is a geographical area composed of two sovereign countries situated on the Korean Peninsula in East Asia. It borders China to the west and Russia to the north, with Japan situated to the east. The Korean Peninsula is divided into two separate states, North Korea and South Korea by 38th parallel line in 1948 during Cold War.

¹⁷ North Korea ratified the NPT provisions in 1985, however withdrawn from it in January 2003.

¹⁸ Six-party talks aimed for peaceful resolution of the North Korean nuclear weapons program. The series of meetings with six participating states: the PRC; the Republic of Korea (South Korea); the Democratic People's Republic of Korea (North Korea); the US; the Russian Federation; and Japan. Five rounds of talks from year 2003 to 2007 produced small progress, when North Korea agreed to shut down its nuclear facilities in exchange for fuel aid and agreed for the normalization of relations with the Japan and US.

Japan has the normal relations with South Korea that was established based on the treaty of 1965. Tokyo and Seoul have held annual foreign ministerial conferences. The usual issues discussed have been trade, the status of the Korean minority population in Japan, the content of textbooks dealing with the relationship, the equidistant policy of Japan between Pyongyang and Seoul, and the occasional problems.

The year 2005 was designated as the 'Korea-Japan Friendship Year'. However, the *Dokdo* controversy erupted again when officials of Japanese Shimane prefecture declared 'Takeshima Day' and asserted Japanese claim over the islets (Card, Asia Times, 23 December 2005). The response in South Korea was impassioned outrage, with large demonstrations in the streets, an official 'Dokdo Song' taught to schoolchildren, and a general outpouring of anti-Japanese sentiment. One man set himself on fire in the protest, and another man and his mother cut a finger off. In the G-8 Summit 2008 of Hokkaido, Japan, it appeared that Japan and South Korea are keen to solve the issue related to Takeshima (The Japan Times, 14 July 2008). Both, Japan and Korea have long been wishes over the ownership of Takeshima, which consists of two small-uninhabited islets and plentiful of reefs covering the total area of 210,000 sq. meters.

Japan and Russia

Affairs between Russia and Japan are a continuation of the Japanese-Soviet relations. Relations between the two nations are hindered mainly by a dispute over the Kuril Islands¹⁹. In September 1992, the Russian President Boris Yeltsin postponed a scheduled visit to Japan. The visit took place in October 1993 (Binnendijk, 15 May 1992). He made no further concessions on the Northern Territories dispute over the four islands northeast of Hokkaido, which was a major obstacle to Japanese-Russian relations, however did agree to abide by the 1956 Soviet pledge to return two areas (Shikotan and the Habomai Islands) of the Northern Territories to Japan. Yeltsin also apologized repeatedly for the Soviet mistreatment of Japanese prisoners of war after World War II.

¹⁹ The disputed Kuril Islands map have been shown in the appendix XIII, p. 304.

In March 1994, the Japanese Minister of Foreign Affairs Hata Tsutomu visited Moscow and met with the Russian Minister of Foreign Affairs Andrei Kozyrev and other senior officials. The two sides agreed to seek a resolution over the longstanding Northern Territories dispute; the resolution of the dispute however, is not expected in the near future. Despite the territorial dispute, Hata offered some financial support to Russian market-oriented economic reforms. On 16 August 2006, Russian maritime authorities killed a Japanese fisherman and captured a crab fishing boat in the waters around the disputed Kuril Islands. The Russian foreign ministry has claimed that the death was an incident. The continuation of relation between Japan and Russia is based on older diplomatic pattern. Braddick has pointed out with the argument:

For Japanese diplomacy, the guiding principle on which has been seek to good relations with all other states, the Soviet Union was a partial exception. As the rising economic power, Japan was attracted by the Soviet Union's vast natural resources, but repelled by its superpower arrogance and economic inefficiency...It is in the national interests-strategic, economic and political of both Japan and Russia to improve relations. They can assist each other in many ways. In other words, there is a high cost, in terms of lost opportunities, to pay for the continuing schism (Braddick, 2000: 222-23).

After a long period, the issue of disputed Island emerged again on 18 February 2009, when Japanese Prime Minister Taro Aso being first after World War II, visited Russia's Yuzhno-Sakhalinsk in Sakhalin. However, the dispute over islands was taken into consideration in a strategic cooperation meeting with Russian President Dmitry Medvedev (The Associated Press, 18 February 2009).

Nonetheless, the problems in the relations with the Japanese neighboring countries are enduring. After the Occupation period, the foreign policy of Japan has been governed the mainly through the LDP policies. Meanwhile, the ruling LDP modified its base of political power. By the 1980s, it had markedly shifted the social composition of LDP support away from the traditional conservative reliance on business and rural groups to include every category of the electorate. This shift resulted from efforts by the LDP politicians to align various local interests in mutually advantageous arrangements in support of the LDP candidates. The LDP had brought together various candidates and their supporting interest groups and had

reached a policy consensus to pursue economic development while depending strongly on the US security umbrella (Song, 1995: 1099-1101).

In 1989, the opposition Japan Socialist Party won and was in majority in House of Councilors. Considering the House of Representatives election in 1990, the past ideological positions on the foreign policy of the Japan Socialist Party going into the House of Representatives elections in 1990, appeared to be more of liability than an asset. The party attempted to modify a number of positions that called for pushing the foreign policy to the left. At the time of the Gulf Crisis, the LDP was in dilemma whether to send troops to the Persian Gulf in 1991 and in the domestic as well as in the foreign policy this crisis emerged as the major change in Japanese politics (Motoo, 1991: 17).

Prior to the Gulf crisis, the Japanese government submitted a bill to the House of Representatives on ‘cooperation with the UN Peace Keeping Operation (UNPKO’s)’ efforts in the Middle East region. The bill was lost because of the issue of ‘carrying weapons’²⁰ to defend oneself in the Persian Gulf, and subsequently failed to pass from the Diet (The Japan Times, October 1990).

Foreign policy speeches by the Prime Minister and the Minister of Foreign Affairs were widely disseminated, and pamphlets and booklets on major foreign policy questions were issued frequently. In the 2000s, Prime Minister Koizumi of the ruling LDP tried to maintain cooperation with neighboring countries of Japan. Nevertheless, there is the need of a fresh look into the foreign policy objectives of Japan, which can deal with various unsolved issues.

Prime Minister Fukuda and his predecessor, Abe have maintained foreign relations that are based on cooperation and dialogue. Prime Minister Taro Aso being the less popular, however, showed his concerns over North Korean nuclear crisis (Japan’s Taro Aso in Washington, 25 February 2009) and strong ties with the permanent ally, US (Diet Policy Speech, Taro Aso, 28 January 2009).

²⁰ Para 2 of Article 9 of the Japanese Constitution (1947) says that use of the weapon is equivalent to war potential (see constitution in appendix-II, p. 265).

AN AGING POPULATION AND LABOR SHORTAGE

An aging population is comprised of the shift in the distribution of a country's population towards older ages. Therefore, an increase in the population's mean or median age, a decline in the fraction of the population has composed of children, or a rise in the fraction of the population that is elderly, is all aspects of an aging population. At the world level, the UN has classified that (with a population of 1.2 billion in 2005) the median age of the population rose from 29.0 percent in 1950 to 37.3 in 2000, and is forecast to rise to 45.5 by 2050. The corresponding figures for the world as a whole; are 23.9 percent for 1950, 26.8 for 2000, and 37.8 for 2050. Japan is one of the fastest aging countries in the world; in 1950, a total of 9.3 percent people were fewer than 20 for every person over 65. By 2025, this ratio is forecast to be 0.59 percent people under 20 for every person older than 65.

The aging population is positioned in two demographic phenomena: rising of life expectancy and declining fertility. An increase in longevity raises the average age of the population by raising the number of years that each person is old relative to the number of years in which he is young. A decline in fertility increases the average age of the population by changing the balance of people born recently to people born in the past. Between these two forces, it is declining fertility that is the dominant contributor to the aging population in Japan today (Cortazzi, 2002: 11-13).

Thus, it is the large decline in the total fertility rate over the last half century that is primarily responsible for the population aging that is taking place in the world's most developed countries. Many developing countries are going through faster fertility transitions, and in future they will experience even faster "population aging" than the currently developed countries in the future. In Japan, career oriented women are not getting married. They are not interested in child bearing that is making Japan less populated with significant increase in the aged population.

Since 1920, Japan had youngest population of any industrial country. According to the census of 1985, 10.3 percent people were over 65 years old in Japan. Japan faced rapid demographic transitions in the years following which was in part a result of an increase in average life expectancy, which climbed from only 50 years for men and

54 years for women in 1947, to the highest in the world in 1986 at 75.2 years for men and 80.9 for women (McCreedy, 2003: 5-7).

A second factor is in the sharp drop in the birth rate following the Japanese post-war baby boom. In 1986, Japan's birth rate fell to 1.4 births per person the lowest on record. The decline is attributable to the smaller number of women in their 20s, which is the prime childbearing age group, as well as drop in the fertility rate (the average number of birth per woman in her lifetime) from 3.7 in 1950 to less than 1.8 in 1985. Since this is below the 2.1 rate necessary for a stable population, Institute Of Population Problems of the government expects the population to begin declining in 2013 after hitting a peak of 136 million. The Institute also predicts that the persons over 65 years of age will account for 23.6 percent population in the year 2020 in Japan, making it one of the oldest in the world. The aging population of a country typically results in increased government social expenditure (Jones, 1988: 958-69).

Demographic changes have far-reaching economic effects. The growth rate of the population influences the size and structure of the labor force as well as the composition of demand for goods and services. The benefit of a more experienced work force may be more than offset by the loss of a young and vigorous labor force that is adaptable to new technology. The graying labor force is also likely to make the seniority system, under which wages increase in proportion to the length of service with a company. There will be fewer promotional opportunities, further damaging worker morale.

An aging population affects government policies on social welfare. For example, government social expenditure as a share of the gross domestic product was 17.5 percent in 1981, and it would increase in future as the aging population and would boost public pension programs. The pension program began in 1941 to provide pensions for workers in the private sector based on earnings. The national pension program was launched in Japan in 1961 to provide coverage to employees (Ezrati, 1997: 96-105). For instance, by 1984, the public pension program of Japan covered 59 million people and paid benefits to about 12 million recipients (Fukao and Inoguchi, 1985: 23).

In the late 1990s, the labor shortage in Japan emerged as the crucial issue to resolved instantly, however the efforts by the government policies was inefficient to tackle demographic changes as social challenge to Japan. Today, Japan is in the midst of a rapid demographic transition, which would make it one of most aged populated country in the world, by 2025. The aging population will have major impacts on saving rate, labor practices and the demand of government social expenditure. The table on next page is the indication of labor shortage with aging population in Japan from the late 1990s to the year 2008.

TABLE 5: AGING POPULATION IN JAPAN AND LABOR FORCE BY THE AGE GROUP, 1998-2008

<i>Years</i>		<i>Total</i>	<i>15 to 24 years old</i>	<i>25 to 34 years old</i>	<i>35 to 44 years old</i>	<i>45 to 54 years old</i>	<i>55 to 64 years old</i>	<i>65 years old or more</i>	<i>(Regrouped) 15 to 64 years old</i>
Actual Figure	1998	6793	829	1450	1306	1639	1085	485	6309
	1999	6779	788	1486	1292	1615	1105	493	6286
	2000	6766	761	1508	1296	1617	1092	493	6274
	2001	6752	731	1545	1293	1629	1062	492	6260
	2002	6689	696	1537	1305	1576	1088	487	6202
	2003	6666	670	1531	1332	1506	1140	489	6179
	2004	6642	645	1520	1348	1443	1197	490	6153
	2005	6650	635	1503	1376	1392	1240	504	6146
	2006	6657	624	1479	1409	1359	1265	521	6136
	2007	6669	610	1426	1448	1342	1293	549	6120
2008	6650	595	1389	1479	1327	1295	566	6084	

Source: Statistics Bureau, Japan, <http://www.stat.go.jp/english/data/roudou/154.htm>.

In 2007, about 11 percent of the Japanese people who were born in the 1950s and retired, were skilled laborers (The Japan Times, April 2007), no more births have taken place in Japan in the last four years. The birth rates in Japan have fallen below the natural replacement rate, which was about 2.1 children per woman in the 1970s, in the major cities, the rate is even lower, and in large portions of Tokyo, Nagoya, and Osaka, it is less than 1 percent.

The government has provided comprehensive childcare support packages for the first time with the “Angel Plan” in the fiscal 1995. Since then, various measures have been proposed; nevertheless, none of them has been able to solve the issue. It

was nearly 20 years ago that the fertility rate hit a post-war low of 1.57 and the nation was shocked. There are no signs that the declining trend will stop (The Asahi Shimbun 9 February 2007).

ARTICLE 9 OF THE CONSTITUTION

On 4 January 2007, the Japanese Prime Minister Shinzo Abe said, “sixty years passed since the enactment of the constitution, now is the time to clarify the LDP’s intention to create a new constitution for a new era”. On 13 April 2007, he intended to revise the constitution through the referendum and pass the bill after it (Japan Times, April 2007). Article 9 of the Japanese constitution not only prohibits the use of force as a means to settling international disputes, it also prohibits Japan from maintaining an armed force, a navy or an air force. Therefore, in strictly legal terms, the Self Defense Force (SDF) is not an army, a navy and an air force; it is an extension of a domestic protection force. This has had broad implications for the foreign, security and defense policy (Nakasone, 1997: 4-9).

Article 9 (Chapter 2) of the Japanese constitution²¹ denotes:

“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.”

The ruling LDP government has interpreted Article 9 as renouncing the use of warfare in international disputes, although, not the internal use of force for the purpose of maintaining law and order. The main opposition party, the Democratic Party of Japan (DPJ) tends to concur with the government’s interpretation. At the same time, both parties have advocated the revision of Article 9 by adding an extra clause explicitly authorizing the use of force for the purpose of self-defense against aggression directed against the Japanese nation. The Japan Socialist Party (JSP) had considered Japan Self Defense Forces (JSDF) as unconstitutional and advocated the

²¹ Japanese Constitution was adopted on 3 May 1947 after World War II.

full implementation of Article 9 through the demilitarization of Japan. When the party joined with the LDP to form a coalition government in 1994, it reversed its position and recognized the JSDF as a structure that was constitutional. The Japanese Communist Party (JCP) has too considered the JSDF unconstitutional and called for reorganization of the Japanese defense policy (Mayumi, 2001: 310-27).

Since the late-1990s, Article 9 has been the central feature of a dispute over the ability of Japan to undertake multilateral military commitments overseas. During the late 1980s, increases in government appropriations for the SDF averaged more than 5 percent per year. By 1990, Japan was ranked third, behind the then Soviet Union and the US, in total defense expenditures, and the US urged Japan to assume a larger share of the burden of defense of the Western Pacific.

Given these circumstances, some have viewed Article 9 as increasingly irrelevant. It has remained, however, an important slow down on the growth of military capabilities of Japan. Despite the fading of bitter wartime memories, the public, according to opinion polls, continued to show strong support for the constitutional revision. This support however, varied and different opinion could be found in various news media sources in Japan.

BUREAUCRACY

The problems related to bureaucracy are enduring. The bureaucracy in Japan is as involved in corruption as the politicians are (Michio, 1997: 5-14). New and more stringent restraints on *amakudari* (Descent from Heaven), whereby bureaucrats leave the government well before reaching the legal retirement age to jump into comfortable and powerful posts in the private sector and in public corporations. The term has the literal meaning, 'descent from heaven', refers to the descent of the Shinto gods from heaven to earth; the modern usage employs it as a metaphor, where 'heaven' refers to the upper echelons of the civil service, the civil servants are the deities, and the earth is the private sector corporations.

In *amakudari*, senior civil servants retire to join organizations linked with or under the jurisdiction of their ministries or agencies when they reach the mandatory retirement age, usually between 50 and 60 in the public service. The former officials

may collude with their former colleagues to help their new employers secure government contracts, avoid regulatory inspections and generally secure preferential treatment from the bureaucracy.

Amakudari may also be a reward for preferential treatment provided by officials to their new employers during their term in the civil service. Some government organizations are explicitly maintained for the specific purpose of hiring the retired bureaucrats and paying them high salaries, at the taxpayers' expense (The Japan Times, 14 April 2007).

This needs to be checked by the government and to be balanced through the reform in the bureaucracy. In 1996 some of the bureaucratic reform processes initiated by Ryutaro Hashimoto, were not so effective (Joji, 1997: 30-32). It would be expensive to keep the highly paid civil servants longer on the government payroll (Curtis, 1999: 34).

Elimination of the practice of the bureaucrats testifying in the Diet on behalf of the government might also be a useful reform. Introduction of such a system would also involve some increase in government expenditure. Moreover, it would require parties to change their operating style, for example, appointing a factional leader a cabinet minister rather than someone for his or her knowledge or experience.

The challenges mentioned above and their natures are directly related with the Japanese domestic and international issues; and have determined the Japanese politics, economy and society since long period. These major challenges need to be resolved through implementing political, economic, social and administrative reforms. Some of the reform processes have been implemented and others are continuing. To some extent, achievements have been made after the implementation of the reform policies. Reforms in the electoral sector have been implemented after problems of political funding have been solved and changes have been made in constituencies.

The challenges and its determinants, which have been detailed above, is been shown in the table on next page.

**TABLE 6: THE NATURE OF CHALLENGES AND ITS DETERMINANTS
IN JAPAN SINCE WORLD WAR II**

<i>NATURE OF CHALLENGES IN JAPAN</i>	<i>YEAR</i>	<i>DETERMINED/AFFECTED</i>
Corruption (Since 1948)		
• Showa Denko	1948	Politicians and Politics of Japan
• Ship Building Scandal	1954	Election and Voting Pattern in 1955
• Black Mist	1978-79	The Support for Ruling LDP Declined in 1976 Elections
• KDD	1979	Bureaucracy and Politics Nexus Exposed
• Lockheed Case	1972	LDP lost Moral Political Ground
• Pachinko Case	1989	Political Funding Noticed as Corruption for both Ruling and Opposition Parties
• Recruit Corruption Case	1988	LDP lost its Majority in 1993 Elections
Corruption (Since 1990)		
• Kyowa Corruption Case	1992	LDP Statesmen Indicted
• Sagawa Kyubin Case	1989-91	Factional Politics in Japan Became Common in 1990s
• Zenecon Case	1993	LDP Failed to Gain Majority in 1993
Corruption (Since 2000s)		
• Political Funding	2002, 2004, 2006 and 2007	LDP's Image Battered by many politicians and Opposition parties (Mainly DPJ) increased strength in House of Councilor Elections in 2007
Bubble Economy	1985-89	The Japanese Economy Stuck Into The Bubble And Stagnated Growth
Bubble Burst	1990s	The Japanese Economy Have Faced Low Growth Domestically
Global Economic Meltdown	2008-	Due to Global Economic Crisis, Japan was trapped in this situation dramatically (from September 2008)
Foreign Policy		
• Japan and US	1996	Mutual Treaty between Both the Countries is an apprehension in the East Asia
• Japan and PRC	1982	Text Book Controversy Has Increased Tensions Between Japan and PRC
• Japan and Korea	1998,	North Korean Missile Test Affected the

(North and South)	2008-	Bilateral Relation with Japan; South Korean Island–Takeshima issue is unsolved with Japan
• Japan and Russia	1992, 96-	Issues of Disputed Islands
Aging Population	1986-till date	Labor Shortage and Pension Burden on Recessed Economy of Japan
Article 9 of Constitution	1947-till Date	Revision of Article 9 along with other changes in constitution
Bureaucracy	1990s	Bureaucratic and Business Nexus as well as with Politics Have Eroded the Moral of Administration of Japan

Chapter four of the thesis discusses the various reform measures adopted to counter the challenges which has been rampant since 1990, although before that the chapter three of the thesis deals with the changing nature of Japanese politics in accordance with coalition governments in the 1990s and later. Since such challenges in Japan has influenced the nature of its politics, causing the beginning of coalition era from the year 1993. However, the challenges have created consensus to reform the politics, economy and society of Japan in the mid 1990s and in later years.

Chapter 3

THE CHANGING NATURE OF JAPANESE POLITICS: COALITION GOVERNMENTS IN THE 1990s AND LATER

Modern politics and its nature were experienced by the Japanese people since the mid nineteenth century when the main forces of Meiji period aligned with western ideas. The treaty of friendship which was signed with the western powers during the visit of Commodore Mathew Perry in 1853, ended the two hundred years of national isolation. The change, however, led to political instability and a power struggle that resulted in a brief civil war (Junichi, 1988: 3). The new government that came into existence following the Meiji Restoration transferred out of basic policies of western technology to Japan.

In Japan, the 20th century observed the emergence of a party government and a parliamentary cabinet. After the World War I and during the 1920s the government was based on a political party that had been established properly. The military, especially the army was used by the emperor and a democratic civilian cabinet was the sole spectator (Duus, 1968, 221-50). This led to a kind of dual structure. During the 1920s and 1930s, the army ignored the cabinet and invaded the Chinese mainland, on a large scale after 1937.

Moreover to this, the army assumed an active role in politics, replaced the elected party government with one dominated by the military; this took place on the emergence of the Hideki Tojo (1941-1944) cabinet in the year 1941. Faced with a demand by the US during the 1941 negotiations, that all troops would be withdrawn from China, Japan attacked Pearl Harbor, leading to a war with the US.

After the declaration of war against the US, by the Nazi Germany, under Adolf Hitler, the World War spread from East Asia to Southeast Asia and covering entire pacific region. It ended in 1945, after more than three and half years of fighting with the defeat of Japan, causing its navy and armed forces to be demobilized (Berger, 1989: 133).

The first decade of post-war Japanese politics was associated with issues concerned with the defeat in the war and economic remedies, the formation of a new political system and the reorganization of political forces. The ideological differences between the two major forces of the world began in the form of a Cold War, and Japan by signing the San Francisco Peace Treaty in 1951, joined the western camp of the Liberal Democracies (Bruce, 1995: 129).

Reform measures of the allied occupation forces were adopted after the defeat of Japan. Since the Meiji restoration took place in the 1868, the reforms of the late 1940s marked a period of change in Japanese history. In the 1950s, the Japanese political system was multiparty (Ward, 1978: 70).

During the process of signing the peace treaty, the rearmament and the realignment shift of the government from a dispersed system immediately after the war to a centralized system, parties began gather into two distinct groups such as the conservatives and the reformists; and the differences in their ideas emerged as the main axis of Japanese politics (Perez, 1998: 149-52).

The present political system of Japan is a product of reforms instituted by the allied forces that occupied Japan following its defeat and surrender to the Occupation forces. With respect to the Allied Powers, Japan and its people accepted their political system and their ideas of political reforms (Kyogoku, 1988: 5).

Later, after the occupation, the General Headquarters of the Allied Command (GHQ) initiated constitutional revision as the central measure of political reforms. The Japanese government however, was not ready for such major changes in the political system of Japan. On 13 February 1946, the Allied Forces presented the draft of a new constitution to the Japanese government.

After negotiations, some modifications were made; for instance changing to a bicameral legislature from a unicameral legislature. The government made it appears that it had taken the initiative and announced it as a draft of a revised constitution on 6 March. After a long discussion, the draft was approved in June. The new constitution of Japan was adopted in November 1946 on the ninety-fourth birth anniversary of Emperor Meiji and it became effective on 3 May 1947.

JAPANESE POLITICS UNDER THE NEW CONSTITUTIONAL SYSTEM

With the change of Meiji constitution, legal authority was preserved with the instructions of the Far Eastern Commission²² (FEC) of the Allied Powers, which reflected the views freely expressed by them. The principal aim of the Allied Powers in reforming the political system was to control Japan from becoming militarized again. Article 9, which prohibits the bearing and usage of arms, was introduced into the constitution. Provisions for a parliamentary cabinet system were made to guarantee the existence of a parliamentary form of government in Japan based on the British model to democratize Japanese politics. Prime Minister was authorized to select his cabinet members during the formation of Cabinet (Iida, 2002: 67-71).

The reforms of Allied Powers has changed the old system completely, wherein sovereignty resided in the emperor, who ruled with the consent of the Imperial Diet, and which enabled an autocratic bureaucracy to hold sway, using the imperial prerogative as its shield. The emperor was not only a head of state as in Western constitutions, although, a religious head.

Subsequent to the surrender of Japan, the people and the armed forces followed the orders of Emperor and so the Occupation Authorities proceeded smoothly, without the armed resistance that had been anticipated (Iida, 2002: 72). The military was quickly disarmed and the soldiers, whose duty it had been to defend the islands against the invasion, were demobilized. For the Americans, who were leading the allied forces, this contributed greatly to their security.

Ward has discretely mentioned regarding the American role during the Occupation phase in Japan. He mentioned:

In theory the occupation was an Allied responsibility, but in fact it was an almost exclusively American operation that made a few minor gestures in the direction of Allied participation. The

²² The Far Eastern Commission (FEC) for Japan enacted policies to fulfill under the terms of surrender, decisions were taken by a majority vote members, nevertheless, the US, the U.K, the USSR, and the China were vetoed the decisions made in the commission. In between 10 July 1947 and 23 December 1948 the FEC formulated 13 policy decisions, which fell into three categories: disarmament; democratization; and economic recovery through reforms (International Organization, February 1949, Vol. 3, No. 1, pp. 180-82).

occupation authority chose to exercise their authority indirectly rather than directly. Americans did not themselves take over or replace the existing governmental machinery in Japan (Ward, 1978: 20).

It is the matter of fact that historically, the parliamentary government in Japan had been present from the Meiji days when the constitution was promulgated, and the first parliament was convened in 1890. In addition, it has been changed in the newly established western type of parliamentary regime, sovereignty was legally in the hands of the Emperor, and so diplomacy, military affairs, criminal justice, and governmental organization came under the Imperial prerogative (Allinson, 1999: 15-16).

The regime also took measures, which were based on the control of the popularly elected legislature by the majority party as well as the establishment of the parliamentary cabinet to resist party politics (Perez, 2002: 109).

The Meiji oligarchy, in order to remove administrative power as much as possible from the control of the Diet, instituted a number of political measures. Meiji, restricted the number of voters by a system of limited suffrage, and established a bicameral legislature; each of cabinet members was directly responsible to the emperor.

As for the military, they adopted the system of the independence of the supreme command, and the military administration, the army and navy ministers in the cabinet had to be officers on active duty, having at least the rank of lieutenant general or vice admiral (Duus, 1968: 235-43).

In 1900, political party, *Rikken Seiyukai* was formed by Ito Hirobumi, and the struggle for power largely involved parties led by highest-ranking bureaucrats, leading eventually in the 1920s to party politics and a cabinet based on parliamentary majorities. Later, party governments were replaced by the senior political leaders of Japan of the Meiji days.

The political system of the Meiji period changed in 1947 when the new constitution was promulgated. This paved the way for parliamentary politics as it has been

mentioned earlier. As Watanuki too supported the idea that the SCAP had, and was very clear in adapting the new Constitution requirements.

Watanuki says:

....the draft constitution by the SCAP was not written a void. It has many ideas in common with a draft constitution prepared by Japanese liberals at that time....(Watanuki, 1977: 17).

In the 1950s, opportunities for the people increased greatly, and their freedom was assured. The right to vote was guaranteed to all, the old Peace Preservation Act was replaced and free speech and assembly, as well as the right to form the associations were guaranteed.

As far as the electoral procedure was concerned, the allocation of seats in the House of Representatives to the various electoral districts that was made in 1947 has remained in place, although some efforts have been made to alter it. The new Japanese Constitution expressly provided for a cabinet system based on parliamentary majority (Krauss and Pekkanen, 2004: 1-2). Political forces seeking a place in the legislature had to try to attain a majority in the House of Representatives. However, due to institutional factors, the political struggle came to be centered on factional contests within political parties (Thayer, 1973: 7-8).

In the context of elections, it is necessary to look at the electoral system, which was changed in 1994 by the coalition governments after 47 years. In 1947, the 22nd general election adopted a medium size district formula with at least five members in the electoral process with large electoral districts. This system was continued till 1994 and was originally adopted in 1925 by the first Kato Takaaki (Prime Minister from 1924-1926) cabinet, which was the coalition of three political parties: *Seiyukai*, *Kenseikai* and *Kakushin-club*.

The election system was revived in 1947 when there were three parties; the Liberal party, the Progressive party and the Socialist party. Thus, both the political world and the electoral districts reflected the tradition of the *Seiyukai*, *Minseito* and the proletarian parties that prevailed in the 1930s (Stockwin, 1999: 37-45).

The decade 1950, saw a succession of both coalition and conservative governments. Later the reunification of the Japan Socialist Party (JSP), which had split since 1951 and the merger of the two conservative parties led to the formation of the Liberal Democratic Party (LDP) in November 1955, as described in this thesis in previous chapter. This was called the “1955 setup”, dominated by two parties, actually “one and half party system” since the LDP had about twice as many Diet seats as the opposition party, the JSP. During the early years of the cold war, the two major parties engaged in bitter ideological struggles.

This, in retrospect was a crucial turning point. Despite factional rivalries, the Liberal Democrats avoided additional defections and eventually consolidated their positions as a party semi-permanently in power. Socialist unity on other side was to prove more fragile, and although through the 1950s the electorate was moving towards the left, the JSP was unable to maintain the electoral impetus in the mid 1950s and the two-party alternation failed to materialize. Hatoyama Ichiro, who was elected Prime Minister for the third term after the “1955 setup” was succeeded in December 1956 by Ishibashi Tanzan, and he in turn, a mere two month later by Kishi Nobusuke. Kishi for a number of reasons was a divisive figure, and his period in office culminated in the Security Treaty revision of 1960, which led to him fall from office (Stockwin, 1999: 115).

The period between 1952 and 1960 was of a transition phase in party politics. The main areas in which reform was desired or actually implemented by the government were police administration and powers, labor unions, educational administration and the content of courses, defense, the security treaty and the revision of the constitution. Major reforms have been discussed in detail in the next chapter of the thesis.

Discontent with the “1955 setup” in the mean time impelled the formation of a number of smaller middle-of-the-road parties. Meanwhile, the LDP’s political corruption was most evident in an apparently endless series of financial scandals. This led to ever increasing voter disappointment with politics and politicians. Things came to head in the summer of 1993. Fragmented by then, the LDP and had lost its House of Representatives majority in the July general elections, bringing to an end

thirty-eight years of dominance in making governments and ruling Japan (Kishimoto, 1997: 117).

The reform for the constituencies, led the LDP and the conservative independents competing for seats in the electoral districts. These intra-party competitions made it possible to have a party system that would cut across districts and provide mutual help to the party factions. In addition, political contests came to be focused on the selection of the president of the LDP, a process that made it useful to have more or less permanent factions that could be put together for the coalition building process. In this way, party politics came to be concentrated in factional politics. The numbers of factions were reduced to one-half in the 1980s; their impact however, was not overlooked. Power came to be wielded by large factions, the so-called corps (Hayes, 2004: 73-85).

In the LDP after the “1955 setup”, there were sections in the Political Affairs Research Committee (PARC) and in organizations composed of Diet members, there were sections and that dealt with political demands. Professional politicians serve as temporary or permanent advisors to these pressure groups in order to seek their electoral support from factions. They manage to obtain the benefits that these pressure groups seek, through either the government agencies or the LDP. Specifically these benefits are acquired either through legislation or through budgetary allocations from the government (Tetsuya, 1992: 48-52).

Since 1955 to the mid of 1970s, the rule of the LDP provided Japan stability in politics and a growing economy. This period provided sufficient financial resource to enable the party to follow the policy of distributive politics. Constituency service was provided by appropriations that were poured into the electoral districts. This in turn enabled the party to secure a majority of seats in the elections for the Diet and thus perpetuate its rule. In this way, a stable system that linked politics and economy came into being. In the 1970s, the opposition tried to show its strength in the Diet, however, they could not succeed and the dominance of the LDP after 1980 was unchallenged, till 1990. A success of the LDP was in its function and leadership, which helped this party to be strong and unbeatable, till the early 1990s (Sims, 2001: 276-96).

The formation of the LDP changed Japanese politics in the 1950s, since it ruled Japan continuously till it lost in the election of 1993. In between, on many occasions, the opposition parties came together against the LDP (in the 1970s); however, they could not make it to power permanently, till 1993 (Beauchamp, 1998: 318).

The political mainstream of Japan can be described as a 'one and a half' party system, with the LDP being the dominant force, there is room for political extremism to the left and the right. Neither the left- nor the right-wing extremists managed to get power from the LDP in the post-war political process; however, they managed to influence public opinion.

From 1972 to 1983, in every House of Representatives elections the opposition parties slightly received more support from public and improved their performances in comparison to the LDP, the time now was ripe for electoral pacts between all the like-minded opposition parties with the sole purpose of gathering the extra seats in the elections in 1976. Within the Diet, opportunities abounded for the opposition parties whenever they worked together, to have an effect on the passage of legislation, influence the budget and once in awhile even bring down the government.

In 1970, the opposition party, the Democratic Socialist Party (DSP) declared that it was ready to cooperate with the JSP to lead it back from the electoral abyss into which it stared. There was even the possibility that the two parties might merge. This approach was so unexpected that the JSP secretary general Eda Saburo, later the architect of coalition plans for the non-communist opposition advised it as impossible by expressing some displeasure at the overconfidence of the DSP (Johnson, 2000: 64-65).

The DSP, nevertheless, preserved with its above plan intact in order to encourage closer cooperation between the opposition parties, leading to the announcement on 15 June 1970 by the party chairman, Nishimura Eiichi, of his idea to build a new democratic progressive party comprising the DSP, the JSP and the New *Komeito*. Nishimura scheduled the merger plans to be completed by 1972, and a new 'progressive joint government' to be in place three years later.

The plan of the DSP was not new, as in 1968 Nishimura had already initiated a proposal for the ‘People’s Coalition Government’ for the House of Councilors elections (Johnson, 2000: 67). The JSP that had joined hands with the communists in 1971 in the local elections shifted its electoral strategy later to work with the DSP and *Komeito* in the House of Councilors elections in June 1971. Interestingly, it was now the turn of the JSP to take the initiative in calling for the JSP-*Komeito*-DSP cooperation, and the electoral alliance with the JCP was confined to talks rather than actualization.

In the period between January 1973 and July 1974, the opposition caught sight of their first real opportunities to threaten the LDP’s control of the Diet. While the leaders of all opposition parties of Japan promised a ‘conservative reverse’, the communists continued to suffer from the same chronic electoral and organizational weakness as before. Additionally, behind the slogans, the JSP, the New *Komeito* and the DSP seemed uneasy with the JCP’s electoral gains than heartened by the problems of the LDP. A highlight in the 1976 House of Representatives election was that the conservative government came dangerously close to its saturation.

There are many reasons for the LDP to get lesser seats in the election was the ‘impact of electoral law’ (especially the D, Hondt method²³), and the ‘factionalism’, which was extreme in 1970s-1980s. Hrebenar has pointed out these developments and said:

The proportional representation (PR) system adopted for national constituency elections in the House of Councillors in 1983 has also contributed to LDP factional conflicts. Under this system, each political party submits a list of its candidates and the voters cast their ballots for the party they prefer. Then the votes for each of the parties are tabulated according to the d’Hondt method and seats for each of the parties are awarded on a proportional basis.

When this new plan was first used in June 1983 House of Councillors election, a flood of so-called micro parties surfaced—a consequence that has not only further advanced the

²³ The D’Hondt method (1878) is a highest averages election method for allocating seats in party-list proportional representation. The method is named after Belgian mathematician Victor D’Hondt. This system is less proportional than the other popular divisor method, because D’Hondt slightly favors large parties and coalitions over scattered small parties.

system's tendency towards pluralization among the opposition parties but also has dealt another blow to the fortunes of the LDP (Hrebenar, 1986: 242-43).

..the LDP factions are not always divided by the differences in ideology of policies. Rather they are exclusively the instruments by which struggle for political power are carried out, and the major reason for their existence are the need to form the personal ties to advance the careers of both leadership and followers, and the need to provide organizational support for Japan's frequent election campaigns...(Hrebenar, 1986: 251).

Naturally, this altered the whole compass of political assumptions in Japan, and with that, the coalition idea had to be recast. The LDP's majority in the House of Representatives was reduced to the smallest of totals, amounting short by four for a simple majority even after recruiting 12 independents from the House of Representatives (Johnson, 2000: 103).

Consequently, the most insensitive of assessments also had to conclude that a momentous transformation was under way. The ramifications of the 1976 House of Representatives elections were mixed for the opposition although all these parties could at least take heart from the disaster suffered by the LDP.

The House of Councilors elections, scheduled half a year after the House of Representatives ballot, offered another chance to disgrace the ruling party and wrest control of at least one chambers of the Diet from the conservatives. The practicalities of the House of Councilors elections drew the opposition parties together in talks about electoral cooperation from mid-January. The JSP had a deal with the New *Komeito* by discussing a joint platform and electoral cooperation in the elections. The election results and the percentage of seats based on parties for the year 1976 have been produced in the table on next page.

Later, the JSP secretary general, Ishibashi Masashi, also met with his communist counterpart in March and on this occasion, it was agreed that a new accord would be concluded between the two parties. They penned their agreement in June 1976 and in the same month; there was a series of meetings between the JSP and the New *Komeito* as well as with the JSP and with the communists, while the New *Komeito* also held discussions with the DSP. All the activities were directed towards

encouraging cooperation in the House of Councilors elections of 10 July 1977.²⁴ Since some of the parties were unwilling to deal directly with each other, the New *Komeito* and the JSP undertook to act as go between (Johnson, 2000: 104).

TABLE 7: HOUSE OF REPRESENTATIVES ELECTIONS, 1976

Political Parties	Seats (% of Vote Share)
The Liberal Democratic Party	249 (41.8)
The Social Democratic Party of Japan	123 (20.7)
The New <i>Komeito</i>	55 (10.9)
The Japan Communist Party	17 (10.4)
The Democratic Socialist Party	29 (6.3)
The New Liberal Club	17 (4.1)
Independents	21 (5.7)
Others	0 (0.1)
Total	511 (100)

Source: Gerald Curtis, *The Logic of Japanese Politics* (CUP, 1993).

Subsequent electoral support provided an interesting clue that the relationship between the JSP and the New *Komeito* had changed. In contrast to the situation three years earlier when the two parties had cooperated in four House of Councilors constituencies, these parties could only agree to work together in two campaigns in 1977. However, New *Komeito* regenerated its relationship with the DSP and collaborated with it in six constituencies. Possibly the greatest achievement of the opposition cooperation during this period, although within the Diet was not on the campaign trail. In March, these parties were able to force substantial concessions from the LDP, which had to change its taxation and pension plans in order to pass the budget.

Because of 1979 House of Representatives elections, the divisions among the opposition parties were clearly marked. In February, New *Komeito* hinted its willingness to support Prime Minister Masayoshi Ohira's proposals for a 'partial coalition' when it approved the LDP's budget for the first time in its history. In

²⁴ The election results in detail may be read out from the appendix-VI of this thesis, p. 288.

October 1979, at the very moment when New *Komeito*'s separation from the JSP seemed complete, both parties suddenly renewed their relationship in a series of negotiations, leading to a policy accord and electoral alliance that went far beyond any agreement concluded hitherto.

The collaboration affected the LDP in the House of Representatives, where cooperation took place most often between the New *Komeito* and the DSP; the effect of the coalitions was successful in the 1979 elections, for example, joint campaigns for the 32 seats resulted in 23 of the elected seats. This achievement was hailed since the figure included the seven new candidates, and in 13 of the constituencies, the efforts of the New *Komeito* and the DSP managed to displace the LDP candidates from the electoral areas (Ramseyer and Rosenbluth, 1997: 66-67).

This was not to be the only unprecedented political event of 1980. In June, the nation went to the polls in its first double elections to the House of Representatives and the House of Councilors. In retrospect, the elections provided a backdrop to the fullest expression ever of opposition cooperation in a political system dominated by the LDP. It was the last occasion where collaboration was attempted so ambitiously.

In the House of Councilors elections, however, the record was less impressive. The 26 member constituencies of the House of Councilors provided the opposition with their most obvious stage for cooperation. The record before 1980 was not encouraging; even so, between 1971 and 1977 there were five instances of joint campaigns having defeated the LDP candidates. Thus, the opposition cooperation was comparatively the most effective in the House of Representatives elections.

In the year 1983, elections for the House of Councilors and the House of Representatives were held in June and December respectively. The House of Councilors elections went in the favor of the LDP, where it scored 68 seats. The support for the JSP was relatively half of that for the LDP and it came close to losing its relevance of being the main opposition force.

However, the LDP failed to get the majority in the House of Councilors for the formation of the government. Then the LDP approached to the New Liberal Club (NLC) for alliance and managed 267 seats to achieve the majority in the house and

the JSP improved its tally from the previous elections, achieving 112 seats as the main opposition (Jain and Inoguchi, 1997: 108-23).

The LDP won a landslide victory in the 1986 House of Representatives elections. The position of the party was the highest with 300 seats in contrast to the JSP and the DSP. They suffered defeat in these elections and their scheme of forming coalition against the LDP, vanished.

The main reason for the LDP's victory lay in the aggressive political style of Prime Minister Yasuhiro Nakasone. He promoted various dynamic policies as administrative reforms aimed at utilizing the vitality of the private sector and making the government's intervention as small as possible, educational reform to promote individuality and reform policies for the privatization of the Japan National Railway (JNR).

COALITION GOVERNMENTS IN THE 1990s

In the late 1980s and at the beginning of 1990s, changing Japanese politics witnessed many difficulties. In April 1989, the Recruit scandal shaken the political ground of Japan and the public was losing confidence in the LDP and Takeshita administration. The leaders of the opposition parties; the DSP, the New *Komeito*, the *Shaminren* and the JSP held a meeting regarding the forming of an alliance to side with the LDP (The Japan Times, 25 January 1990). In the House of Councilors elections of July 1989, the JSP was the only opposition party that achieved some seats. In between on 8 August 1989, a Joint Plenary Meeting of the LDP members of both houses of the Diet was held in place of a party convention to select a successor for President Uno Sosuke through a vote of the Party's Diet members and regional representatives such as Yoshiro Hayashi, Kaifu Toshiki, and Shintaro Ishihara stepped forward as candidates. Masamachi has referred the 'Japan-US relation during the Cold War' and the 'corruption' as the main issue that influenced the LDP policies and it lost the House of Councilor election of 1989 (Japan Echo, 1989: 10-11).

Later after the election, Kaifu received a majority of votes and became the 14th LDP President on 10 August 1989; he was elected as the 76th Prime Minister of Japan for

the first term. As a result, the New *Komeito* and the DSP feared that they would be overwhelmed by the LDP. Later, in September and October of 1989, the DSP, JSP and New *Komeito* announced the basic position of their policy regarding coalition. However, a gap was maintained between the JSP and with the New *Komeito* and the DSP, over many policies (Isamu and Tokuji, *Japan Quarterly*, October–December 1989, 482).

The situation was complicated by the unification of the labor movement that had provided the traditional base of support for the opposition parties. In November 1989, the public and private sector unions combined together under the *Rengo* (Japanese Trade Union Confederation, JTUC) that attempted to play a coordinating role in the formation of a ‘coalition of opposition parties’. Prior to the general elections of 1990 for the House of Representatives, the opposition parties planned to form an alliance, if the LDP lost the majority in the house.

In Japan, attention was understandably focused on the timing of the next general election. Prime Minister Kaifu dissolved the House of Representatives at the start of the ordinary session of the Diet in January 1990, and campaigning officially began for the House of Representatives elections (*The Japan Times*, 25 January 1990).

In a bid to repeat their House of Councilors victory the previous year and deprive the LDP of its majority in the House of Representatives, the opposition parties once again made ‘consumption tax’ a major campaign issue. The mass media joined them in working to focus public attention on this issue as well. However, with almost a full year having past since its introduction, the consumption tax had already begun to be accepted by the public.

On 18 February the results were in favor of the ruling party, as not only did the LDP retain its majority in the House of Representatives, it also managed to increase its strength well beyond the threshold for a safe majority to a total of 275 seats that increased to 286 when the conservative dependents were also added. Only seven months after the disappointing the House of Councilors election, the public had expressed renewed confidence in the LDP. The outcome of the elections was in essence a return to the “1955 setup”. The JSP also performed well, increasing its strength by 53 seats to 136. The other opposition parties suffered losses; the New

Komeito secured only 45 seats, the JCP 16 and the DSP 14 seats. The JCP and the DSP fared especially badly, losing about 40 percent of their seats (Minoru, 1990: 8-13).

All talks and promises of forming a coalition were ruined by the LDP victory with 275 seats and the defeat of the opposition in the elections. Kaifu was elected as the Prime Minister for the second term in February 1990. In a policy address he gave at the 116th extraordinary session of the Diet at the end of September, Prime Minister Kaifu expressed his desire to foster a “fair and compassionate society” through the “politics of dialogue and reform the (Kaifu Speech, The LDP Web Source).” He further pledged to pay careful attention to public sentiments on the issue of a consumption tax and keep the welfare of consumers in mind as he conducted thorough reviews of the policies related to it.

In light of the weakened position of the party in the House of Councilors, he expressed his intention to work to form a national consensus and highlight dialogue in politics. He travelled to the US to discuss the Structural Impediments Initiative (SII) with President George Bush. Faced with a US threat to enforce the new Super 301 (special trade tools) provision of the Omnibus Trade and Competitiveness Act on certain trade items, the Prime Minister promised to tackle this issue as a top priority in the new cabinet.

On the issue of foreign policy, Kaifu announced his intention to continue the work begun by the Takeshita Noburu Cabinet to advance the “vision for international cooperation” of Japan. Speaking with reference to the high price of land that had undermined public confidence in the equity of the Japanese society, he promised to formulate new policies for property and housing that would be helpful for the Japanese people. He urged the opposition parties to work with the ruling party on all issues in the interest of Japan (The Japan Times, 8 March 1990).

The Diet, during this period was at the center of the conflict between the LDP and the opposition parties, that buoyed by their success in the House of Councilors election, were hoping to abolish the consumption tax and even take control of the government if possible. The Socialist Party, the New *Komeito*, the DSP, and the JTUC cooperated in the introduction of nine bills to the House of Councilors

designed to roll back the consumption tax. These bills were passed, although later required revisions when they were found during deliberation to contain numerous mistakes (Stockwin, 1999: 69).

The New *Komeito* and the DSP decided to distance themselves from the JSP. In the post election party convention meeting, both the New *Komeito* and the DSP announced that the coalition idea against the LDP had been dropped. After the new party emergence before the elections in July 1993, the plan for opposition unity emerged again and it was successful for a short while, after the elections.

During this same period, the Party also worked diligently to promote political reforms, had been since it proposed by various other politicians earlier. As part of this effort, the LDP established a project team for the basic problems of the party. The debate on reform of the electoral system was deepened since 1990, and completed by the coalition government of the opposition parties in 1994. The ruling LDP held a Conference on the Parliamentary System (*Gikai Seido Kyogi Kai*) and enlisted the cooperation of the opposition parties to advance discussion on the reform of the Diet as well (The Japan Times, 21 March 1990).

Meanwhile, several changes continued to take place around the world during the end of Cold War, which indirectly affected the policies of the ruling LDP along with other parties as well. In Soviet Union, Lithuania's declaration of independence on 11 March 1990, prompted similar actions in other republics along with the largest Russia. In East Germany, free elections were held and the victory of the conservative Alliance for Germany²⁵ accelerated the movement toward reunification with West Germany. The two Germanys integrated their currencies on 1 July 1990 followed by full reunification on 3 October of the same year.

Major events took place in Asia also. In June 1990, a conference on peace in Cambodia was held in Tokyo. At the conclusion of the talks, representatives from the national coalition government and the Cambodian government signed joint statements calling for a voluntary truce on political crisis that was in place since 1980s. This conference was of particular importance to Japan, as it was the first time

²⁵ The alliance led by the Christian Democratic Union (CDU), formerly a German Democratic Republic's (East Germany) party till 1989 and merged with Federal Republic of Germany's (West Germany) CDU after German Reunification on 03 October 1990.

in postwar history, that the country had played a direct role as a mediator in an international dispute (Beauchamp, 1998: 306).

Also in June, the South Korean President Roh Tae Woo held an unexpected meeting with the Soviet President Gorbachev, in San Francisco. This encounter indicated that work had begun on the normalization of diplomatic ties between the two countries, a goal that was finally reached in late September 1990. On the issue of the Korean Peninsula, dialogue continued between the North and the South, eventually resulting in summit talks between the two countries being held in September (Kiyofuku, 1990: 270-75).

In August 1990, when it seemed as though the entire community of nations was moving in the direction of peace and security based upon the principles of freedom and democracy, the Iraqi invasion of Kuwait at the beginning of August 1990, astonished people throughout the world (BBC, On This Day, 2 August 1990). The UN Security Council (UNSC) reacted swiftly by demanding immediate and unconditional withdrawal of Iraq and imposed economic sanctions on the country. Japan cooperated by banning oil imports from Iraq, suspending investment and loans, and halting economic cooperation with this country.

As soon as the Iraqi army continued to advance southward despite these international pressures, the US, along with other Western nations, dispatched troops to form a multinational military force. Arab leaders decided to send their own Arab Coalition forces to support these international efforts. When the Soviet Union deployed naval ships to the region, it seemed that the entire international community was mobilizing to resist the Iraqi invasion of Kuwait. In response, Iraq took foreign expatriates living in that country hostage and attempted to use them as human shields. In order to ensure the effectiveness of economic sanctions however, the UN Security Council adopted an additional resolution that authorized the limited use of military force against Iraq (Masataka, 1991: 8-13).

As for as Japan was concerned, the decision for contributions of the country to help to resolve this crisis was a difficult one. Prime Minister Kaifu cancelled the visits to Saudi Arabia and other Middle Eastern countries and instead sent Foreign Minister Taro Nakayama to the region to exchange opinions with the leaders there. Upon

Nakayama's return, the Japanese government formulated a support package for the Middle East in late August that included measures to provide transportation, materials and equipment, medical personnel, and financial assistance (Weisman, 27 January 1991).

This came in the form of a total contribution of one billion dollar to the multinational military force and another ten million dollar to countries in the region to support refugee assistance activities. In late September 1990, Prime Minister Kaifu approved an additional one billion dollar contribution to the multinational military force and another two billion dollars of official government assistance to countries in the region. He also advocated the passage of the International Peace Cooperation Law through which Japan would be able to make not only a financial contribution, although a human contribution as well, to international efforts to resolve crises of this nature (Motoo, 1991: 19).

This was the time when Japan contributed foremost along with the world community in its overseas policies. Since 1990 and after the Gulf war had ended in February 1991, the debate had begun in Japan for its greater role in the international sphere (Kazuo, 1991: 56-61). Political parties opined and formulated arguments in favor of Japanese military role in the World. A few parties were against ignoring Article 9. Talks became intensive and the role of the SDF and constitutional revision emerged as one the major political issues within Japan.

At the same time, the political developments that took place were very crucial for the LDP politics and Japan as well at the domestic level. After the completion of his term, the LDP President Kaifu chose to take responsibility for his administration's failure to pass the legislation related to political reform. He declined to step forward as a candidate in the elections for the President's post, scheduled in October 1991 (Tetsuhisa, 1991: 22-23). Kiichi Miyazawa was elected as the 15th President of the LDP when three persons were in the fray to contest on the eighth floor of the LDP's headquarters on 27 October. Miyazawa received 285 votes versus 120 for Michio Watanabe and 87 for Hiroshi Mitsuzuka with the support of the powerful Takeshita faction. Miyazawa was elected in the first round of the ballot and assumed office. On 5 November, he was designated as the Prime Minister and launched his cabinet (Weisman, 28 October 1991).

The most important challenges the Miyazawa Cabinet faced were; promoting cooperation with the UN Peacekeeping Operations (UNPKO), dealing with developments in the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) where the opening of the Japanese rice market, which had become a major issue, and enduring political reforms.

Prime Minister Miyazawa demonstrated his determination to tackle these issues by choosing Tamisuke Watanuki as the Party Secretary-General, Michio Watanabe as the Deputy Prime Minister and Foreign Minister, Tsutomu Hata as the Finance Minister, and Koichi Kato as the Chief Cabinet Secretary. Then in January 1992, Shin Kanemaru was appointed the party Vice-President in a move that strengthened the foundation of the Miyazawa administration in preparation for the tough negotiations that were expected with the opposition parties over the peacekeeping operations cooperation bill and political reforms (Weisman, 6 November 1991).

In the ordinary session of the Diet convened in January 1992, Miyazawa gave top priority on passing legislation to permit the Self Defense Forces (SDF) non-combat unit to participate in the UNPKO. The need that had suddenly arisen for a peacekeeping operation in Cambodia, under the legality of 'United Nations Advance Mission in Cambodia' (UNAMIC)²⁶ also intensified the urgency of efforts to complete this work. In the early 1990s, being criticized by the US and other countries for making contributions of money and not people during the Gulf War for Japan it became an issue of saving its reputation. The PKO bill was the first step in restoring the position of Japan at the international level (New York Times, 12 March 1992).

The weakened position of the LDP in the House of Councilors after 1989 elections made it necessary for it to pursue the passage of the bill through cooperation with the New *Komeito* and the DSP. These three-way negotiations ultimately resulted in

²⁶ UNAMIC was established to assist the Cambodian parties to maintain their ceasefire with Vietnam during the period prior to the establishment of the United Nations Transitional Authority in Cambodia (UNTAC), and to initiate mine-awareness training of civilian populations. Later, the mandate was enlarged to include training in mine-clearance and the initiation of a mine-clearance program. The Mission and its functions were subsumed by UNTAC in March 1992.

the formulation of five requisite conditions for the participation of Japan in the PKO operations that were then incorporated into the legislation.

They were: parties involved in the conflict must have agreed to a cease-fire; parties involved in the conflict must have consented to the introduction of peacekeeping personnel; the neutrality of peacekeeping forces must be strictly observed; Japanese personnel must be withdrawn in the event that the above conditions are not fully met; and lastly the use of small arms is authorized only in the event that such action is deemed absolutely necessary to protect the lives of peace keeping forces (Kotaro, 1992: 33-34).

The New *Komeito* decided to support the bill revised on the nature of the SDF's participation in the UNPKO. However, the DSP, citing the need to maintain civilian control of the military, insisted that the participation of Japanese forces in the UN Peacekeeping Forces be made subject to the approval of the Diet. Although the bill had already passed through the House of Representatives during an extraordinary session of the Diet held in the year 1992 when Miyazawa was appointed Prime Minister, debate in the House of Councilors continued and it was eventually carried over into the next Diet session the following year. With the help of the New *Komeito* and the DSP, the government pushed the bill on the UNPKO through the Diet despite rigid resistance from the SDPJ (Hugh, Gilson, Christopher and Dobson, 2005: 13).

At the domestic and the international arena, Japan faced several problems and unavoidable tasks, which led to a difficult situation for Prime Minister Miyazawa. His first order of business was to meet with President George Bush of the US in Tokyo on 8 and 9 January 1992.

With slow-moving domestic economy and strong pressure from American automakers (who represented the largest manufacturing industry in the US), Japanese leaders were understandably concerned about what sorts of demands the US would make on them. At the conclusion of the five-hour talks, the two leaders released a joint statement outlining a 'Strategy for World Growth' that emphasized the need to coordinate growth-promotion policies. They also announced agreements on a 'Tokyo Declaration' and an 'Action Plan' designed to alleviate bilateral trade

frictions (Weisman, 10 January 1992). Although the 'Action Plan' contained rather strict provisions for numerical targets on the volume of car parts that Japan would be obligated to purchase from the US, it did help to keep cooperation between the two countries on track (Wines, 1992: A9).

In January, Prime Minister Miyazawa traveled to South Korea to meet with President Roh Tae Woo, then on 31 January to New York and the United Nations Headquarters to represent Japan at a meeting of the Security Council, attended for the first time by the member countries' heads of state (Rosenthal, 31 January 1992). During his visit, he also made time to meet for talks with the Russian President, Boris Yeltsin. Finally, Miyazawa took this opportunity to express his strong conviction that Japan should be made a permanent member of the UNSC, which continued as an issue until today. This was the first time that a Japanese Prime Minister had formally announced this initiative and subsequently it became a core component of Japanese diplomacy.

Miyazawa faced severe strife from the opposition parties after the UNPKO bill was passed in the Diet. Later, the new PKO law emerged as the key issue in House of Councilors elections held in July 1992 (Shumpei, 1992: 3). Although the LDP improved on its dismal performance by 32 seats in 1989, has captured 68 out of the 127 seats in the elections, it still finished 20 short of the 127 seats needed for a majority. The other parties that had backed the PKO bill also improved their 1989 results, the New *Komeito* by 4 and the DSP by 1 seat. In contrast, the SDPJ won only 22 seats, less than half the number it had secured in the previous elections (Sanger, 27 July 1992).

An important development of the July 1992 House of Councilors elections was the first appearance of the Japan New Party (JNP) that was established in May 1992 by former Kumamoto Governor Morihiro Hosokawa as an alternative for voters alienated by the existing framework of party politics. The JNP captured four seats in the first elections they participated.

In the midst of these developments, public demands for political reforms intensified even further. The Committee for the Promotion of Political Reforms (*Minkan Seiji Rincho*) organized a rally in Tokyo's Hibiya Park attended by some 4,000 people

and called for the abolishment of multi-member electoral districts for the House of Representatives in November 1992. It was felt among the public and mass media that reforms were inevitable and must be implemented as early as possible.

In the extraordinary session of the Diet that began in the October of 1992, Prime Minister Miyazawa responded to the requirements of the reforms by reviewing the election system and the Political Funds Control Law to provide for the confiscation of illegal political contributions. He also announced a policy to pursue other sweeping reforms based upon recommendations formulated by the LDP that included the introduction of single-member districts for the House of Representatives, the establishment of public financing for political parties, and measures to alleviate the harmful effects of political factions.

In the wake of the resignation of Kanemaru Shin because of his involvement in the scandal in that, he had received ¥500 million in illegal contributions in 1989-91 from Tokyo Sagawa Express Co. Ltd., a parcel delivery service, the largest group within the LDP split apart (see corruption details on page 62 of Chapter 2). A number of members, led by the former Party Secretary General of the LDP Ichiro Ozawa and the Finance Minister Tsutomu Hata broke away from the factions of Takeshita and Obuchi and formed a new policy group. Later after one year, these ambitious politicians left the LDP completely and established the Renewal Party (Jain and Inoguchi, 1997: 19-22).

Prime Minister Miyazawa reshuffled his cabinet and the party position on 12 December 1992. The responsibility of being the General Secretary of the LDP was handed over to Seiroku Kajiyama (former justice minister), Koko Sato took over as the General Council Chairman, and Hiroshi Mitsuzuka was preferred to become the Chairman of the Policy Research Council (PRC). In the cabinet, Yoshiro Hayashi took over as Finance Minister from Tsutomu Hata, Mayumi Moriyama was appointed Education Minister and Yohei Kono, who had left party in 1970s amid protests for the Lockheed Corruption issue, became the new Chief Cabinet Secretary (Sanger, 12 December 1992).

This arrangement helped to stabilize the Party internally and strengthened its resolve to pursue political reforms; these reforms will be discussed in chapter 4 and 5 of this

thesis. Finally, when Michio Watanabe, who had been serving concurrently as Deputy Prime Minister and Foreign Minister, resigned from these posts for being in poor health, on 8 April 1993, Masaharu Gotoda, an enthusiast of political reform and old leader of the LDP, took over as Deputy Prime Minister.

In the policy address on the ordinary session of the Diet convened on 22 January 1993, Prime Minister Miyazawa reiterated his commitment to accomplish fundamental political reforms. However, opinions within the LDP remained deeply divided over this issue. In addition to these complications, the subsequent formation of the Renewal Party and the defection of the members from the party, including that of Masayoshi Takemura and Yukio Hatoyama, this further destabilized the political scene in the changing Japanese politics. Kotaro argued about the reform plan and policy measures adapted by Miyazawa. He said:

Miyazawa appeared on the scene at the beginning of the brand new set in the political reform, with the ball in the opposition's court. The government has already called on the leaders of the major parties to hammer out a new plan acceptable to all. At this point, Miyazawa could only await the result of these consultations (Kotaro, 1992: 30).

Earlier, on 31 March, legislation related to political reform passed successfully through the LDP's internal review process. However, in view of conditions within the party and the scheduled Diet session in June, Prime Minister Miyazawa decided to postpone the passage of reform bills until the next Diet session. In response, the opposition camp introduced a motion into the House of Representatives calling for a vote of no confidence in the cabinet.

In June 1993, the LDP faced its worst crisis since its formation in 1955. Politicians in factions were joined in their efforts by individuals in the LDP who later left it to join the Renewal Party led by Hata and others subsequently became part of the New Party *Sakigake* led by Takemura (Sterngold, 24 June 1993). When the vote of no confidence was passed successfully on 18 June, Prime Minister Miyazawa dissolved the House of Representatives and formally announced on 4 July that a general election would be held on 18 July.

In the early 1990s, basic ideological dissimilarities between the political parties were no longer being taken for granted, and the question of aligning Japan in a world divided into two antagonistic camps (US and ex-USSR), was no longer noteworthy. Factional power struggles dominated the political process as they had in the past; however, the political environment, within which they operated, was characterized by a greater public interest in political reform than ever before. Scandals involving political leaders changed the voter's attitude towards the LDP and its politicians. The Japanese people desired to change the political environment and they changed it through the 1993 House of Representatives elections (Curtis, 1999: 97).

Prime Minister Miyazawa's dissolution of the House of Representatives was followed by a general election on 18 July 1993. Prior to the election, the LDP had lost its majority in this body when a number of its members broke from the Party and formed the Renewal Party and the New Party *Sakigake*. The voting shares by the political parties in the elections of 1993 are been shown in the table below.

TABLE 8: THE PERCENTAGE OF VOTE SHARES IN THE ELECTION RESULTS OF 1993

Party	Seats (% of vote share)
The Liberal Democratic Party	223 (36.6)
The Social Democratic Party of Japan	70 (15.4)
The Japan Renewal Party	55 (10.1)
The New <i>Komeito</i>	51 (8.1)
The Japan New Party	35 (8.10)
The Japan Communist Party	15 (7.7)
The Democratic Social Party	15 (3.5)
The New Party <i>Sakigake</i>	13 (2.6)
Minor Parties	4 (0.9)
Independents	30 (6.9)
Total	511 (100)

Source: The Japan Times, 20 July 1993.

Although the LDP actually managed to increase its strength to 223 seats in the election, it was unable to make up for the losses it had suffered from early defections and its seat count in the House of Representatives remained well below the threshold of 256 required for the majority. Despite these setbacks, the LDP remained in control of a larger number of seats than any other party did. For these reasons, many individuals in the media and political circles believed there was a strong possibility that the LDP might remain in power by forming a coalition government with the New Party *Sakigake*, which did not happen.

Political events however, suddenly took an unexpected turn. On 29 July, a conference was held by the leaders of seven non-LDP (opposition) parties (including the Renewal Party, the Japan New Party (JNP), the New Party *Sakigake*, the DSP, and the New *Komeito*) and one parliamentary group. At the conclusion of the conference, these leaders agreed to support the candidacy of Morihiro Hosokawa of the JNP in the election for Prime Minister that was scheduled to be held during the next special session of the Diet.

This agreement was made possible largely through the efforts of Ichiro Ozawa of the Renewal Party who had earlier approached the SDPJ (changed in 1996 to the SDP) and Hosokawa in a bid to take control of the government from the LDP. Hosokawa was elected Prime Minister on plenary session of both houses of the Diet held on 6 August.

Otake discussed about the nature of political alliance that was formed prior to 1993 election in Japan. He said:

Political realignment in Japan began not with a change of voter's policy orientation nor with a massive shift in party support but with splits and mergers of the parties at the level of Diet member groupings. The ideology of individual politicians undeniably played a certain role in this reshuffling. In addition, because when politicians decided to leave or join the party, they assessed voter preferences based on media reports of popular support for the cabinet and parties, the voter shifting policy choices may have substantially affected realignment (Otake, 1996: 147-48).

Previously in 1947-48, the Socialists were united and created the coalition government; however, it failed due to lack of coordination among the parties. This

happened again in the year 1993, when seven parties united and formed the coalition government. They failed to sustain the coalition government because of factional politics inside the parties and the individual desire to reach high in politics.

The First Non-LDP Coalition Government: The LDP is relegated to the Position of the ‘Opposition’

The election results of the House of Representatives in 1993 provided once again an opportunity to the oppositions to come together in August. In the elections, the LDP failed to secure its majority, bringing the curtain down on thirty-eight years of one party rule since the “1955 setup”. The new government was the coalition of eight political parties (one tiny party *Minkairen* in the House of Councilors) led by Prime Minister Hosokawa Morihiro of the Japan New Party, the JNP. Although the LDP created a hurdle for the Hosokawa led coalition government to be formed by demanding the speaker’s post for it (Sterngold, 6 August 1993). After the inauguration of the Hosokawa administration, the LDP declared that it would act as a ‘responsible opposition party’ as it had also the experience of being relegated to the opposition.

Structural flaws within the Hosokawa administration were in all likelihood the indirect cause of several notable mishaps, which included the widely criticized assertion of Hosokawa at a press conference that Japan had acted as an aggressor in World War II. Moreover, in February 1994, the plan was advocated by the Finance Ministry to introduce a new seven percent indirect tax as the ‘National Welfare Tax’, have created a wrong image of Hashimoto coalition government.

The fall of the LDP from power was due in part to its failure to carry out fundamental political reforms. As an opposition party in the post Miyazawa cabinet period, finding ways to get this stalled process moving again, became one of the LDP’s top priorities. Specifically, the most pressing task was to reform the electoral system for the House of Representatives.

With President Kono leading the way, the LDP continued lively discussions of this issue until an outline for political reform was finalized on 2 September 1993. Included in this were proposals to reduce the number of seats in the House of

Representatives to 471 and replace multi-member districts with single-member and proportional representation districts.

It was not until approximately two weeks later that the Hosokawa Cabinet was able to produce four bills of its own related to political reform (Christensen, 1996: 49-50). A special committee of the House of Representatives began actual deliberations on these bills in October. Following this, negotiations began between the LDP and the coalition government concerning issues such as the distribution of seats for new House of Representatives electoral districts.

The mass media labeled the Diet members who supported political reform as 'reformists' and those who opposed it as 'conservatives.' This undoubtedly affected public opinion that appeared to be heavily in favor of political reform. In the midst of this, negotiations between the ruling and the opposition camps began on 5 November and continued for ten days with the LDP adopting a flexible stance.

The participants concentrated on seven major issues, including the distribution of seats across single-member and proportional representation electoral districts. However, Kono and Hosokawa got together on 15 November; they failed to reach an agreement on a compromise bill. In a plenary session of the House of Representatives held on 16 November, the LDP's proposed bill was rejected while that of the ruling party passed previously on 2 November and sent on to the House of Councilors for further action in January 1994 (Sterngold, 17 November 1993).

At a plenary session of the House of Councilors held on 21 January of the following year, the political reform bill was rejected in the house. Determined to break this deadlock, the LDP President Kono met with Prime Minister Hosokawa on 29 January. He succeeded in convincing Hosokawa to accept a revised bill that contained a number of LDP sponsored modifications.

It paved the way for the eventual passage in the Diet, of bills related to political reform including one that established a new electoral system for the House of Representatives consisting of 300 seats in single-member districts and 200 more from proportional representation blocks, and rules related to campaign in the elections (Shugart and Wattenberg, ed., 2001: 152).

Political reform had finally been accomplished. However, by the March of 1994 the future of the Hosokawa administration was already in serious doubt. On 25 April of 1994, Hosokawa resigned due to small irregularities that had taken place when he was the governor of Kumamoto prefecture in 1986-87. At a plenary session of the House of Representatives held on the same day, the coalition of seven parties and one parliamentary group chose the head of the Japan Renewal Party, Hata Tsutomu, as the new Prime Minister (Sterngold, 28 April 1994).

The Second Non-LDP Coalition Government: The Ruling Parties Lost Consensus

The cabinet was formed led by Hata began to work on 28 April. Immediately after this, however, an unusual event took place within the coalition government. The Renewal Party and the Democratic Socialist Party established a new group in the Diet, the '*Kaishin*,' which excluded the SDPJ. Enraged by what it felt was an attempt to marginalize it, the SDPJ abruptly left the coalition. When this occurred, the Hata administration was relegated to the status of a minority government.

Because of such political changes, the cabinet led by Hata was thrown into confusion, and became completely incapable of formulating coherent policies on reforms (Brull, 23 April 1994). For the sake of the nation, the President of the LDP Kono Yohei and the Party Secretary General Mori Yoshiro introduced a bill into the Diet that called for a vote of no confidence in the cabinet in late June 1994. A closed-door meeting at the Prime Minister's official residence between Hata and the Japan Renewal Party leader Ichiro Ozawa resulted in a decision to end Hata's administration, only after two months. In the midst of such turmoil, it was only natural that the people looked to the LDP for responsible leadership. The LDP faced with the choice of joining with either the former Hata Cabinet and its allies or the SDPJ. Since various groups within the LDP favored an alliance with the New Party *Sakigake* and the SDPJ, the LDP began to explore this possibility.

The Third Coalition Government Headed by the SDPJ: The LDP Returns to Power

On 28 June, Secretary General Mori met with Wataru Kubo, the Secretary General of the SDPJ and proposed the formation of a coalition cabinet headed by SDPJ Chairman Murayama Tomiichi. On the same day, talks between Kono and

Murayama produced a formal agreement to form a coalition government of the LDP, the SDPJ, and the New Party *Sakigake*. A vote to elect the prime minister took place in the House of Representatives on 29 June. Although, the non-LDP forces fielded former Prime Minister Kaifu Toshiki as their candidate, Murayama eventually prevailed in a run-off election and returned the LDP to the ruling camp.

The next day the Murayama (the second Socialist to lead the country after Tetsu in 1948) cabinet was formed, and LDP President Kono was chosen to serve concurrently as the Deputy Prime Minister and the Foreign Minister, New Party *Sakigake* leader Takemura Masayoshi became the Finance Minister, and the SDPJ's Kozo Igarashi took over as the new Chief Cabinet Secretary. Needless to say, the framework of this administration was supported by the LDP and its extensive experience as governing party (Sanger, 30 June 1994).

With the support from the LDP, being the largest party in the House of Representatives, inexperienced Prime Minister Murayama was able to successfully conclude several important diplomatic engagements that included the Napoli Summit of G-7 on 8 July, talks with the South Korean President on 23 July in Seoul, a tour of Southeast Asia at the end of August, an Asia Pacific Economic Cooperation (APEC) meeting on 12 November in Jakarta, and talks with the US president Bill Clinton. Additionally, the administration produced a number of important domestic policies such as a revision of the tax system to accommodate an increase in the consumption tax rate, legislation establishing apportionment for the House of Representatives single-seat electoral districts, changes to the Pension Law, and a partial revision of the SDF policies on sending troops in conflict zones (Media Resource, Foreign Press Center Japan, 05 August 1997).

As the government was based on different ideological parties, the debate of changing party policies and its relevance became the major criteria in Japan in 1994-95. Murayama and his political ally Takemura of the *Sakigake* discussed about merging of their parties, *Sakigake* had been built around the Diet members who had quit the LDP in 1993. The SDPJ announced that it would contest the election under the banner of Social Democratic Party (SDP), and at a party convention in January 1996, the name was changed.

The SDP then targeted the next general election to contest alone and the other partners of the Murayama government started pulling themselves away, because of several differences. In January 1996, Murayama, under definite pressure from the allies as well as from Takemura, who himself wanted to be the next Prime Minister, suddenly announced his intention to resign, saying that he felt it was time for the coalition to make a fresh start. Murayama resigned in January (Kristof, 6 January 1996).

The Fourth Coalition Government: The LDP and Its Allies Manage to Lead the Government

Instantaneously, leaders from the LDP, the SDP, and the New Party *Sakigake* met to reaffirm their commitment to the coalition government framework and coordinate policies. They further agreed to support the LDP president Hashimoto as the coalition candidate for Prime Minister. The voting was held in both the houses of the Diet on 11 January 1996, Hashimoto was elected and got his administration off to a running start by completing the formation of a new cabinet on the same day.

The election of Hashimoto marked the first time in two and a half years that the President of the LDP had been chosen to serve as Prime Minister. Ichiro Ozawa (presently in the DPJ), who had become leader of the JRP (*Shishinto*) at the end of the previous year, lost to Hashimoto by a wide margin for the post of Prime Minister. Hashimoto was acutely aware of the fact that the structure of Japan's economy and society was in need of fundamental reform. With this in mind, he chose 'Reform and Creativity' as the principal themes of his new cabinet. Building upon these basic themes, Hashimoto also proposed six reforms designed to bring about concrete and revolutionary change to the post war political administrative system in Japan (Pollack, 14 January 1996).

The Hashimoto cabinet's most pressing task was to compile the new budget as quickly as possible and clear the way for a full economic recovery. In addition, work was urgently required to rebuild relations with the US (concerning issues in Okinawa and other areas) and to revitalize a national administration that had stagnated considerably while under the control of other political parties.

On the official task, Prime Minister Hashimoto traveled to the city of Santa Monica in the US for his first meeting with President Clinton on 23 February (Mitchell, 25 February 1996). His dedicated efforts during this visit to resolve issues related to the American military presence in Okinawa resulted in an agreement with the US that the Marine Corps Air station Futenma of Ginowan city would be returned to Japan. Following this, President Clinton met with Prime Minister Hashimoto in Japan on 17 April and announced that the two sides had also reached an agreement on a 'Japan-U.S. Joint Declaration on Security'. The diplomacy of the Hashimoto administration was designed to strengthen the security of Japan in the Far East where North Korea, long suspected of trying to develop its nuclear capabilities, continued to conduct ballistic missile tests and relations between China and Taiwan remained tense. Eventually, these efforts resulted in the adoption of a set of new 'Japan-U.S. Guidelines for Defense Cooperation' in September 1997 (Tsuneo, 2000: 186-87).

In domestic politics, the ruling and opposition parties clashed over measures that would be incorporated in the 1996 fiscal budget concerning the government's handling of bad debts accumulated by housing loan companies. This problem was a serious one as a string of bankruptcies in this sector would be likely to cause a panic in the financial system harmful and have a tremendously deleterious effect on an economy that was still mired in recession.

On 17 September, Prime Minister Hashimoto dissolved the House of Representatives at the beginning of an extraordinary session of the Diet. Immediately prior to this, the New Party *Sakigake*'s Secretary Yukio Hatoyama, Naoto Kan from the SDP, and Kunio Hatoyama from the *Shishinto* established the Democratic Party of Japan (Hayes, 2004: 85). In the light of the fact that every political party in Japan, with the exception of the LDP and the JCP, had fallen into such disarray, Prime Minister Hashimoto decided that the time was right for the public to pass judgment on them through elections held under the newly introduced system of single member and proportional representation districts.

Although the Party failed to capture a simple majority in the House of Representatives elections on 20 October, it did manage to increase its representation in this body from 211 to 239 seats (Kristof, 22 October 1996). On 7 November, Hashimoto formed his second cabinet and he was able to maintain cooperative

relations with the SDP and the New Party *Sakigake* (coalition allies) even though these parties were not represented in the new cabinet because they had lost heavily in the election. The government then immediately began motivated programs of reform on 28 November by opening a Conference on Administrative Reform to formulate policies for the restructuring of the central bureaucracy and the decentralization of government authority.

In contrast to 1996, the proceedings of the 1997 Ordinary Session of the Diet went smoothly. At the conclusion of his two-year term as the LDP President, Hashimoto was chosen without a formal vote on 8 September to serve a second term. Three days later on 11 September, he formed the second cabinet. In the middle of 1997, signs emerged of a new and ironic twist to the political scene.

A series of announcements and proposed measures of the Hashimoto government appeared to adopt the main points of the reform agenda put forward by the Hosokawa government earlier in the decade. Meanwhile, Ozawa and others in the disintegrated *Shinshinto*, worked hard for a fully conservative coalition though the LDP resisted all such efforts. Hosokawa defected from the *Shinshinto* and remained an independent for the time being. Hashimoto was re-elected as the president of the LDP in early September (New York Times, 12 September 1997).

Later developments in Japan were connected with its economy and need of restructuring. On 3 November, the middle ranked brokerage firm Sanyo Securities effectively went bankrupt after applying to the Tokyo District Court for protection under the Corporate Rehabilitation Law. The collapse of the Hokkaido Takushoku Bank, a low-ranked city bank that had nonetheless been a pillar of Hokkaido's economy, followed when massive non-performing loans forced it to transfer its operations to the Hokuyo Bank and other institutions on 17 November. Yet another failure occurred just three days later, when one of Japanese four largest brokerage houses, Yamaichi Securities Co. Ltd. (with 7,500 employees and over ¥20 trillion investments), voluntarily ceased operations and later was declared bankrupt by the Tokyo District Court on 2 June 1999. This dramatic event shocked people not only in financial circles, though the entire country. It brought concerns about Japan's financial system and eroded international confidence in the Japanese economy, as a whole (Stephanie, 24 November 1997).

In November, the Hashimoto administration approved an emergency economic package totaling ¥10 trillion to stabilize the Japanese financial system. Later at a news conference held on 17 December, the Prime Minister announced several plans to introduce additional measures in the form of special tax cuts worth another ¥2 trillion. Finally, Hashimoto took the lead in encouraging the Ministry of Finance, as the principle supervisory organ of the government for the financial industry, to contribute more actively to his efforts of administration to support an economic recovery.

In a policy address he delivered at an ordinary session of the Diet in January 1998, he stressed his commitment to stabilization policies for the financial system and economic management. Those were continued till the next election was scheduled in July. On 30 May, just a few weeks before the House of Councilors election, the SDP and the New Party *Sakigake* left the ruling coalition over the issue of the Japan-US alliance on forces (Kristof, 31 May 1998). Japan held an election for the House of Councilors on 12 July and the LDP candidates did not perform as well as had been expected. They won in less than half of the contests and managed to secure only 44 seats for the Party. The LDP membership accepted this outcome as inevitable given the negative effects that the recession and concerns about the financial system had had on the election. Nonetheless, Hashimoto took personal responsibility for the defeat by announcing his decision on 13 July to resign as both the Prime Minister (fifth coalition government since 1993) and the LDP president (Kristof, 13 July 1998).

The LDP Begins to Rule: Coalition Continues

On 24 July 1998, the LDP held its presidential election among three candidates; Kajiyama Seiroku, Koizumi Junichiro and Obuchi Keizo. After the election, Obuchi emerged victorious and on 30 July he was designated as Prime Minister (Yoichi, 2000: 25). This in turn prompted Obuchi to form a new cabinet. In the House of Councilors however, the defection from the coalition government of the SDP and the New Party *Sakigake* shortly before the elections had left the LDP without a majority. As a result, these parties selected Naoto Kan of the Democratic Party, instead of Obuchi, as its nominee for Prime Minister. When discussions in the Conference Committee of both the houses failed to produce an agreement on this issue, Obuchi

became the Prime Minister in accordance with Article 67, Section 2 of the Japanese Constitution.²⁷ As these events clearly demonstrated, the Obuchi administration was inaugurated in the midst of a tremendously disorderly environment (Associated Press, 31 July 1998).

Learning a lesson from the past and House of Councilors elections, Obuchi himself labeled his administration as the ‘economic reconstruction’ cabinet. Obuchi confined the faction-based distribution to 16 posts. He used his own discretion to select the remaining four. For the post of the Finance Minister, he picked Miyazawa, the former Prime Minister considering his economic expertise. Another cabinet member, Taichi Sakaiya was appointed from the Economic Planning Agency. The Education Ministry was allocated to Akito Arima who was the President of Tokyo University. Seiko Noda, a vivacious young woman was given the charge of posts and the Ministry of Telecommunication.

In his first policy address on 7 August, Prime Minister Obuchi announced that his cabinet would be dedicated to economic revitalization. He also pledged to put the economy back on track within two years. As part of this effort, Obuchi created an Economic Strategy Council and charged it with the task of formulating concrete policies to facilitate a rapid recovery. Making a clear break with the policies of the Hashimoto administration, the Obuchi administration shifted the focus of the government from structural reform (*kozo kaikaku*) to aggressive fiscal stimulus measures.

Since the Obuchi administration had managed to bring the financial crisis temporarily under control, Finance Minister Miyazawa announced on 30 October the compilation of a 30 billion dollar aid package for Asia known as the ‘New Miyazawa Plan.’ On 16 November, the government approved an emergency fiscal package worth ¥17.9 trillion in a determined effort to stimulate the Japanese struggling economy. Then at the end of the year, the Obuchi administration demonstrated its firm commitment to economic recovery by compiling an ¥81 trillion budget for 1999 designed to boost the domestic demand (Asian Economic News, 23 November 1998).

²⁷ See the Constitution in the appendix-II of this thesis for reference. p. 270.

Prime Minister Obuchi started to work with Chief Cabinet Secretary Hiromu Nonaka and other LDP leaders to explore strategies with which to strengthen his administration at a time when the party did not enjoy a majority in the House of Councilors. After four months, these efforts finally began to bear fruit when Prime Minister Obuchi met with Liberal Party leader Ichiro Ozawa on 19 November to discuss a future alliance (The Japan Times, 19 November 1998). On 14 January 1999, the two parties officially formed a coalition cabinet just prior to the start of the ordinary session of the Diet. When forming his new cabinet, Obuchi chose Takeshi Noda of the Liberal Party coalition partner of LDP) to serve as the Minister of Home Affairs.

During the 1999 ordinary session of the Diet, the coalition government headed by Prime Minister Obuchi recorded a string of historic activities. This can be attributed in large part to the alliance between the LDP and the Liberal Party and the cooperative relationship that had been formed between these two parties and the New *Komeito*. The budget of ¥81.86 trillion for the fiscal year 1999 was passed by the House of Representatives and sent to the House of Councilors for discussion on 19 February.

The determined efforts of the Obuchi administration to revitalize the economy brought about a steady recovery. Although the unemployment rate remained high, the gross domestic products (GDP) figures for the first quarter of 1999 showed an increase of 1.9 percent over the same period of the previous year (Wudunn, 11 March 1999). By the time that the Obuchi administration celebrated its first year anniversary on 30 July, it had already accomplished much more than anyone had ever expected.

As Obuchi had taken over as the LDP President from Hashimoto before the end of the latter's full term, the Party held an election on 9 September 1999. Obuchi was challenged in the contest by former Secretary-General Koichi Kato and former Policy Research Council Chairman Taku Yamasaki. When the results of the ballot by the party members, fraternal members, and the LDP Diet members were announced on 21 September, Obuchi was re-elected with 350 votes. Kato and Yamasaki received 113 and 51 votes respectively.

Obuchi launched the three party coalitions comprising of the LDP, the New Komeito and the Liberal Party (LP) and launched a new cabinet in October. Eiji defended the coalition ethics and supported the demands of coalition partners of the Obuchi government in 1999. He agreed:

...while the Liberal Party envisions a self-sufficient society, it also advocates structural economic reforms and advances downsizing in government. New Komeito insist on government protection for weak and underprivileged. And the two parties are at odds on the use of armed force with respect to Japan's participation in United Nations-endorsed peacekeeping operations (Eiji, 2000: 6).

According to the opinion polls surveys, the coalition was very unpopular; people had been disappointed by the seemingly unprincipled move on the part of the New *Komeito* to fall behind Obuchi after having opposed his initial election as Prime Minister in July 1998 (French, 6 October 1999). Liberal Party entered in November as the coalition partner in his cabinet.

COALITION GOVERNMENTS SINCE THE YEAR 2000: CHANGE AND CONTINUITY IN JAPANESE POLITICS

As the Diet session early in the year 2000 continued, the LDP appeared to be in a stronger position than could reasonably have been expected in 1993. The LDP's support was significantly lower than it had been in the earlier decades. In April 2000 the LDP's support however, was only 30.3 percent. The LP had suffered a setback in early April, when about half of its Diet members defected to form the New Conservative Party (The NCP *Hoshuto*) rather than join their leader, Ozawa, in withdrawing from the governing coalition.

In between on 3 and 4 April, Mikio Aoki, the Chief Cabinet Secretary served as the acting Prime Minister when Obuchi was hospitalized and unable to run the government. After that on the same day Yoshiro Mori, a faction leader and also secretary general of the LDP, was appointed as the new Prime Minister and the Obuchi's entire cabinet was retained until the new election for the House of Representatives, which was held in June 2000 (Sims, 8 April 2000).

Re-Establishment of the LDP and Dilution of Opposition

The results of the election to the House of Representatives held on 25 June 2000 were declared on the same day. The outcome was favorable to the coalition partners; the LDP, the New *Komeito* and the NCP achieved a stable majority (The Japan Times, 27 June 2000) in both the houses. Mori was elected as the new Prime Minister on 4 July 2000, despite the LDP setback and the DPJ gains (The Japan Times, 4 July 2000). A day after launching his cabinet, Mori stressed his determination to create a 'reborn Japan' by improving the economy and promoting Information Technology (IT). On 28 July 2000, he proposed a detailed program for the reconstruction of Japan in his general policy speech before the Diet; in 'born-again Japan,' reforms would be sought in the economy, social security, education, governments and diplomacy. He succeeded in a few, which he planned with coalition partners.

On 18 April 2001, the LDP President and Prime Minister Mori held a press conference and announced his resignation as a Premier in the wake of public the fact that the approval rating for him and his policies were in single digit figures. On 24 April, the Party presidential election was held among the three candidates; Hashimoto, Taro Aso and Junichiro Koizumi. Koizumi was elected as the party President by achieving 60 percent of a total of 487 votes (French, 26 April 2001).

In the plenary session of the Diet, Koizumi was overwhelmingly chosen the Prime Minister of Japan and decided that he would select the cabinet members on merit rather than on the factional basis. In his first policy address to both chambers of the Diet, he pledged to complete necessary reforms to spur the economy, resolve the bad loan mess of the nation's bank and trim the insurance of deficit covering national bonds to less than ¥30 trillion for fiscal 2002 budget.

He stressed on the fact that without structural reforms, economic recovery could not be achieved in Japan (Koizumi, Diet Speech, 7 May 2001). Subsequently, he pledged to reform the postal system; in addition to that, life insurance and savings programs would be turned over to public agencies in fiscal 2003 with the aim of eventual privatization.

Feldman has supported the policies and its implementation carried out by Koizumi, he said:

As Prime Minister Koizumi has demonstrated that he has media savvy, communication skills and vision. He won the LDP presidential race against opposition from the party's old guard because of his promises of reform. Koizumi's reform platform amounted to what he described as a "dissolution of the party" (Feldman, 2005: 12).

In July 2001, election to the House of Councilors happened to be a major feat of success in the nine years for the LDP. The House of Councilors victory was considered a mandate for Koizumi to initiate reforms. Yet the outcome of the election was not so much of a revival of the LDP politics (See the results below in table 9), though, it did indicate that voters were so eager to change the political environment that was present till the last decade that they supported Koizumi to give him one more chance to break down the LDP political framework of vested interest and favoritism. The elections results were astonishing, since the LDP had lacked fewer majorities in the house since 1990.

TABLE 9: THE HOUSE OF COUNCILOR ELECTIONS, JULY 2001

Parties	PR	ED	Total
The LDP	20	45	65
The DPJ	8	18	26
The LP	4	2	6
The JCP	4	1	5
The New <i>Komeito</i>	8	5	13
The SDP	3	0	3
The NCP	1	0	1
Small Parties	0	2	2
Independents	-	-	-
Total	48	73	121

Source: The Japan Times, 30 July 2001.

The Media helped Koizumi to get a majority in the House of Councilors despite his weak organizational power base in the party itself. He made a three pronged use of the media in three ways, by appearing on TV news programs and debates, by the effective use of Internet and through frequent photo features in women's magazines (Inoguchi, 2002: 42-43) to attract female voters. Later, on 10 August, Koizumi was re-elected as the LDP president and successfully implemented the structural reform policies.

With no major national elections and no surprise party realignments, the year 2002 was the least eventful in Japanese politics since 1993. The three party coalition led by Koizumi remained firmly in control since the LDP and its two junior partners, the New *Komeito* and the New Conservative Party enjoyed, a stable majority in both chambers of the Diet. In September, Koizumi reshuffled his cabinet for the first time after being elected as prime minister in April 2001.

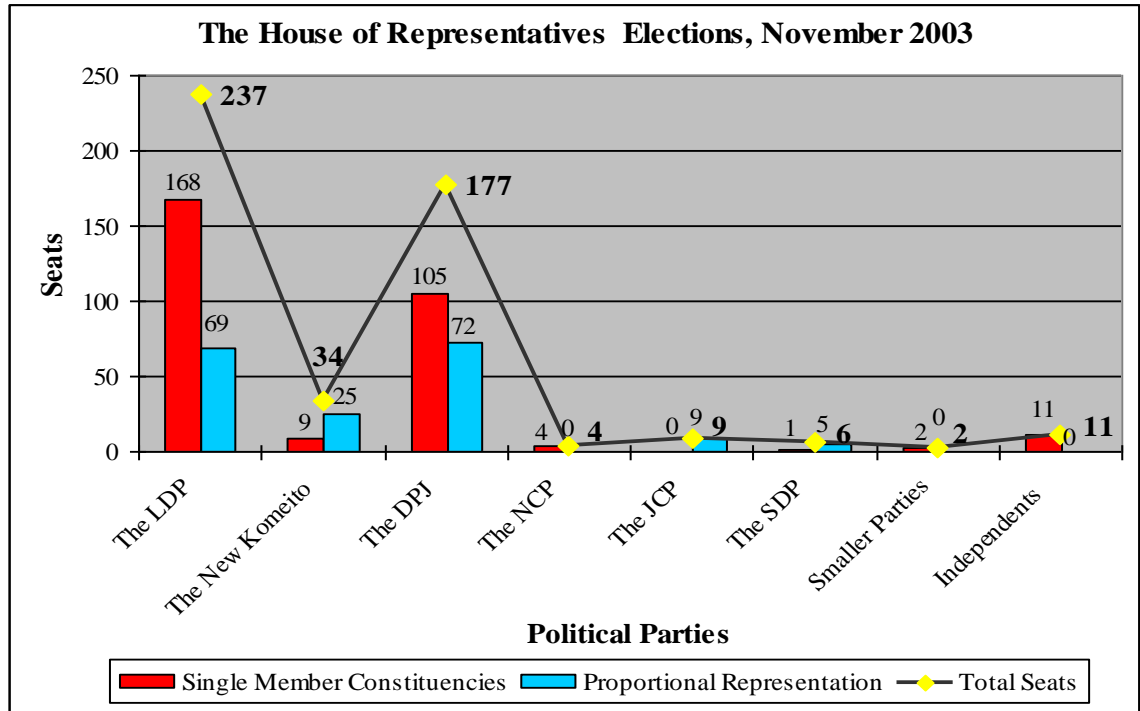
He retained almost the whole cabinet, though he removed Finance Minister Hakuo Yanagisawa and a few others. Passing a few bills like the state run postal services and revising medical insurance system, the year 2002 was eventually a peaceful one without political instability, although the cabinet reshuffle was completed in September keeping in view the economic reforms in the days to come (The Japan Times, 1 October 2002).

The year 2003 could be viewed as a year of several political events. In the last week of September, keeping the ensuing elections in mind the LP merged with the DPJ to contest elections jointly, to challenge the LDP. The general elections for the House of Representatives were held on 9 November after one and half months when Koizumi was re-elected as the LDP's President for a second term.

Despite the loss of seats, the LDP led coalition managed a comfortable majority of 252 seats (see chart below), which enabled the bloc to name its chairman in the entire chamber's standing committee and hold a majority in all panels. Now, smaller parties in both the ruling and opposition camps suffered in the shadows of the LDP-DPJ competition. Where the NCP merged with the LDP due to a critical setback in the elections, a deal were signed by the NCP's Secretary-General Toshihiro Nikai

with the LDP's President and Prime Minister Koizumi. The JCP with only 9 seats was placed behind the New *Komeito* that managed 34 seats.

CHART 3: RESULTS OF THE HOUSE OF REPRESENTATIVES ELECTION, NOVEMBER 2003



Source: The Japan Times, 10 November 2003

It was a success for the LDP, which formed the government with the coalition partners, the New *Komeito* and the NCP. The DPJ announced that it would perform as a responsible opposition in the Diet. On 19 November, Koizumi was appointed Prime Minister for the subsequent term. He has managed LDP's policies in the government with the collective efforts of the coalition partners.

In December 2003, the Koizumi government passed bills regarding the approval of a plan for missile defense and the fiscal budget for the year 2004. The first few months of 2004 were unbeaten for the Koizumi government, which successfully pushed the SDF troops to reconstruction in Iraq, in January, without the oppositions' support (Editorial Notes, 2004: 2).

In 2005, Koizumi planned to revive the Japanese economy by bringing in major programs. In the Diet session of January 2005, Koizumi deliberately planned to privatize the public sector in order to boost the economy. In his agenda of

privatizing postal reform, which was mentioned in his policy speech at 161st session of the Diet (Diet Policy Speech, 12 October 2004), Koizumi faced a severe crisis within and outside the LDP.

On the part of sole decision of Koizumi and the LDP's role Satoshi said:

The biggest problem facing the LDP is that the existing structure of political authority has collapsed and the setup that has emerged in its place allows little room for involvement by the party. If the new structure left ample space for the LDP to get involved, it would merely need to adjust its mode of operation to match the new procedures.

But what has become apparent since the birth of Koizumi administration is that it is not simply the procedures that have changed but the locus of effective decision making power. In the past the LDP viewed the prime minister and cabinet as akin to a *mikoshi* (portable shrine)—the party had hold of the leadership and could carry it whatever direction it wished (Satoshi, 2005: 42).

In early August 2005, almost 30 dissenters of the LDP in the House of Councilors of the Diet did not support the bill to privatize the state-owned postal service (People's Daily Online, 8 August 2005). The bill was vetoed in the House of Councilors' plenary session 125 against 108, though it had been approved by the House of Representatives on 5 July by a slight margin of five votes. A stubborn advocate of postal privatization, Koizumi had vowed to press for this legislation even at the risk of ruining his party.

The LDP's Performance as the Single Largest Party and the Leadership of Koizumi

True to his word, he decided to stake his party's prospects to postal reform by calling for a snap election for the House of Representatives after dissolving the house on 8 August 2005. Furthermore, he assailed the opponents of privatization in his party and sent competing candidates to their districts. In the event, the tactics of Koizumi helped him to pursue his reforms.

The Japanese people supported his policies and programs and in the September 2005 he received an overwhelming mandate, by winning 296 of 480 contested seats alone

and it a was major victory since 1986.²⁸ The Coalition government headed by the LDP concluded that it would not determine to disassociate with the New *Komeito*, even after being in majority in the House of Representatives. After the elections, postal bill was passed by margin of 200 votes in the House of Representatives and by 34 votes in the House of Councilors (Editorial, *The Japan Times*, 25 October 2005).

The political strategy of Prime Minister Koizumi was alien to the traditional patterns of the LDP's politics. Many overseas observers viewed his electoral victory as a positive augury for Japanese politics. For at least a decade, Japanese politics had been mired in confusion and policymaking had stagnated. On foreign issues, Koizumi focused on closer relations with the US and the UN centered diplomacy, which had been adopted by all his predecessors, he went further to pursue supporting the US policies in order to counter terrorism. He decided to deploy the Japanese SDF to Iraq, which was the first military mission in active foreign war areas since the end of the World War II.

Prime Minister Koizumi, who was born to a traditional political family, was an unlikely rebel. Thirty years ago, he had won the election for the first time by inheriting his parliamentary district from his father, as is the case with many other LDP politicians. Notwithstanding his conventional background, he tended to be a nonconformist who made provocative remarks and refused to nurture his own group of followers. In the election for the LDP Presidency in 2001 however, his unconventional style unexpectedly found favor with a majority of the LDP members, partly owing to the extreme unpopularity of the then Prime Minister Yoshiro Mori. Koizumi won the election and went on become the LDP President and thereby Prime Minister that appears to be a breakthrough. His initial approval rating reached as high as 80 percent in October 2001. Though his support rate declined somewhat, he was still the most popular leader in post-war Japan (*Kyodo News International*, 3 October 2001).

The continuous four-year term of Prime Minister Koizumi had indeed brought significant changes in the internal politics of the LDP. Making factional politics

²⁸ See election results in the appendix-V of this thesis, p. 285.

useless in his days was remarkable in Japanese politics. Factions had been the cornerstone of the internal politics of the LDP and leaders of various factions within the party were strong enough to motivate the election of the party President (Thayer, 1969: 15-57).

The LDP lawmakers were inclined to identify with factions more than with the party itself. Believing factions to be archaic, Koizumi consistently tried to weaken the factional leaders. He also ceaselessly attacked the Hashimoto faction, which had dominated the party's center since the early 1980s under the successive leadership of a number of influential politicians, including four former Prime Ministers; Tanaka Kakuei, Takeshita Noboru, Obuchi Keizo, and Hashimoto Ryutaro.

Koizumi's achievements on privatization and revitalizing the economy were very successful and necessary for Japan. Even when public support plummeted for the Koizumi Cabinet, it always remained above 50 percent. Compared to its predecessors, it was a very popular Cabinet and indicated that the expectations of the public for reform had not subsided.

Koizumi was often noted for his visits to the Yasukuni Shrine (a total of six visits). Since the shrine honors many convicted Japanese war criminals including fourteen criminals who were executed, these visits drew strong condemnation and protest within Japan as well as from both the neighbors—China and South Korea. Yet in spite of such controversies, Koizumi remained a popular leader.

After completing his term as Prime Minister, Koizumi announced that he would step down from office in 2006, and would not personally refer a successor as many LDP Prime Ministers had done, in the past. In September 2006, Abe Shinzo was elected to succeed Koizumi as president of the LDP; Abe was the youngest Prime Minister after Konoe Fumimaro (1940-41), and was associated with the Mori faction.

The LDP's Leadership at Stake: The Opposition Manages Lost Ground

On 20 September 2006, Abe was elected as the President of the ruling LDP (coalition government with the New *Komeito*). His chief competitors for the position were Tanigaki Sadakazu and Aso Taro. Fukuda Yasuo was a leading early

contender; however, ultimately he did not wish to run. The former Prime Minister Yoshiro Mori, to whose faction both Abe and Fukuda belonged stated that the faction strongly leant toward Abe. On 26 September, Abe was elected Prime Minister with 339 of 475 votes in the House of Representatives and a firm majority in the House of Councilors (People's Daily Online, 26 September 2006).

Abe expressed a general commitment to the fiscal reforms instituted by his predecessor, Koizumi Junichiro. He took some steps toward balancing the Japanese budget, such as appointing a tax policy expert, Omi Koji, as the Minister of Finance. Omi had previously supported increases in the national consumption tax, although Abe distanced himself from this policy and sought to achieve much of his budget balancing through cuts on spending. He stressed on making Japan a beautiful nation by various agendas and reform policies (Abe's Diet Speech, 26 September 2006).

Abe was a very progressive Prime Minister and attempted to change the Japanese face abroad. He supported the controversial Japanese Society for History Textbook Reform and the 'New History Textbook'.²⁹ He refused the issue related to the abduction of comfort women by troops of Japan in the history textbooks and claimed that a history textbook must contribute to the formation of a national consciousness, and mentioned the South Korean criticism of the 'New History Textbook', as foreign interference in Japanese domestic affairs. He also planned to revise Article 9 of the constitution in order to maintain a military force (Editorial, The New York Times, 27 September 2006).

Abe always tried to develop cooperation with Japan's neighbors particularly China with full-fledged diplomacy, which has lost momentum during the Koizumi administration. He has expressed the need to strengthen political, security, and economic ties within the Southeast Asian region as well as with the natural allies,

²⁹ The history textbook controversy of Japan is related to the history textbooks approved by government, used in the secondary education (junior high schools and high schools) in Japan. The controversies primarily concern to be a systematic distortion of the historical record propagated in the Japanese educational system, which seeks to remove the wrongdoings of Imperial Japan during World War II. Anti-Japanese demonstrations were held in the spring of 2005 in China and South Korea to protest against a Japanese history textbook called '*Atarashii Rekishi Kyokasho*' or 'New History Textbook', which downplays the nature of Japanese military aggression in the First Japan-China War, Japanese annexation of Korea in 1910 and in the Second Japan-China War (1937-1945).

the US and Europe (Yahoo News Web). Abe increased Japanese allies in his international campaign to counter the North Korean nuclear policies.

Since the formation of the government in September, Abe was always in trouble at the domestic level by the actions of his cabinet members and officials. In December 2006, the Administrative Reform Minister Sata Genichiro resigned over political funds report scandal. In January, Abe faced several incidents associated with the 'drivel acts of his cabinet members'. Later, on 10 January, the government tax panel Chief resigned being involved in a scandal and on 27 January the Health Minister Yanagisawa Hakuo in a speech, compared Japanese women to 'birth-giving machines'.

On 28 May 2007, Agricultural Minister Matsuoka Toshikatsu of Abe cabinet, committed suicide because of his involvement in the scandal, and on 5 July allegations emerged about the inappropriate handling of office management expenses by the Farm Minister Akagi Norihiko. These incidents brought drastic changes in the public opinion and Abe's approval rate remained below 30 percent in May 2007.

The election of House of Councilors of July caused a serious threat to the government and Abe accepted the responsibilities for the loss of seats by the LDP. The election results have shown in the table on next page. In the election, the opposition party, DPJ maintained an excellent margin compared to that of the ruling coalition strength in the house and demanded to dissolve the House of Representatives for fresh elections. However, Abe planned not to quit, since the LDP had maintained the majority in the House of Representatives (Nishiyama, 30 July 2007).

In an attempt to revive his administration, Abe announced a new cabinet on 27 August 2007. However, the new Agricultural Minister Endo Takehiko, involved in a finance scandal, resigned only 7 days later (China Daily, 03 September 2007). On 12 September only three days after a new parliamentary session had begun, Abe announced his intention to resign from his position as Prime Minister at an unscheduled press conference. Abe said that his unpopularity was hindering the passage of an anti terrorism law, related to Japanese continued military presence in

Afghanistan, which would end in November 2007. He resigned amid these developments and said that his poor health too was creating problem to continue as Prime Minister. For the election of new party President and Prime Minister, Yasuo Fukuda, an LDP veteran emerged as the fit successor to Abe, and he was elected as party President on 23 September 2007 defeating Taro Aso, the Secretary General of the LDP as contender (The Japan Times, 24 September 2007).

TABLE 10: THE HOUSE OF COUNCILORS ELECTIONS, 29 JULY 2007

Parties	% of Votes	Electoral Seats 2007	Proportional Seats 2007	Elected in 2007	Total Strength
The DPJ	39.5	40	20	60	109
The LDP	28.1	23	14	37	83
The New <i>Komeito</i>	13.2	2	7	9	20
The JCP	7.5	0	3	3	7
The SDP	4.5	0	2	2	5
The People's New Party (PNP)	2.2	1	1	2	4
The New Party Nippon (NPN)	3.0	1	0	1	1
Others	2.1	7	0	7	13
Total				121	242

Source: The NHK, English, 29 July 2007.

Japanese politics in 2007 was appeared shaky, when the refueling bill that had been proposed to passed before November, and was passed on the 13 of the month, though the House of Councilors voted against the bill. In January 2008, it was passed by a second vote in the House of Representatives again (The Japan Times, 12 January 2008). The tax reform bill linked with the hike in gasoline and road taxes too was opposed by the opposition in January (Masaki, 25 January 2008), and February 2008 and it was halted until May, although the gasoline price was increased in June 2008. The government said that the tax would be useful for the construction of roads.

The road tax bill was passed by the House of Representatives by the second vote procedure. The LDP passed the bill through the Diet on 13 May, which allowed the

government to use road related taxes for nationwide road construction up to the next 10 years, even though the Cabinet had agreed earlier to free up the revenues starting in April 2009. The DPJ-led opposition camp condemned the bill as being very inconsistent with Prime Minister Fukuda's promise to free up road tax revenues, currently used exclusively to fund road construction, for general expenditures would start in the fiscal year 2009.

Even members of the ruling bloc expressed reluctance over voting on the bill. The bill was rejected on 12 May by the opposition-controlled Upper House and sent back to the House of Representatives for a second vote. Article 59 of the Constitution stipulates that a bill rejected in the House of Councilors can be approved with a two-thirds majority vote in the House of Representatives, as it happened on Tuesday, 13 May 2008 (The Japan Times, 14 May 2008).

It was reported in the media that the slide support rate in favor of Prime Minister Fukuda would not let him stay in power after chairing the G-8 meeting in Hokkaido (Kyodo News International, 9 July 2008). In the last days of August 2008, his support rate from the public went below and counted 29 percent. Because of his low support and pressure from the opposition parties, Fukuda resigned on 01 September 2008. Aso Taro, the former LDP general Secretary has been elected the 23rd LDP President and elected 92nd Prime Minister on 24 September 2008 in the extraordinary Diet session (The Japan Times, 24 September 2008).

However, it is fact that the formation of the coalition government led by Hosokawa tried to bring reforms and succeeded in a few to counter the challenges which iare present in Japan since long. In 1996, Hashimoto brought government policies to counter challenges that led to an era of coalition government in Japan. The recession of the Japanese economy is in need of better structural policies, they were however, not completed even after Koizumi's premiership. Abe was elected Prime Minister for nearly less than a year, he started initiatives for 'beautiful Japan' that need to be continued in the days to come by his successors (Kyodo News, 15 July 2008), during his term, moreover, several issues of domestic and foreign policy remained unsolved. Even though, the term of Prime Minister Fukuda, after Abe was

inefficient and Aso have faced low popular public rating since he was appointed for the post of Prime Minister to lead Japan during the global meltdown period.

The changing nature of Japanese politics that reflected the voters' attitude, the collapse of "1955 setup", increasing opposition strength and policies of the government for reforming the Japanese political predicament, economy, foreign policy and societal issues from the late and beginning of 1990s, are detailed in next chapter of this thesis.

Chapter 4

POLITICAL REFORMS IN JAPAN SINCE 1990

Reforms are required when the system becomes prevalent in country, a burden for it and, as they are unsuccessful in providing any improvements to it. In any political system, government policies should be directly correlated with its functionality. Functionality is dominated by the external and internal environment of the system. The external environment consists of mainly the foreign policies that deal with issues like treaties, cooperation and relations with other nations. Internal environment is entirely based on domestic concerns, which are political activities of parties, elections, constitution, economic condition and societal problems. These directly create an impact on the policies and programs of the government of the concerned country and its political system. Japan is having no dissimilarity with any other country.

The beginning of the modernization process during the Meiji period and after World War II, outstanding achievements were made in various fields. The problems in Japanese politics after the Occupation, till the year 1993 and later, the economic performance in the 1960s and the recession in late 1980s, corruptions, an aging population and foreign policies are the various factors which have impacted the Japanese political system. Since 1990 onwards, reforms have become the major concern of the political parties and its leaders, in order to tackle the challenges of Japanese politics and its systems; in fact, reforms are required to enhance the proper functioning of the system as well as for Japan to be a world leader. Though reforms were initiated in the Meiji era and soon after the World War II, they were modest in comparison to 1990s and later in the 2000s.

During the Meiji days (1868), Japan adopted the parliamentary form of government based on the Western model of participatory democracy. Political parties emerged in this period and participated in the elections enthusiastically. During Meiji period many political and economic task were completed for the Japanese society. Various reforms that had been finalized during the restoration were never accomplished in

the Tokugawa period (1543-1868). The imperial control of the Meiji rulers was started by the reforms of land holdings (Dolan and Worden, 1994, US Library of Congress).

The Meiji Restoration was the means toward the industrialization in Japan that led to the rise of the island nation as a military power by 1905, under the slogan of ‘enrich the country, strengthen the military’. The Meiji oligarchy that formed the government under the rule of the Emperor first introduced measures to consolidate their power against the remnants of the Edo period government, the *shogunate*, the *daimyo*, and the samurai class (Dolan and Worden, 1994, Meiji Restoration). Later, in the year 1871 and 1873, a series of land and tax laws were enacted as the basis of modern fiscal policy. The private possessions were made legal and lands were assessed at fair market values with taxes paid in cash rather than in kind, as in the pre-Meiji days, and at slightly lower rates.

Later, the new constitution specified a form of government that was still authoritarian in character, with the emperor holding the ultimate power and only minimal concessions available to popular rights and parliamentary mechanisms. Party participation was recognized as being part of the political process (Pyle, 1969: 23). The Meiji Constitution was present until the Occupation Forces entered in Japan after World War II and the new constitution came into force in May 1947.

No major reforms have taken place in the Taisho period (1912-1926) except those related with the ‘male suffrage’ bill for the elections proposed by the *kenseito* party. This bill provided the right to vote to all males over the age of 25. This bill was ‘conditional’, the condition being that all voters had lived in their electoral districts for at least one year, and was not homeless. The electorate in that way significantly increased from 3.3 million to 12.5 million in Japan (Hane, 1992: 234). The Showa (the longest reign from 1926-1989) period was present till the death of Hirohito (Emperor Showa, 1901-1989), however, it was more militaristic rather than democratic till the end of the World War II. The economic crisis of 1927 caused many bank and factories close down, took place in this era.

Meiji’s modernization was vested in its reform of the old system that helped Japan to develop its political system as well as the economy for its society. Jansen has clearly

pointed that the Meiji Restoration was the turning points in Japanese history. He said:

...although the actual events of 1868 constituted little more than a shift of power within the old ruling class, the larger process referred to as the Meiji restoration brought an end to the ascendancy of the warrior class and replaced the decentralized structure of early modern feudalism with a central stage under the aegis of the traditional sovereign, now transformed into modern monarch...The restoration leaders undertook a series of vigorous steps to build national strength under capitalist institutions and rapidly propelled their country on the road to regional and world power (Jansen, 1995: 144).

The economic structure and the production of the country was amazing, achieving world power status in such a short time, showed remarkable progress. Two reasons were responsible for the speed of Japanese modernization: the employment of over 3,000 foreign experts in a variety of specialist fields such as teaching English, Science, Engineering, Defense, and the dispatch of many Japanese students overseas to Europe and America, based on the fifth and last article of the Charter Oath of that period. This process of modernization was closely monitored and heavily subsidized by the Meiji government, enhancing the power of the great '*zaibatsu*' (big business conglomerates) firms such as Mitsubishi and Mitsui.

Economic reforms included a unified modern currency based on the Yen, banking, commercial and tax laws, stock exchanges, and a communications network. The establishment of a modern institutional framework conducive to an advanced capitalist economy took time; nevertheless, it was completed by the 1890s. In this decade, the government had largely relinquished direct control of the modernization process, primarily for budgetary reasons (Stockwin, 1999, 17-19).

As mentioned already in the previous page, the two 'periods' after Meiji were mere continuation of political and economic set-ups developed by it. The major political changes and reforms were completed tentatively during the period of Allied Occupation headed by the US in Japan, after World War II. This shaped the Japanese foreign policy in addition. The continuing reforms and proper policies to counter the challenges present in the 'system' of Japanese politics and the economy,

materialized properly only since 1990. This will be discussed in detail in the next few pages.

The Allied Occupation of Japan lasted from 2 September 1945 to 28 April 1952 following the surrender of Japan in World War II. It was a major watershed in Japanese history, in which the victorious allies tried to restructure Japanese political life and society in accordance with the principle of liberal democracy. As Japan had firsthand experience of subjugation to a foreign conqueror, the Occupation was naturally a challenge to the country (Burkman, 1998: 1989).

The policies of Occupation were drawn up in the Washington, D.C. and issued in Japan by General Douglas MacArthur of Supreme Commander of the Allied Powers (SCAP). Although an International Far Eastern Commission was theoretically responsible for overall direction. The Occupation in reality was US dominated project. The decision to conduct an indirect Occupation left the Japanese government largely unharmed to manage the usual affairs of state and to enforce Occupation directives (Livingston, Moore and Oldfather, 1974: 19-50).

Afterward, in the late 1945, more than 350,000 US personnel were stationed throughout Japan and in the beginning of 1946; replacement troops began to arrive in the country in large numbers and were assigned to the Eighth Army of MacArthur, located in the Daiichi building in Tokyo. The official British Commonwealth Occupation Force (BCOF), composed of Australian, British, Indian and New Zealand personnel, was deployed on 21 February 1946. While the US forces were responsible for overall military government, the BCOF was made responsible for supervising demilitarization and the disposal of the war industries of Japan. The BCOF too, was responsible for occupation of several Western prefectures and had its headquarters at Kure city of Hiroshima prefecture (Takemae, Ricketts, Swann and Dower, 2003: 131-33).

The post-war constitution of Japan under the Allied supervision included Article 9 (see chapter 2 of thesis, page 105), a 'Peace Clause', which renounced war and banned Japan from maintaining any armed forces. This was intended to prevent the country from ever becoming an aggressive military power again (Masataka, 1982: 7-25). However, within a decade, America pressured Japan to rebuild its army as a

bulwark against Communism in Asia after the Chinese Revolution and the Korean War, and Japan established the Self Defense Force (SDF). Traditionally, military spending had been restricted to about one percent of its Gross National Product (GNP), though this was by popular practice not law, and has fluctuated from this figure. Recently, former Prime Ministers Koizumi and Abe, and other DPJ politicians have tried to repeal the clause.

Attempts were made by the Occupation Allies to dismantle the Japanese *zaibatsu*. However, the Japanese resisted these attempts, claiming that the *zaibatsu* were required in order to compete internationally, and looser industrial groupings known as *keiretsu* evolved. A major land reform was conducted, and five million acres (20,000 square km) of land was taken out of the hands of landlords and given to the farmers who worked for them (Sugita, 2003: 5).

In 1946, the Diet ratified a new Constitution of Japan, which followed closely a model prepared by the Occupational authorities, and it was promulgated as an amendment to the old Prussian-style Meiji constitution. The new constitution guaranteed basic freedoms and civil liberties, abolished nobility, and, perhaps most importantly, made the Emperor the symbol of Japan, removing him from politics. Shinto was abolished as a state religion, and Christianity reappeared in the open for the first time in decades. Women gained the right to vote, and in April 1946, 14 million voters turned out for the election and Shigeru Yoshida was chosen the first Prime Minister after the war (Sugita, 2003: 12-15).

Before and during the war, Japanese education was based on the German system, with Gymnasiums (High Schools) and universities to train students after primary school. During the Occupation, the secondary education system was changed to incorporate three-year junior high schools and senior high schools similar to those in the US; junior high became compulsory though, senior high remained optional. The Imperial Rescript on Education of the year 1890 was canceled, and the Imperial University system reorganized.

The longstanding issue of restricting *Kanji* (character for writing) usage, which had been planned for decades and continuously opposed by the more conservative

elements, was also resolved during this time.³⁰ The Japanese written system was drastically reorganized to give the *Toyo Kanji*, predecessor of the *Joyo Kanji* of today, and orthography (the precise way of using a specific writing system to write the language) was greatly altered to reflect spoken usage (Unger, 1996: 56-119).

Political parties had begun to revive almost immediately after the occupation began. Left-wing organizations, such as the Japan Socialist Party (JSP) and the Japan Communist Party (JCP), quickly reestablished themselves, as did various conservative parties. The old *Seiyukai* (Constitutional Government Association) and *Rikken Minseito* returned as respectively, the Liberal Party (*Nihon Jiyuto*) and the Japan Progressive Party (*Nihon Shimpoto*). The first post-war elections were held in 1946 (women were given the franchise for the first time) and the Vice President of the Liberal Party, Yoshida Shigeru (1878-1967) was elected as the Prime Minister (Gordon, 2003: 73-93).

In the 1947 elections, anti-Yoshida forces left the Liberal Party and joined with the Progressive Party to establish the new Democratic Party (*Minshuto*). This divisiveness in conservative ranks gave a plurality to the Japan Socialist Party, which was allowed to form a cabinet, which lasted less than a year. Thereafter, the Socialist Party steadily declined in its electoral successes. After a short period of the Democratic Party administration, Yoshida returned in late 1948 and continued to serve as Prime Minister until 1954.

The San Francisco Peace Treaty signed on 8 September 1951, marked the end of the Allied Occupation on 28 April 1952 and Japan emerged an independent state (with the exceptions of Okinawa, which remained under the US control till 1972, and Iwo Jima, which remained under the US control until 1968). Even though 47,000 US military personnel remain in Japan today, they are there at the invitation of the Japanese government under the terms of the Treaty of Mutual Cooperation and Security between the Japan-US and not as an occupying force (Takemae, Ricketts, Swann and Dower, 2003: 126).

³⁰ In November 1946, it was promulgated during the Occupation period that the *toyo kanji* would be limited to the number of *kanji* used in schools, textbooks, etc. to 1,850 and was replaced by the *joyo kanji* in October 1981 with total of 1,945 characters.

According to the treaty of 1951, Japan regained its sovereignty, though lost many of its possessions from before World War II, including Korea, Taiwan, and Sakhalin. It also lost control over a number of small islands in the Pacific that it used to administer as the League of Nations Mandates, such as the Marianas and the Marshalls. The new treaty also allowed Japan to engage in international defense blocs. Some of the reform processes that were finalized during the Occupation period are present even today. After the “1955 setup”, the continuous rule of the LDP and its policies endowed Japan with stability and great economic success in the 1960s (Perez, 1998: 161-64).

The Allied Occupation had helped Japan to recover its economy, after the war. The Japanese financial recovery continued even after the SCAP departed and the economic boom propelled by the Korean War (1950-1953) abated. The Japanese economy survived the deep recession caused by a loss of the US payments for military procurement and continued to make gains. By the late 1960s, Japan had emerged after World War II to achieve an astoundingly rapid and complete economic recovery. From the 1960s to the 1980s, overall real economic growth in Japan has been called a ‘miracle’ (Perez, 1998: 164-70). Growth slowed markedly in the 1990s, due to the Bank of Japan’s failure to cut interest rates quickly enough to counter the after-effects of over-investment during the late 1980s.

It is important to note that similar to the Japanese economy of the 1960s, the politics of Japan also experienced stability for thirty-eight years continuously, since the formation of the 1955 setup till 1993, except for a short shakeup in the mid 1970s. The “1955 setup” collapsed due to the failure of the LDP to win a majority in the House of Representatives elections in July 1993 (Curtis, 1999: 97-101). It was more due to voter dissatisfaction, similar to the House of Representatives election in 1990 that provided an opportunity to the JSP for its impressive turnout following the introduction of the vastly unpopular consumption tax plan by the Noboru Takeshita government in April 1989.

The change of the political setup began in 1990 and the election of the year was a warning to the LDP and its lawmakers. Moreover, the corruptions and challenges present in the Japanese political arena played a major role to deprive the LDP from power after a long time (Curtis, 1999: 64). In addition, a bitter factional struggle

within the Takeshita faction (the prominent and largest the faction of the LDP), triggered the sequence of events that led to the passage of a no confidence motion in House of Representatives of the Diet. The no-confidence motion against the Miyazawa cabinet had been submitted to the House of Representatives by the Social Democratic Party of Japan (SDPJ) and its partners (except the Communists), in June 1993. When it was passed, Miyazawa was forced to dissolve the house for fresh general elections (Stockwin, 1999: 80).

Meager performance by the LDP opened the way for a fundamental shake up of the government, for the first time, in four decades. To provide for a stable government, seven smaller parties formed an alliance of convenience and on 6 August after the July elections, a coalition of conservatives and reformist forces selected Hosokawa to be the Prime Minister. The LDP lost its power not only by the involvement of its lawmakers in corruption; though due to factional struggle too. Another reason is why that it was ousted from power was because voters finally wanted to see a change, after almost four decades of the LDP rule. The chronicle of LDP's loss of power is a lesson in the complexities involved in identifying causation with respect to political change.

POLITICAL REFORMS SINCE 1990

A significant pattern of changing politics emerged after 1980s; the corruption, recession of the economy and old-fashioned politics led the way to adopt reform measure for all the nine coalition governments since August 1993. The need of reforming the Japanese system either political or economic was concerned more with society rather than with politics. Since the Allied Occupation left Japan in 1952 and “1955 setup”, nothing had been done to reform the ailing Japanese politics. In the mid 1980s, the talk of reform, which has emerged suddenly, disappeared due to several political problems within the LDP.

The demands of political reform quickly found expression within the LDP itself for two quite different reasons. One was that a considerable number of the LDP Diet members, especially the younger ones, shared the public disgust of old fashioned Japanese style machine politics (Curtis, 1999: 77). Many of those who came to the LDP from local politics had little in common with the traditional professional party

men of Japanese political experience. Value changes had robbed most of these younger politicians of the enthusiasm for the kind of machine politics.

Corruptions and other changes in politics had scared the younger politicians and the demand to reform the system deepened. The other reason was that 'reform' was an ideal weapon to use in struggle for power within the party. Public criticism over corruption mounted and there were factional disputes in the LDP, and mostly in the Takeshita faction. Some of the LDP's most skilled politicians suddenly became impassioned converts to the cause of political reforms. Prime Minister Miyazawa had planned to reform the electoral system and various other systems, nonetheless, he could not succeed due to the fall of the government in June 1993.

Achieving political reform proved to be an even more difficult task for the Miyazawa Cabinet than that of coping with the opening of domestic rice market of Japan for US as it became necessary in Uruguay Round of GATT for rice tariff in 1991 and 1992 (Blaker, Michael, Giarra, Paul and Vogel, Ezra F., 2002: 47-49). Moreover, in the wake of the Recruit corruption case, public demands for political reform had intensified and Prime Minister Miyazawa responded by pledging during a policy speech he gave at the opening of the ordinary session of the Diet in 1992, that he was fully committed to promote the reform measures (Miyazawa Policy Speech at the Diet, 1992).

In his capacity as the LDP President, he instructed his political party to formulate concrete proposals as soon as possible for bills to be submitted to and passed by the Diet during its ordinary session that dealt with the following four issues: a revision of the seat apportionment for the House of Representatives election districts; political finance; political ethics and parliamentary reforms. However, reaching a consensus within the party on these issues was extremely difficult. Opinions were divided over what sorts of reforms were necessary. Added to this, was the problem of a split within the LDP between those who supported, and those who opposed the introduction of a new electoral system for the House of Representatives that would combine small, single-member districts with proportional representation districts.

After the formation of a seven party led coalition government in 1993, the reform issues emerged full-fledged in the Diet to tackle the challenges. The Hosokawa

administration that was the first non-LDP cabinet in thirty-eight years began his administrative work with great support from the public. The top priority of the Hosokawa cabinet was the realization of political reforms that had never been achieved under the LDP governments. Several coalition governments were formed and every government remained committed to work to satisfy the Japanese people and had a series of reform programs. At the beginning of the coalition in 1993, the Socialists formed the government and they brought forward the reform program on which they united after the election results.

The Hosokawa government initiated reforms, especially political, in November 1993 to counter the challenges that were present in the political system of Japan. The reform programs were the reflection of the agenda on which the seven parties united for the formation of the government. The LDP ruled Japan continuously from its inception in 1955 to its temporary retreat in 1993. The reformers judged this one party dominance as a malfunction of the political system of Japan. In their opinion, the lack of competition resulting from the LDP's monopoly made all political parties sluggish, though the LDP was content with its domination, opposition parties failed to use its weakness proactively (Curtis, 1999: 155-56).

Consequently, reformers concluded that to advance economic growth and lessen corruption, it was vital to promote competition in party politics. They further concluded that to encourage competition, it was imperative to turn the existing multiparty system into a new two-party system by creating a large opposition party that could challenge the LDP (Christensen, 1996: 53-54). The reformers had the American and British models in mind. Their assumption was that in both countries, the 'two party system' abetted the vigor of politics by causing regular alternation of ruling parties.

In post-war Japan, a unique system, commonly referred to as 'the medium-size constituency system,' had been adopted for the House of Representatives, except for the first postwar election in 1946. In this system, Japan was divided into 130 electoral districts, and each district elected three to five Diet members. The reformers proposed to abolish these medium sized constituencies and introduce the single member district as in the US and Britain. The reformers were firm believers in Maurice Duverger's model, an axiom in political science, which states that the

single-member district favors the two-party system (Duverger, 1954: 217). In this law, the single member district that is the third party will disappear eventually because rational voters generally refrain from wasting their ballots. The reformers hoped that the forces of the model of Duverger would encourage smaller parties to combine into one big party.

Moreover, the reformers argued that the single-member district would bring additional advantages. In medium size constituencies, the LDP had to run more than one candidate in any given district to retain its majority in the legislature. This made it difficult for the LDP's local organizations to play a central role, because if they supported a particular candidate, other LDP candidates running in the same district, would certainly complain. Because of the ineffectiveness of local organizations of the party, the LDP politicians cultivated individual support organizations, called *koenkai* (Curtis, 1971: 126). These support organizations were prone to emphasized on local vote gathering strategy and networking rather than laying stress on the LDP's policy platform.

In addition, developing individual support organizations was extremely costly, inclining the LDP politicians to donor politics. The reformers argued that the new single member district system would make individual support organizations unnecessary and therefore lead to policy centered electoral competition. In 1993, electoral reform became a central point of national politics; and the LDP and other parties negotiated intensely for an acceptable deal on electoral reforms (Seiroku, 1994: 12-16).

Since the LDP failed to unite over the question of electoral reform, it did not secure the majority in the general election held in July 1993. Under the coalition government, the new electoral law was passed through the Diet on 8 November 1993. Some left wing the SDPJ members were against the passing of the bill, as they anticipated that SDPJ seats would lose many seats they were holding onto. The main opposition party LDP, supported the bill.

The new system combined the single-member district and proportional representation (Curtis, 1999: 156). The reformers accepted this compromise in order to build a majority coalition in the legislature. This electoral system was expected to

change the nature of political parties. The LDP organization had long been characterized by the formation of factions and by the continual disputes and alliances among them.

The factions were an outgrowth of a Multi-seat constituency system, under which the LDP ran two or more candidates for each electoral district of two to six seats. These candidates were from different factions of the party, and their success depended on the strength of their factional backing. The single seat constituency system makes factional support no longer necessary, and in fact, since approval of the system, the LDP faction rapidly receded (Masumi, 1994: 257). The factions did not disappear all of a sudden; their presence had become unnecessary because of electoral changes.

The salient features of the new law, which was accompanied by a number of changes in legislation governing ‘electoral law, financing and campaign’, were as follows:

- Despite the tendency to refer to the new system as a single-seat system, only 300 of the 500 seats of the House of Representatives (reduced from 511 seats) were in this category. The 200 seats were allocated for the proportional representation system. Finally, a unique provision permitted dual candidates in both a single-seat districts and on the proportional list. Depending on the electoral strategies of each party, a sort of safety net could be provided for candidates facing close races. The position of a candidate on the proportional list is entirely the choice of the party; it is possible, for example, to rank several candidates equally on a list, in which case the candidate’s vote in the single-seat districts as a percentage of the vote of the winning candidate is the determining factor.³¹
- Each voter would be able to cast two votes, one for the individual candidate in a single seat district and one for a political party in the nationwide proportional representation system.

³¹ See the appendix-VIII of this thesis for the use of electoral law in 1996 House of Representatives elections after the new electoral law came into effect. p. 294.

Christensen has seen the electoral reform was must and important for Japanese politics. He argued that:

Electoral reform was but the first salvo of an ambitious agenda of reform by the next generation of political leaders in Japan. The fate of the other ambitious reform is still undecided. Nevertheless, the electoral reform is one concrete change of the Japanese political system that is likely to stay. It is an important reform that will affect the number and type of political parties as well as the type and activities of Diet candidates...(Christensen, 1996: 70).

It is evident that the funding of the political parties in Japan has always caused a serious trouble and led to corruption within Japanese politics. It is present till today. Recent example is that the two ministers from the former Prime Minister Shinzo Abe's cabinet resigned in the wake of 'funding', in May and July 2007 (The Japan Times, 27 May 2007). The problem of 'political funding' (funds for political organizations) was debated during the late 1980s and early 1990s, partly because of the exposure of the Recruit scandal of 1988-89.

The persons involved, included the most influential leaders of the LDP (usually through their aides or spouses) and a smaller number of opposition party figures. Although such insider trading was not strictly illegal, it caused public outrage at a time when the ruling party was considering a highly controversial consumption tax. Before the scandal ran its course, Takeshita was obliged to resign as Prime Minister in April 1989, a senior aide committed suicide in expiation for his leader's humiliation, and former Prime Minister Nakasone Yasuhiro resigned from the LDP and became an independent Diet member to put the much-tainted party further shame.

Regarding the background issue of political funding, a group of parliamentarians belonging to the ruling LDP estimated in 1987, that annual expenses for ten newly elected members of the Diet averaged ¥120 million each, or about US \$800,000. This figure, which included expenses for staff and constituent services in the home district of a member, including his local supporters, was less than the average for Diet members as a whole, because long-term incumbents tended to acquire higher expenses. However, in the late 1980s, the government provided each Diet member with only ¥20 million for annual operating expenses in the elections, leaving ¥100

million to be obtained through private contributions, political party faction bosses, or other means. The lack of public funding meant that all politicians and, not just the members of the LDP needed constant infusions of cash to stay in office.

Proposals for reform of the system in the early 1990s, included compulsory full disclosure of campaign funding, more generous public allowances for the Diet members to reduce (or, ideally, to eliminate) their reliance on ‘side’ contributions, and stricter penalties for violators, including lengthy periods of being barred for lengthy periods from running for public office. The law was amended and is as follows:

- Major political parties would receive subsidies from the state equaling ¥250 per Japanese citizen based on the voting population, and the total subsidies for the party would be, about ¥30.9 billion.
- Donations to individual politicians were banned.
- Sources of donations exceeding ¥50,000 a year should be disclosed.
- Door-to-door campaigning by candidates would be permitted from 8 am to 8 pm.

On 28 January 1994, the electoral law was revised, according to which, each individual Diet member could be allowed to designate one fund raising body to receive donations from business enterprises and groups.

Since the collapse of the ‘bubble economy,’ the government had taken strong measures to revise the tax system in the 1990s, and later. Previously, the ‘Nakasone tax reform’ of the 1980s was the most drastic tax reform since Prof. Casi S. Shoup’s ‘Shoup Tax Reform Recommendation’ of 1949 (Homma and Ohtake, 1990: 3-4). The new tax system was introduced by Prime Minister Hosokawa. He announced the new tax plans and financial plans on 2 February 1994, which was approved on 8 February after a long debate in the Diet for the financial year 1994. The bill had previously been opposed by some of the members of the ruling coalition partner SDPJ. The provisions of the bill were:

- Cuts of income and other taxes would be a total of ¥5.85 trillion, for the financial year 1994.

- Expansion of public works and other projects under the financial plan would be ¥7.2 trillion.
- For public works projects, the facilitation of land transaction would be a total of ¥2.78 trillion.
- Measures to support restructuring of the agriculture sector, including additional public works spending and expansion of low-interest loans would be a total of ¥10 billion.
- Expenditure of measures securing employment would be ¥10 billion.

The ‘reform measures’ implemented by the coalition government headed by the Japan New Party’s Hosokawa, was an outstanding achievement of the first non LDP coalition government. In April 1994, Hosokawa resigned due to his alleged involvement in past irregularities. Hata Tsutomu’s government was formed after Hosokawa’s resignation (Isamu and Tokuji, July–September 1994: 371). The minority coalition government that had lasted for only two months, in which the House of Representatives had passed the fiscal budget of 1994, comprised of an income tax cut ranging between ¥5.74 and ¥8.98 billion. The amount for the general expenditure was decided to be ¥40.85 trillion.

After Hata’s resignation on 25 June 1994, the new government was designated under the leadership of Murayama on 30 June. His cabinet approved the budget of ¥70.99 trillion in December 1994 for the fiscal year 1995. The major steps taken in this period were totally related to the restructuring of the Japanese economy. The defense budget was increased in the year 1994 and was set on the spending of 0.855 percent of Gross National Product (GNP); ¥6.0 trillion was planned to spend in six years starting, from the fiscal year 1995 and ¥37 million was set for schools to counter ‘bullying’. Moreover, ¥12.5 billion was announced for day-care contents for infants, and in addition ¥4.15 billion to increase the number of nurses at the center where long work hours was required. A bill concerning ‘Religious Corporate Body Law’ was passed by the Diet in October 1995; the bill was originally introduced by the LDP (Isamu and Tokuji, January–March 1996, 116).

In January 1996, the new party president of the LDP, Hashimoto Ryutaro replaced Murayama as the new Prime Minister. He played a major role in the two years of his

tenure as Prime Minister of Japan. In his tenure besides economic and bureaucratic reforms, foreign relations were given priority. On 17 April 1996, Prime Minister Hashimoto and the American President Bill Clinton signed the Japan-US security declaration (Hook, Gilson, Hughes and Dobson, 2001: 477-80), and on 16 April 1996, the joint declaration on security outlined in general terms for the need of two countries to work jointly and individually to achieve a more “peaceful and stable security environment in the Asia-Pacific region.”

The declarations were related Japan-US strategic cooperation. Both countries agreed on the encouragement of and cooperation with, Russia’s ongoing progress of reforms and the reaffirmation of full normalization of Japan-Russia relations as being important to regional peace and stability as well as continuation of efforts regarding stability on the Korean peninsula, in cooperation with the Republic of Korea (South Korea).

In addition to the regional issues, two countries also agreed to work together on security matters—including the United Nations Peace Keeping (UNPKO) and Humanitarian Operations, acceleration of the Comprehensive Test Ban Treaty (CTBT) negotiation process, prevention of the proliferation of weapons of mass destruction and their means of delivery, the Middle East peace process and the peace process in former Yugoslavia. Prime Minister Hashimoto and President Clinton agreed to initiate the review of the 1978 guidelines for Japan-US defense cooperation to build upon the close working relationship already established between both countries.

Being reelected as Prime Minister in November 1996, and the general elections of 20 October, Hashimoto announced that his administration would implement various reforms. Muto Kuban, who was appointed as the director general of Management and Coordination Agency, was given the charge of suggesting administrative reforms; the policy issue was embraced by all the major political parties during the campaign. In the reform process by the Hashimoto, government ministries were reorganized for the purpose of administrative reforms.

The overhauling of the public sector corporations had declined the effect of bureaucrats on the policies in Japan (Bevacqua, 1996). To deal with the economic

regulations, economic reforms were finalized; this has become a continuous process in Japan. On 11 November 1996, the account surplus dropped by 35.3 percent from a year earlier to ¥3.33 trillion, marking the sixth straight decline since the second half of the fiscal year 1993. However, the Japanese economy yet to recover in future even after these reforms.

Hashimoto initiated the financial system reforms to deal with the non-performing loans of financial institutions and the deregulation of the financial system and a never-ending social security reform for the establishment of a public nursing insurance system (see next page) and a pension insurance reform. For a long time the pension insurance reform had been causing extensive public unease in Japan. Japanese welfare system is burdened by the world's most rapidly aging society and its low birth rate. It is one of the top issues that Japan need to address because about 30 million of Japan's 127 million people are eligible for pension benefits. The pension reform process under the premiership of Koizumi will be discussed in detail, on the next page.

Further, a substantial liberalization of the Tokyo financial market was added in the reforms program so that it could compete on an equal footing with other developed nations. In a series of announcements and proposed measures, the Hashimoto government appeared to be adopting the main points of the reformist agenda put forward by the Hosokawa Cabinet earlier in the decade. For administrative reforms, Hashimoto created an Administrative Reform Council headed by him and including various eminent personalities of Japan, in April 1997.

In September 1997, the Administrative Reform Council issued an interim report that included proposals for strengthening the authority of the Prime Minister and reorganize government ministries and agencies. The Prime Minister's office would consist of 21 ministries and agencies in the Cabinet Office and that from 2001 there would be 12 ministries and agencies. The council submitted its final report in December in the same year. Based on this report, the basic law on the Administrative Reform of the Central Government, which stipulated the basic framework of reform, was enacted in the ordinary session of the Diet in 1998. This helped in the improvement of the Japanese reforms in administration to more

responsible for the works that the ministries and agencies assigned to the public (Nakano, 1998: 291-93).

The opposition parties criticized the Administrative Reform proposals. Regarding the details of the new ministries and agencies, legislative measures concerning such matters as the enactment of the laws to establish ministries and agencies were scheduled to be discussed in the ordinary session of the Diet in 1999.

In December 1997, the Diet approved the Nursing Care Bill. The bill was supported by the LDP, the SDP and the New Party *Sakigake*, while the New Frontier Party (*Shinshinto*) opposed the bill and boycotted the House. The JCP voted against the bill contending that it would create a shortage of nurses and become a financial burden. Implementation of long-term care insurance was expected first to make it possible for all those who require care to receive services in line with the degree of their need (Kishida, 1998: 1-7). Until then the prime consideration in determining the level to which services were to be provided to those requiring nursing or other non-medical care under public welfare programs was the extent to which people's own families were able to look after them. The main features of the bill were:

- All those living in Japan, aged 40 and over, must initially pay about ¥2,500 per-month, and this would start in April 2000.
- Workers would be dispatched to households with ailing elderly people to provide care and help with household responsibilities.
- Nurses would be dispatched to houses to see the old people.
- Elderly people would be given rehabilitation assistance at care centers.
- Daytime and short-term stays would be offered at care facilities.

On 19 March 1998, the Hashimoto government announced that they would finish the monopoly of electric power sales and allow airlines to boost the number of flights as part of its fiscal 1998-2000 deregulation program. The government lifted the ban on the sales of electricity by non-power firms and reviewed the ban on discount sales of newspapers, books and magazines. They allowed students to join college in the fall, rather than only in the spring. The educational reform proposed were the integration of middle school and high school education and the relaxation of the entrance age

for universities. The Hashimoto cabinet made proposals of reforming the public sector corporations.

Besides, restructuring measures of the economy, the Hosokawa administration included an income tax cut, formulated in February 1994, of ¥5.85 trillion in an economic package totaling ¥15.25 trillion. Due to intense criticism from the nation, it was forced to abandon the idea of establishing a national welfare tax. Instead, it had to introduce a time-limited special tax cut, financed by deficit covering bonds. The debate about the special tax cut and the consumption tax rate was carried on in the Murayama cabinet that decided on a policy of making just half of the special tax cut permanent and hiking the consumption tax rate from 3 to 5 percent, from April 1997.

The Hashimoto administration went with the already decided policy, a special tax cut by half, raising the consumption tax rate and increasing the health insurance burden of the payer from April 1997. The first Hashimoto administration had been optimistic about the economic outlook. Prior to it, in December 1996, Hashimoto setup a Fiscal Structure Reform Council, comprising leading members of the government and the LDP, including the former Prime Minister and former Minister of Finance of the ruling parties. Hashimoto himself chaired the council that issued the final report in June 1997 (Miyazaki, OECD Journal, 2006: 129).

As fiscal rehabilitation goals, the report stated that by fiscal 2003, the single fiscal year deficits of the central and the local governments should be cut to less than 3 percent of the GDP and a new issue of deficit-covering should be reduced to zero. Opposition parties called for a change of policy to emphasize economic-stimulus measures and a recompilation of the budget. At the end of the fiscal year in 1998 the government's outstanding debt amounted to ¥279 trillion for reform policies.

The reform program of Hashimoto had been not been completed by his predecessors. The proposed financial reform consisted of two factors. The first was concerned about the solution to the problem of non-performing loans that became the most serious structural problem of the Japanese economy, after the collapse of the bubble economy. The second factor was related to the promotion of the so-called

Japanese version of the financial ‘Big Bang’, centered on deregulation, so that it would revive the Japanese financial market as an international financial market.

After the inauguration of the second cabinet, Hashimoto instructed the finance ministry to draft the reform proposals. In June 1997, the finance ministry formulated a Financial System Reform Plan based on the principle of ‘free, fair and global’, which it gradually started putting into effect. However, the reform further exacerbated the business environment of Japan’s financial institutions that were choking under the bad loans. The disposal of all the bad loans, which was the key to the Japanese recovery, could not make much progress, as it was expected (Joji, 1997: 30-33).

The new coalition government was formed under the leadership of Obuchi Keizo on 30 July 1998, after the resignation by Hashimoto, because of the outcome of the July 1998 House of Councilors elections. Obuchi, who had performed credibly as foreign minister in the Hashimoto cabinet, gained public applause for his firmness that Japan should sign a treaty banning land mines despite apparent opposition from-foreign-ministry officials. As the new Prime Minister his achievements were notable.

Prime Minister Obuchi implemented many reforms during his tenure. He managed to pass the finance reform laws in the House of Councilors in October. A ‘Financial Rescue Committee’ was created to handle the failed banks as well as to prevent public institutions to buy bad loans from them. His cabinet and the LDP proposed the ‘Bank Re-capitalization Bill,’ which replaced the current plan of injecting upto ¥13 trillion in public funds into the banks to boost their capital bases (Kyodo News International, 21 September 1998).

On 15 October, the Diet approved the Japan National Railway (JNR) repayment plan. The ruling LDP and the Liberal Party voted in favor of this bill, whereas the JCP and the DPJ opposed it. Under the new bill, huge debts of over 60 years would be disposed off, mostly by using taxpayer money and by requiring Japan Railway Group firms to shoulder part of the burden. The measures also included a special tobacco tax of ¥1 per cigarette purchased.

In May 1999, the Japan-US defense bill was enacted by the Diet. According to the bill Japan would cooperate with the US in the Self Defense Force (SDF) during emergencies in ‘unspecified areas surrounding Japan.’ The bill also allowed the central government to ask the local governments and the private sector to provide cooperation such as the use of ports, airports and the transport supplies. Afterward, on 1 July 1999, the Obuchi government announced that the Nippon Telegraph and Telephone (NTT) Corporation, one of Japanese three major public corporations, had been divided.

The NTT had been formed as a Public Sector Company however, it was privatized in 1985, and the nation’s largest company was divided into three carriers (Telecommunication, East and West), one for long distance international services and two for regional services (Imai, Komiya, Dore and Whittaker, 1995: 326-29). The NTT worked under the control of a stock company. The NTT had entered into an internal phone market in December 1996. The NTT firm said that they would continue to treat domestic and foreign supplies equally in their permanent practices, just as the former NTT had been obliged under a 1981 Japan-US agreement.

The reforms related to the Judiciary began in 1997. Historically, the Japanese legal system has largely been an instrument of the government to govern citizens. The legal system has rarely played a significant role as an instrument for citizens to challenge the government or big business or to solve disputes among them. Hence, Koji Sato, the Chairperson of the Judicial Reform Council, recently wrote that Japan, even after World War II, has had the rule by law, not the rule of the law. A combination of factors suddenly made business groups and conservative politicians interested in judicial reforms that could potentially facilitate the rule of law in Japan. Japan was clearly in the midst of a rare opportunity to introduce some tangible reforms to promote the rule of the law (Miyazawa, 2001: 1-34).

The reform of the judicial system and the legal profession was placed on the national agenda, and the cast of players involved, spread from the traditional groups of legal professionals (judges, prosecutors, and attorneys) to the major actors of the larger political process, namely the LDP, the ruling conservative party, and the Federation of Economic Organizations (*Keidanren*), one of the most influential organizations representing business interests.

The Administrative Reform Committee report, which was presented to Hashimoto in 1997, also recommended that public access to government information be radically expanded, consumer protection should be strengthened, anti-monopoly laws be more stringently enforced, and product liability and other appropriate methods be adopted. The logic behind these proposals was that the legal protection of people should be expanded if administrative regulations were to be reduced.

Based on these recommendations, the Cabinet adopted a three-year plan to promote deregulation. Furthermore, governmental committees and even the LDP published reports on judicial and legal reform, which included a proposal to strengthen legal aid. For instance, the Research Committee on Business Law (*Kigyō Hōsei Kenkyūkai*) of the Ministry of Economy Trade and Industry (METI), which has long been considered the champion of business interests, published a report on 1 June 1998, that urged allowing private legal actions against unfair trade practices and strengthening the legal aid system. The LDP Special Research Committee on the judicial system (*Shihō Seido Tokubetsu Chosakai*) published a report on 15 June 1998, proposing comprehensive reforms of the judicial system.

Having received a request from the LDP to present its opinions for judicial reform, *Keidanren* adopted its Opinions on the Reform of the Judicial System (*Shihō Seido Kaikaku ni tsuite no Iken*) at its board meeting on 22 May 1998. This proposal indicated that, as Japan changes from an economy and society dependent upon the administration to a society with a free and fair market, companies and individuals would be required to behave according to the principles of self-responsibility and transparency. Therefore, the strengthening of the judicial system as a fundamental part of the infrastructure of economy and society is an immediate priority. The proposal also noted that the judicial infrastructure currently does not possess personnel and institutional capabilities effective for use by the public and companies. Thus, it recommended a series of reforms that include the following:

- The number of judges should be increased.
- Non-attorney corporate legal staff should be allowed to represent their own companies in litigation and provide legal services to related companies.

- Judges should be appointed from among the attorneys.
- While legal education has been provided in Japan by undergraduate non-professional law faculties, graduate professional law schools should be established.
- Diet members, their policy assistants (*seisaku hisho*), and corporate legal staffs should be allowed to practice as attorneys without taking judicial traineeship once they passed the National Bar Examination.
- Considering the concentration of attorneys in large cities, monopoly of legal services by attorneys should be abolished. Therefore, judicial scriveners (*shiho shoshi*), who are presently authorized only to prepare legal documents, and patent agents (*benrishi*), who are presently authorized to represent clients only in the proceedings before the Patent Agent, should be allowed to handle some routine legal matters.
- Multidisciplinary partnership

On the above mentioned points, the Justice Ministry and the Japan Legal Aid Association formed a joint study group on legal aid as early as 1988. The Japan Federation of Bar Association (JFBA) later joined it. This study group has met fifty times as of June 1994. On the other hand, the Executive Committee of the Judiciary Committee of the House of Representatives and the more powerful of the two legislative houses issued a statement in June 1993 that the Justice Ministry should engage in a systematic research for the further development of legal aid in Japan.

The Committee published its final report on 23 March 1998. Although, the report did not go as far as to recognize each individual right to legal aid per se, it did assert that legal aid would substantively guarantee the constitutional right of the people to have access to the court and would fit the spirit of rights of the people to a wholesome and cultured life, respect as individuals, the pursuit of happiness and equality under the law.

The report declared that a legal aid system could be based on both the ideal of the rule of law and the ideal of a welfare state, so that the state would be responsible for, among other things, establishing a system by legislation and bearing the financial burden appropriate for its responsibility. Subsequently to the release of the final

report, the Justice Ministry prepared a bill to reform the civil legal aid system, which became a law in April 2000. In anticipation of the establishment of a new public interest corporation, which would require to be more clearly separated from the bar, the Legal Aid Association radically changed the size and composition of its board in April 2000.

The 1990s was the period of coalition governments, and Prime Ministers of this period implemented various reform programs to bring stability in Japanese politics and to secure the economy. A few reforms materialized and other reform processes are continuing until today. Japan in the 21st century, trying to get over the challenges and turn itself into a leading role in the international community.

POLITICAL REFORMS SINCE 2000

On 5 April 2000, Mori Yoshiro was designated as the new Prime Minister, replacing Obuchi, who was health challenged. His reform programs in the coalition government were very few as compared to others. He reviewed the national educational system and his cabinet approved a new budget in August 2000, an outlay of ¥9.4 trillion for public works with the total expenditure of ¥48.09 trillion. Moreover, tax reform package for the fiscal year 2001, was formulated by the Mori cabinet to stimulate the ailing economy (Kyodo News International, 18 December 2000).

Japanese latest attempts, passed in 2001, at drafting tough new anti-corruption laws were as monotonous as their other recent reform-agenda legislation. The legislation banned holders of public office from receiving money and gifts in return for favors. The law applies to members of the Diet, local assemblies, governors and mayors, as well as their state-paid secretaries, though crucially does not extend to their private secretaries. Prime Minister Koizumi Junichiro also backed down from a proposal to ban political donations to legislators just two weeks after its first being touted back in 2001.

On 10 March 2001, Prime Minister Mori ordered for the LDP presidential election and on 24 April 2001 former Health and Welfare Minister Koizumi Junichiro elected as the 20th President of the LDP. On 26 April 2001, Koizumi was appointed as the

87th Prime Minister of Japan. He introduced many reform programs before the general elections for the House of Representatives, which was held on 9 November 2003. He brought ‘structural reform program’ to counter the recession. Unlike former Prime Minister Hosokawa, he concentrated mainly on the economic sector and later on the political.

Koizumi said in the Diet that the top priority for Japan was to achieve an economic rebirth. The first task for him would be to implement promptly the Emergency Economic Package compiled under the administration of the former Prime Minister Mori. He felt that these economic measures would steer the nation from traditional demand driven policies to active policies focusing on the disposal of non-performing loans and structural reforms of capital markets. Various discussions and proposals had been offered as the right prescription needed to achieve a rebirth of the Japanese economy. Crafted with a view to meeting the needs of this age of global competition and creating a self-sustaining economy, these proposals had met with the approval of many and were in line with the long held position that without structural reforms there could be no economic recovery. In order to truly realize, a rebirth of the Japanese economy—the policies and programs should be implemented honestly through reforms (Diet Policy Speech, 7 May 2001).

Prime Minister Koizumi implemented various reform policies and programs, which are as follows:

1. In June 2001, the cabinet approved the basic policy of carrying out economic and fiscal policy measures.
2. On 26 June, the government introduced a plan to improve weak insurance structures.
3. The Diet passed a law to hike medical expenses for salaried workers.
4. In December, the cabinet adopted a plan to streamline the state-backed institutions. The program was the major part of Koizumi’s structural program reform process.
5. His government decided in December that it would not raise the taxes on cigarette and on low malt ‘*Happoshu*’ in the fiscal year 2002. However, in April 2002, the tax per cigarette was increased from ¥7 to 9.

6. In February 2002, the government released a package of anti-deflation measures including steps to tighten regulations on the short selling of stocks.
7. Coalition partners agreed to implement tax cuts for the fiscal year 2003 retroactive to the fiscal year ending March 2003 as part of a second anti-deflation package. The cabinet endorsed a new economic and fiscal policy package intended to revitalize Japan's economy and comprehensively reform its tax system in June.
8. The cabinet approved the bill to replace the old currency notes on 2 August.
9. On 17 May 2003, the government decided to inject public funds into a capital short Resona Bank at the first meeting of its financial system management council, a move that would put the bank under state control.
10. The Diet approved of the Japanese first-contingency legislation on 6 June 2003.

The above policies that were adopted and implemented under the 'structural reform program' were accorded the highest rating in Japan among the public. He said that the Government had decided to reinforce structural reforms in the following seven areas: Regulatory Reform and Special Structural Reform Zones, Flow of Funds and Financial and Industrial Revitalization, Tax Reform, Employment and Human Resource Strategy, Reform of the Social Security System, Reform of the Central and Local Governments and Reform of Budget Formulating process. In particular, the Government formulated a broad framework for three major policies as a part of the "Reform of Central and Local governments," and resolved to take new steps in regulatory reform. Furthermore, new measures would be taken regarding the budget, including the introduction of a trial 'model project' starting from the fiscal year 2004 to establish a budget formulating process in line with the principle of 'plan-do-see.'

The present Japanese tax system is composed of the following: income tax (established by law in 1887, during the Meiji period), corporation tax and consumption tax (VAT) as a core, and other excise taxes; taxes on property such as inheritance tax and gift tax. Reforms related to the taxes have been of major importance in Japan and its economy. Since the economy was not performing well with any sign of recovery in 2002, there were widespread voices to support the fiscal stimulus through tax measures.

According to the Prime Minister's request, the tax commission took a long-term perspective, rather than a short-term view for tax reductions. There were two aims for the reform. The first aim was to rectify the mismatch existing between the socio-economic structure of those days and the current tax system. The framework of the current tax system was founded on the recommendation of the US tax mission headed by Dr. Shoup in 1950. Since then the tax system had often been altered, as it was not well matched with the changing structure of society and economy of Japan. In the past, Japan had been a much younger society with a larger proportion of workforce. Elderly people had been given tax privileges because they were considered socially vulnerable. Moreover, the family structure of the Japanese people had greatly changed. Until recent years, most housewives stayed at home to do domestic chores and working women were a minority. Now, those days had changed since in Japan.

Tax exemption was introduced to specially benefit the spouse (special exemption for spouse and exemption for specific dependents), life requirements of the families where both genders were treated equally. The other aim was to secure stable revenue sources for the government. Since the collapse of bubble economy in the early 1990s, the government of Japan had taken fiscal stimulus measures successively both through expenditure increases on public works, and tax cuts.

As a result, the Japanese tax system turned into a poor collection ability of raising the revenue necessary for public provision. Given that Japan was moving rapidly down the road towards a society with fewer children and an aging population, and that the fiscal deficit of the government was growing, it became clear that the current tax system would not be able to fulfill its fundamental role. Therefore, establishing a stable revenue base was another important goal of the tax proposal.

Expenditure cuts and administrative reforms were emphasized as the necessary requirements for tax reforms. It was obvious that revenue-increasing measures in the future could not be avoided. The public would not, however accept any attempts to increase their burden without assurances that the tax money they paid was spent effectively and efficiently. The Government Tax Commission considered this very seriously and this was one of the starting points of the sweeping tax reforms. Although the proposed tax reforms were for a long-term span of 10-15 years, it

could not avoid dealing with the current problem of buoying up the depressed state of the economy.

A number of fiscal measures to stimulate a sluggish economy had taken in the past without considering the future tax burden for debt redemption. At that time, it was constantly hoped that the economy would be boosted by such measures, by which economic recovery could in turn recoup the revenue loss of increased expenditures or tax cuts. Such an irresponsible attitude would not be tolerated in the future. Design of any short-run tax measures to pull the economy out of recession should be compatible with the long-term perspective for the reform.

It was important to consider how the fundamentals for the future tax reform would change in the movement of the 21st century. In the first place, in Japan there is growing concern over the perceived increase in the dependency of large numbers of an elderly population upon a diminishing working population. The tax reform is one of the financial reforms that has been opted and brought seriously in 1980s and later decades due to its significance. Homma said:

A tax reform influences households in many ways. Income tax reform influences the disposable income of households, and a reform of indirect tax influences the price of goods and services. Furthermore, the changes in disposable income or in prices are thought to influence the consumption behavior of households (Hashimoto, Otake, Atoda, Saito and Homma, 1990: 31).

Needless to say that, the growth of the elderly group would impose increasing burdens on the non-elderly persons to maintain public pensions, medical services, care services and others. Particular attention would have to be paid to the projected surge in Japan's population aging at the first quarter of 21st century. The elderly ratio in Japan has outstripped the grey population of many other countries, and it was expected to continue to do so up to the 2020s. The ratio of the working population (aged 20-64) divided by the elderly population is falling rapidly from 7.7 in 1975, 3.6 in 2000 to 1.9 in 2025. This implies that, in 2025, every 1.9 people in the working population will have to support one elderly person.

According to the tax report of the Government Tax Commission, the reform contents of four major taxes are discussed in detail as follows. Each tax would have to be

changed substantially from a standpoint of tax principles; equity, neutrality and simplicity with base-broadening and flatter rates. First, attention would have to be paid to the reform plan of the individual income tax. In June 2002, Prime Minister Koizumi instructed the Government Tax Commission to study the following five items for the 2003 tax reform. The chief reason behind this instruction was that he admitted the necessity of taking initiative in the short-run tax measures to stimulate the depressed economy with a lower stock price and an appreciated yen value.

- To integrate and simplify exemptions and deductions of the individual income tax, such as special exemption for spouses and exemption for specific dependents of aged 16-22.
- To reduce the corporate effective tax rate by taxing each corporation at a local level, according to the size of its business.
- To increase tax incentives for R&D and investments
- To rectify special treatments in favor of small traders
- To lower both the top rate and basic exemption of the inheritance tax, and to promote smooth transfers of gifts from living parents to their children.

These five items presented by Prime Minister Koizumi were closely tied with the basic idea of tax reform from a long-term point of view. They would be embarked upon in turn as the first priority of the reform package. It was assumed that the combination of tax increases and decreases would be implemented under the revenue neutrality in a single year or in multiple years.

The sweeping tax reform could not be achieved without widespread support from the Japanese public. In order to promote establishment of a desirable tax system for the future, it needed to have a sort of public hearing based on nationwide discussion and participation by many. The Government Tax Commission held several town meetings throughout the country, to explain the reform plan, and to exchange views with the public. Interesting enough, unexpectedly about 70 percent of the participants (more than 2000 in total) in town tax meetings supported the idea of a desirable tax system including an increased tax burden in the movement towards the 21st century.

The Government Tax Commission at first proposed consumption tax rate would have to be raised up to any two-digit rate, in the future. This was a real political taboo in Japan. The Financial Times reported an article, entitled “Thinking the unthinkable- A tax rise in Japan” (14 June 2002), when the tax report of the Government Tax Commission was made public in June 2002. The mood surrounding the tax reform was that it might be changed gradually from now on. As the next stage, a dual income tax scheme, the taxpayer’s number system, tax reallocation between national and local governments etc., would be discussed from now on by the Government Tax Commission.

Overcoming deflation is a significant issue posed to the Japanese economy. For this reason, the Government had to accelerate structural reforms that would promote the expansion of private demand and employment, and would vigorously implement effective and comprehensive measures with the Bank of Japan (BOJ) in an integrated manner (Koizumi’s Cabinet Speech, 27 June 2003).

After the general elections for the House of Representatives, the LDP led coalition partners won the majority and Koizumi was re-elected on 19 November, once again as the Prime Minister of Japan. In December, he initiated many reform and foreign policy measures to improve the Japanese economy as well as its position in the World. The rest of his achievements for the year 2003, were as follows:

1. On 9 December 2003³², the cabinet approved the dispatch of Self Defense Forces (SDF) to Iraq. The major outline of the law was:
 - Japan would prioritize humanitarian and reconstruction aid over security assistance.
 - SDF activities would be carried out primarily in non-combat zones.
 - Up to 600 Ground SDF (GSDF) troops would work to provide medical services and supply water in South Eastern Iraq.
 - The Maritime SDF would provide up to two amphibious ships and two destroyers to transport the GSDF equipment.

³² The Japan Times, 9 December 2003.

- Up to eight air SDF planes, including C-130 Cargo planes would help the GSDF.
2. On 19 December³³, the cabinet approved the plans for Missile Defense. The security debate outcome deals that the Japan would go ahead with the US plans of developed Ballistic Missile Defense System to protect Japan from North Korea. The main provisions of the proposals were:
- As a first line of defense, all the four Maritime SDF warships equipped with the protection defense system would be armed with SM-3s (Standard Missile 3), which were designed to knock out short and medium range ballistic missiles.
 - As a second line of defense- PAC -3 (Patriot Advanced Capability-3) missiles, the latest version of Patriot surface-to-Air-System developed to counter the short ballistic missiles would be introduced against missiles closing on their targets.
 - Under Japan's aegis (protection), warships and 27 existing PAC-2 launchers would be upgraded to accommodate the new system.
3. In December, the coalition government finalized the budget for 2004. Finance Minister Sadakazu Tanigaki submitted the draft for fiscal year 2004 on expenditure of ¥82.11 trillion. In the proposed Tax cut and additional funding, the following were proposed:
- Tax grant to local governments are projected to fall 5.2 percent to ¥16.49 trillion.
 - Educational grants to public schools and universities are slated to drop 8 percent to 4.82 trillion.
 - Fund to intervene in currency markets would increase from an initial budget of ¥79 trillion to ¥1000 trillion in a supplementary budget for the year 2003.
 - The state would earmark ¥106.8 billion to help pay for a planned ballistic missile defense system.

³³ The Japan Times, 19 December 2003.

- For the aging population, the care bill increased the outlay by 4.2 percent to ¥19.79 trillion.

The introduction of Prime Minister Koizumi's 2004 reform law tried to reduce the legacy debt and adjust benefits according to annual contributions to avoid future deficits. There were three components to the bill. First, contributions were increased about .354 percentage points every year until 2017, at which point they would remain at 18.30 percent of the income. Second, subsidies from the general revenue were increased. Under the reform, government subsidies were increased to cover one-half of the flat rate basic benefit, compared to the one third previously covered. Third, benefits were adjusted to reflect statistical study of life in human community. The new indexation formula would operate as a virtual automatic balance mechanism. The formula used to account for demographic factors considers the declining number of contributors and the increasing average life expectancy at the age of 65.

The combined changes in demographic factors were expected to reduce benefits by 9 percent for the next 20 years. To illustrate this point better, a typical couple receiving social security benefits in the year 2004 that amounted to 60 percent of their retirement income would find those benefits reduced to 43 percent by the year 2023. In summary, the objective of the reform bill was to reduce the excess liabilities of the legacy debt by generating a surplus from increased contributions and reduced benefits. These policy measures were expected to generate excess assets of ¥420 trillion, which would offset the excess liabilities of the legacy debt. Increased contributions and benefit reductions would result in future generations receiving pensions worth less than their contributions; this raised intergenerational equity issues. The present value of future benefits was expected to amount to only 80 percent of the present value of future contributions of the younger generation.

In 2007, the pension reform was the most important issue in Japanese politics. The pension reform bill was steamrolled to passage in a manner uncommon in Japanese pension politics (Guo and Li-Hsuan, 2006: 381). The pension issues could be divided into traditional problems and new problems. The major traditional problem was defined as the potential imbalance between burdens, which mostly consisted of

premiums paid by working generations to the funds, and payments, provided as pension benefits for the retired generation.

The core issue of the traditional problem was the need for the “level adjustment” of personal premiums and the reduction of benefit. Since 1985, the government changed pension rules several times to increase personal premiums and reduce benefits, however it had not succeeded in resolving the traditional problems and still faced the pressure of level adjustment. Although aging is a common issue in developed countries, the problems Japan are extreme in nature because as discussed earlier, the country has the highest life expectancy and lowest fertility rates in the world. As a result, the country is aging faster than any other industrialized nation.

In the pension scheme, the employee’s premiums would be shouldered equally between employees and employers, and would rise from the current 13.58 percent to 18 percent of the employee’s annual income by 2017. Meanwhile, benefits would be lowered from the current 59 percent of annual salaries to no less than 50 percent. Further, a macro-slide adjustment was introduced that would automatically adjust benefits to economic and population growth (Guo and Li-Hsuan, 2006: 396).

Under the present pension system, there were differences that arose from a variety of conditions, such as differences in jobs and work practices. The desperate nature of this system was a hindrance to the choice of jobs and to the choice of lifestyle, and this gave rise to widespread feelings of anxiety and mistrust towards pensions. Meanwhile, the main opposition party in Japan, the Democratic Party of Japan (DPJ) was committed to making the pension system uniform as soon as possible, and do away that anxiety and mistrust.

The new universal pension system for all citizens would be a two-tier system comprising an “income-related revision”, funded by premium payments related to income, under which people received benefit in accordance with the premiums paid in and a “minimum guarantee pension” for people with low incomes, which would be funded entirely from tax revenues and would guarantee a fixed level of pension benefits. The pension issue has become one of the most hotly debated issues in Japan, even today. Divergent views have emerged between the ruling parties and the opposition parties. As soon as the deliberations start on the three bills related to

Social Insurance Agency reforms, the ruling and opposition parties immediately become involved in intense arguments.

The need for reform of the public ‘pension system’ and for an overhaul of the Social Insurance Agency that runs this and other social security programs has been recognized for some time. It was revealed recently that there were about 50 million contributions from participants, which had not been properly recorded. The problem dates back to 1997, when the system of ‘one person, one number’ was introduced.

The public pension system included a number of different schemes for different categories of participants, and earlier each scheme used their own numbering system for the participants. People who moved from one scheme to another ended up with multiple participant numbers. Such cases were far from uncommon, and by 1997, the total number of recorded participants had risen to about 200 million in the year 2008, a much larger figure than the country’s total population. Under the ‘one person, one number’ system, the records were supposed to be consolidated, the consolidation process was far from complete, with a whopping 50 million records still ‘floating’ (not properly identified with the payer). This problem has come into the limelight in the year 2007 (Takashi, 2007: 3).

Kojima has pointed out the nature of pension scheme of Japan. He stated:

Population aging is a phenomenon occurring widely around the world, and the issue of pension design has become a matter of concern in all the developed nations. But the aging process is proceeding more rapidly in Japan than in any other major country, and questions of sustainability are therefore more critical. Two factors peculiar to Japan’s case have put the system under additional strain. One is that it is a pay-as-you-go scheme, in which pension benefits for those now in retirement are financed using contributions from the current working-age population, and the other is that many companies and other organizations have a system of mandatory retirement at age 60 (Kojima, *Japan Echo*, Vol. 34, No. 5, October 2005).

After the pension reform initiatives, Prime Minister Koizumi intended to pass the postal privatization bill in 2005. Postal services in Japan are comprised primarily of mail delivery, postal saving, and postal insurance. While the privatization of each of these three components is contentious, the privatization of postal savings has been of

particular interest to outside observers (Amyx, Takenaka and Toyoda, 2005: 24). It is believed that the postal savings system of Japan represents the largest financial institution in the world in terms of asset size. Its deposits amount to ¥230 trillion. The privatization of this system would have a significant impact on the flow of funds within Japan. Therefore, the issue of postal services privatization has been the focus of a major political battle in Japan, since Koizumi took over as Prime Minister in April 2001.

Prime Minister Koizumi called for a snap poll for the House of Representatives to push through the postal reform before leaving his office in 2006, after the House of Councilors had rejected the bill in 2005. The LDP won a landslide victory by 296 and its coalition partner the New *Komeito*, 31 seats. The coalition now had more than two-third majority in the House of Representatives.

Actually, the public had not been very interested in the privatization of the Post Office, nevertheless they, and especially the swing voters were included to support the Prime Minister (Hiroshi, 2005: 4). Koizumi has planned to divide the Japan Post (JP) into four units; postal delivery, postal savings, postal life insurance and post office network management, when the privatization process began in 2007.

After Koizumi, in September 2006, Shinzo Abe was appointed as the New Prime Minister. Abe pledged in his policy speech 'quiet pride' for Japan. He said that his policies would be patriotic at home and aggressive abroad. He added that he would like to revise the constitution as far as the reform related to the constitution is concerned and allow Japan to exercise its right to collective self-defense (Abe's Policy Speech, 29 September 2006).

He said that he would to bring a national level referendum regarding the revision of the constitution. He also stressed on economic growth and educational reform. The LDP performed poorly in the House of Councilors elections in July 2007 and scandals decreased Abe's popularity, led him resign. He was not able to complete his plan due to his resignation in September 2007.

Osamu said that Prime Minister Abe has well planned for the reforming the Japanese economy and has set up the criteria for it. He mentioned:

Abe has played up the notion of creating a society giving everyone a chance to take on challenges. In seeking to justify their bids for slices of the fiscal 2007 budget, the various ministries and agencies will be asserting that their proposed outlays are in tune with this ideal. The hard part will be reconciling the rival claims for a shrinking pie as the administration seeks to reduce total discretionary spending (Osamu, *Japan Echo*, Vol. 33, No. 6, 2006).

However, he succeeded in reforming the education system rather than the recessed economy, in October 2006. Education reform in Japan had been an issue since Hashimoto was the Prime Minister. The plan to reform education was also an agenda of the LDP. In Japan, educational reform had two completely different aspects. The first concerns the spiritual or ideological argument for educational reform. The other was educational reform as a specific means of systemic improvement. However, neither bill stipulated a term for compulsory education, which had been set at nine years in the current law. Thus far, the educational reform has not been realized because the Ministry of Education, Culture, Sports, Science, and Technology (MEXT), which is in charge of the matter, has sabotaged it.

The old law that had been created under the auspices of SCAP, consisted of a Preamble, 11 Articles and supplementary provisions. It was brought into effect before the Constitution of Japan, on 31 March 1947, and revised on 22 December 2006, under Abe's premiership. According to the old law, the purpose of education is "the full development of personality". However, there were no provisions in the Fundamental Law regarding moral education nor did the Law touch on the matter of "patriotic education", such as the concept of the "state", the national flag, the national anthem or the Emperor.

After the revision, the 'Fundamental Law of Education' was implemented and provisions were made for moral education and "broaden" the scope of the law. However, soon after the passing of the Fundamental Law, there were numerous arguments suggesting its revision. Some felt that ideas of patriotism and regard for Japanese traditions were lacking, and others maintained that such provisions could lead to renewed feelings of nationalism and subservience to the state. In April 2004, the ruling LDP and the New *Komeito* reached an agreement on the meaning of the term "patriotism" and submitted a reform proposal to the Diet. Some academics

have opposed the reform of the law for example, the newly inserted phrases, such as “patriotism”, “value for tradition” and “community”. Since the law was first passed, such arguments have been brought up repeatedly.

After Abe, the old LDP member Fukuda Yasuo has been elected as the new Prime Minister. Fukuda previously elected as the party president on 23 September 2007. His plans and policies regarding reforms were based on ‘regional structural reforms.’ He stressed on continuing relations with the US and with Asia (Statements of PM Fukuda, 26 September 2007). He pointed out the importance of cooperative foreign relations with North Korea as well as with China in future.

He also insisted on advanced integrated reform of expenditures and revenues, including achieving a surplus in the primary balance of the central and local governments in 2011. He added in his speech to the Diet that he would continue to advance administrative reforms vigorously, in order to create a simple yet efficient government benefitting the 21st century. Promoting stable growth and thorough measures such as reducing administrative costs was his major agenda in his tenure.

Due to intense pressure from the opposition parties, Fukuda also tried to deal with reforms measures regarding political funding. He agreed to bring the bill to the House of Representatives. Other opposition parties, including the JCP and the SDP have planned to support the bill. As well as the New *Komeito*, the coalition partners of the LDP have supported the bill. It was likely to pass in the House of Councilors, which was controlled by the opposition, DPJ. If the revision bill were also approved by the House of Representatives, then much greater disclosure of political funds would emerge. The New *Komeito* has urged the LDP to support the bill; however, LDP politicians refused to go along with total disclosure. Instead, the LDP proposed to set up a third-party body that would be obliged to maintain confidentiality while inspecting all the copies of receipts, and the receipts would required with the political fund reports for ‘amounts above a certain amount,’ such as the current ¥50,000 level.

Such a third-party inspection would thus prevent politicians or their offices from altering receipts. DPJ had a rule that required its lawmakers to have their books

audited by certified public accountants. However, this issue did not warrant setting up a new governmental body funded by taxes.

The LDP's objections were full of conditions. They felt attaching photocopied receipts for every yen spent would create too much paperwork. It would be bothersome to submit every single receipt to a third-party body, and then sort out receipts for sums over a certain amount to attach to the political fund reports. Yet cases of shady accounting of office expenses keep emerging. Such scandals make the public view politicians with distrust, thinking politicians freely use their political funds like an extra wallet. Politicians must recognize that this is how the public sees them, and remember that over ¥30 billion worth of taxes each year pour into their political funds.

The DPJ's revision bill would be a big step forward. However, many things in it needed improvement. First, the DPJ should ensure the public could access political fund reports without going through information disclosure procedures. Some parts of political fund reports were submitted to the internal affairs minister, while others were handed to prefectural election committees. All reports should go to the internal affairs minister to enable easy public access to the reports. Moreover, original receipts, not photocopies, should be attached. This bill also needed to be debated thoroughly by the budget committee and other committees. It seems it would not be done since that Fukuda has government changed in the September 2008, however new Prime Minister Taro Aso promised to bring the pending reform measures.

After implementing expenditure reforms and administrative reforms, for any possible increases in burden caused by social security services and the declining birth rate, Japan had to secure a stable supply of revenue sources, and avoid any shift of the burden onto the shoulders of future generations. Japan related to proceed with full-fledged discussions, aiming at a national consensus, and endeavor to realize fundamental reform of the taxation system, including the consumption tax.

Furthermore, in continuation with the reform policies, however, Fukuda's successor, Aso Taro was keen to reform the Japanese economy and other challenging issues. Nonetheless, he was stuck in a severe condition of global economic meltdown since he took oath as prime minister. He stated in the Diet speech that through reforms of

the economy, it is possible for Japan to recover itself. Aso insisted to review the education, environment and foreign affairs with neighboring countries and US, counter terrorism, and as well as he said that, he would bring the legislation the Diet for 'Heisei Era Agrarian Land Reform' (Aso, Diet Speech, 28 February 2009).

The statements regarding reforms made in the Diet could not be completed due to the continuous change of governments and leadership crisis in the LDP. On foreign policy, the agenda of the LDP remained the same since the 1950s. The revision of constitution is depending on the LDP's new plan. It needed 2/3 majority in both the houses. Lastly, any government that would come to power, have to deal with the structural reform of both the economy and the politics of Japan.

Chapter 5

THE IMPACT OF POLITICAL REFORMS ON JAPAN

Reforms in Japan started intensively in the 1990s when political conditions along with social and economic conditions turned vulnerable, and it became inevitable for Japan to save its credentials, although required for a long time. Reforms were initiated at the different times under different Prime Ministers of Japan and they have had an impact on the economy, the politics and the society in Japan.

REFORM AND ITS IMPACT ON JAPAN BEFORE 1990

Since the beginning of the Meiji period reforms in Japan have made a broad impact on all segments of the society. In the sweeping reforms in 1868, all Tokugawa lands were seized under the 'Imperial control', and thus placed under the prerogative of the new Meiji government. In 1869, the daimyo of the Tosa, Hizen, Satsuma and Choshu domains, which were pushing most fiercely against the *shogunate*, were persuaded to return their domains to the Emperor. Other daimyo were subsequently persuaded to do so, thus creating, arguably for the first time, a central government in Japan, which exercised direct power through the entire 'realm' (Jansen, 1995: 181-89).

Finally, in 1871, the daimyo, past and present, were summoned before the Emperor, where it was declared that all domains were now to be returned to the Emperor. The roughly 300 *han* were turned into prefectures, each under the control of a state-appointed governor. Until 1888, several prefectures were merged in several steps to reduce their number to 75. The daimyo were promised as 1/10 of their fiefs' income as private income. Furthermore, their debts and payments of samurai stipends were to be taken over by the state.

The oligarchs also endeavored to abolish the four divisions of society. Throughout Japan at the time; the samurai numbered 1.9 million, with each samurai being paid fixed stipends, their upkeep presented a tremendous financial burden, which may have prompted the oligarchs to action. The intention was to abolish the samurai

class by the oligarchs through a slow and deliberate process. First, in 1873, it was announced that the samurai stipends were to be taxed on a rolling basis. Later, in 1874, the samurai were given the option to convert their stipends into government bonds. Finally, in 1876, this commutation was made compulsory.

Intended for military reform, the government instituted nationwide conscription in January 1873, mandating that every male would serve in the armed forces upon turning 21 for four years; followed by three more years in the reserves. One of the primary differences between the samurai and peasant class was the right to bear arms; this ancient privilege was suddenly extended to every male in the nation. Jansen has pointed out the 1873 rule for the nationwide military reform. He said:

The immediate aim was to create a truly national army loyal to the central government and suited to the highly regimented military system recently adopted from the West, but the adoption of universal conscription widened the distance between conservative who insisted that the Shizoku remain the military and political elite and those who views ascriptive status as being incompatible with modern national development...(Jansen, 1995: 222).

As it has been mentioned in the previous chapter regarding the Meiji Constitution, it is clear that the constitution of 1889 has provided the democratic space to the people; though the samurai tradition dominated the political culture of Japan. Elections and other political processes were to become effective through the implementation of the constitution. This was the major political reform and its impact on the Meiji era built the base for democratization in the political sphere of Japan. The Meiji Constitution was to last as the fundamental law until 1947.

Approximately, from the start of elections in Japan, popular movements arose to eliminate the tax-paying requirement, which effectively disenfranchised a large segment of the adult male population. In 1897, the *Futsu Senkyo Kisei Domeikai* (Universal Suffrage League) was created to raise public awareness through discussion groups and periodicals. The Diet members, mostly from liberal factions within the Diet, supported by the *Jiyuto* and its offshoots, presented bills to the Diet in 1902, 1903, 1908, 1909 and 1910. The movement finally appeared to succeed in March 1911, when its Universal Suffrage Bill was passed by the House of

Representatives only to be summarily rejected by the House of Peers (Stockwin, 1999: 19).

Improved government hostility towards radical groups broadened in the 1910s, with the implementation of the Peace Preservation Laws and increased censorship and surveillance of suspected radical groups associated with leftist or labor movements. However, the movement for universal suffrage resurfaced in 1918-1919, with demonstrations held by student and labor associations and a sudden upsurge in interest in newspapers and popular journals. The opposition political parties, the *Kenseikai* and *Rikken Kokuminto* joined the cause, whereas the governmental *Rikken Seiyukai* opposed.

The liberal parties favored an increase in the popular franchise to keep up with the world trend of democracy and to provide a safety valve for both urban and rural discontent. The more conservative parties, fearing that the increased voter base would favor their liberal opponents, resisted these proposals.

In 1924, a *Kenseikai* alliance with the *Seiyukai* scored a victory over the non-party government of Kiyoura Keigo. The *Kenseikai* leader Kato Takaaki became the Prime Minister of Japan, and the *Seiyukai* was forced to accept the *Kenseikai* proposal on extending universal male suffrage to all male citizens over the age of 25 as the price of the coalition. The bill was passed in 1925 and, came into effect for the elections of 20 February 1928 (Allinson, 1999, 66-67).

The Showa era, which began in 1926 and ended in 1989, has the major role in developing Japan after the World War I. After the World War II defeat, the allied occupation (1945-1952) brought the many changes in the democratic space of Japan. The new constitution was drafted in 1946. Elections were held under the new constitution. The allied occupation also brought in the new guidelines for the schooling system for Education Reforms. Before and during the war, Japanese education was based on the German system.

No major reforms were completed from 1947 to 1993, when it became necessary to change the old style of politics by reforming it properly. The impacts of the reforms since 1990 have been discussed on next page. During the Meiji period, reforms took

place in the economy of Japan, as it never had in any period before. Since the mid-nineteenth century when the Tokugawa government first made Japan open towards Western commerce, the Japanese economy experienced two periods of economic development; one was in the Meiji period and other after the World War II, till late 1980s. In Meiji era, the economic structure and production of the country was roughly equivalent to that of the Elizabethan era in England, becoming a world power in such a short time was a remarkable progress (Dolan, Ronald E. and Worden, L. Robert., 1994, *Modernization and Industrialization*).

Economic Impact of Reforms Before 1990

Japan emerged from the Tokugawa-Meiji transition as the first Asian industrialized nation. Domestic commercial activities and limited foreign trade had met the demands of material culture in the Tokugawa period, although the modernized Meiji era had radically different requirements. From the onset, the Meiji rulers embraced the concept of a market economy and adopted British and North American forms of free enterprise and capitalism. The private sector in a nation blessed with an abundance of aggressive entrepreneurs, welcomed such change.

Economic reforms included a unified modern currency based on the yen, replacing the '*mon*' of the Edo period, and banking, commercial and tax laws, stock exchanges, and a communications network. Establishment of a modern institutional framework conducive to an advanced capitalist economy took time; however, it was completed by the 1890s. By this time, the government had largely relinquished direct control of the modernization process, primarily for budgetary reasons (Flath, 2005: 28-30).

The government was initially involved in economic modernization, providing a number of 'model factories' to facilitate the transition to the modern period. After the first twenty years of the Meiji period, the industrial economy expanded rapidly until about 1920 with inputs of advanced Western technology and large private investments. Stimulated by wars and through cautious economic reform planning, Japan emerged from World War I as a major industrial nation (Allinson, 1999: 16-21).

World War II wiped out many of the gains Japan had made since 1868. About 40 percent of the nation's industrial plants and infrastructure were destroyed, and production reverted to levels of about fifteen years earlier. The people were shocked by the devastation and swung into action. New factories were equipped with the best modern machines, giving Japan an initial competitive advantage over the victor countries having older factories. The second period of Japanese economic development (not reform) began in 1950s; millions of former soldiers joined a well-disciplined and highly educated work force to rebuild Japan. The colonies were lost because of World War II; though, the Japanese extended their economic influence throughout Asia and beyond (Allinson, 1999: 79-88).

The US occupation of Japan resulted in the rebuilding of the nation and the creation of a democratic state. The US assistance totaled about US \$1.9 billion during the occupation, or about 15 percent of the nation's imports and 4 percent of the GNP in that period. About 59 percent of this aid was in the form of food, 15 percent in industrial materials, and 12 percent in transportation equipment. The US grants assistance, however, tapered off quickly in the mid-1950s. The US's military procurement from Japan peaked at a level equivalent to 7 percent of Japanese GNP in 1953 and fell below 1 percent after 1960.

A diverse US sponsored measures during the occupation, such as land reforms, contributed to the economy later performance by increasing competition. In particular, the postwar purge of industrial leaders allowed new talent to rise in the management of the rebuilt Japanese industries. Lastly, the economy benefited from foreign trade because it was able to expand exports rapidly enough to pay for imports of equipment and technology without falling into debt, as had a number of developing nations in the 1980s. All this was possible due to fixed currency regime (US\$1 equivalent to ¥360), and making US market available to Japanese products.

The early post-war years were devoted to rebuilding lost industrial capacity: major investments were made in electric power, coal, iron, steel, and chemical fertilizers. By the mid-1950s, production matched the prewar levels. Released from the demands of a military-dominated government, the economy not only recovered its lost momentum although, surpassed the growth rates of earlier periods because the economic policies and reforms. Between 1953 and 1965, the GDP expanded by

more than 9 percent per year, manufacturing and mining by 13 percent, construction by 11 percent, and infrastructure by 12 percent. In 1965, these sectors employed more than 41 percent of the labor force, whereas only 26 percent remained in agriculture works. The highly acclaimed Japanese postwar education system contributed strongly to the modernizing process. The world's highest literacy rate and high education standards were major reasons for Japanese success in achieving a technologically advanced economy (Flath, 2005: 4-5).

The mid of the 1960s witnessed the new type of industrial development as the economy opened itself to international competition in some industries and developed heavy and chemical manufactures. Whereas textiles and light manufactures maintained their profitability internationally, other products, such as automobiles, ships, and machine tools assumed new importance. The value added to manufacturing and mining grew at the rate of 17 percent per year between 1965 and 1970. Growth rates moderated to about 8 percent and evened out between the industrial and service sectors between 1970 and 1973, as retail trade, finance, real estate, information, and other service industries streamlined their operations (Flath, 2005: 13-19).

Japan faced severe economic challenges in the 1970s. The world oil crisis in 1973 shocked an economy that had become virtually dependent on foreign petroleum. Japan experienced its first postwar decline in industrial production, together with severe price inflation. The recovery that followed the first oil crisis revived the optimism of most business leaders, nevertheless the maintenance of industrial growth in the face of high-energy costs required shifts in the industrial structure.

A varied price condition has favored conservation and alternative sources of industrial energy. Although the investment costs were high, many energy-intensive industries successfully reduced their dependence on oil during the late 1970s and 1980s and enhanced their productivity. Advances in micro circuitry and semiconductors in the late 1970s and 1980s led to new growth industries in consumer electronics and computers, and to higher productivity in pre-established industries. The net result of these adjustments was to increase the energy efficiency of manufacturing and to expand so-called knowledge-intensive industries.

Structural economic changes, however, were unable to check the slowing of economic growth as the economy matured in the late 1970s and 1980s, attaining annual growth rates no better than 4 to 6 percent. Nevertheless, these rates were remarkable in a world of expensive petroleum and in a nation of few domestic resources. Japan achieved an average growth rate of 5 percent in the late 1980s, which was far higher than the 3.8 percent growth rate of the US. Despite more petroleum price increases in 1979, the strength of the Japanese economy was apparent. It expanded without the double-digit inflation that afflicted other industrial nations (and that had bothered Japan itself after the first oil crisis in 1973). Japan experienced a slower growth in the mid-1980s; its demand sustained the high economic growth of the late 1980s and revived many troubled industries.

Later, and more important, was the level and quality of investment that persisted through the 1980s. Investment in capital equipment, which averaged more than 11 percent of the GNP during the prewar period, rose to about 20 percent of the GNP during the 1950s and to more than 30 percent in the late 1960s and the 1970s. During the economic boom of the late 1980s, the rate still hovered around 20 percent. Japanese businesses imported the latest technologies to develop the industrial base. As a late comer to the modernization process Japan was able to avoid some of the trial and error earlier needed by other nations to develop industrial processes. In the 1970s and 1980s, Japan improved its industrial base through technology licensing, patent purchases, and imitation and improvement of foreign inventions. In the 1980s, industry stepped up its research and development, and many firms became famous for their innovations and creativity (Flath, 2005: 71-78).

The Japanese labor force contributed significantly to its economic growth, because of its not only availability and literacy, though of its reasonable wage demands. Before and immediately after World War II, the transfer of numerous agricultural workers to modern industry resulted in rising productivity and only moderate wage increases. As the population growth slowed and the nation became increasingly industrialized in the mid-1960s, wages rose significantly. However, labor union cooperation generally kept salary increases within the range of gains in productivity. High productivity growth played a key role in postwar economic growth. The highly

skilled and educated labor force, extraordinary savings rates and accompanying levels of investment were the major factors in the high rate of productivity growth.

Japan has also benefited from economies of scale. Although medium-sized and small enterprises generated much of its employment, large facilities were the most productive. Many industrial enterprises consolidated to form larger, more efficient units. Before World War II, large holding companies formed wealth groups or *zaibatsu*, which dominated the industries. The *zaibatsu* were dissolved after the war, *keiretsu* (Series) large, and modern industrial enterprise groupings emerged. The coordination of activities within these groupings and the integration of smaller subcontractors into the groups enhanced industrial efficiency.

Japanese corporations developed strategies that contributed to their immense growth. Growth-oriented corporations that took chances competed successfully. Product diversification became an essential ingredient of the growth patterns of many *keiretsu*. Japanese companies added plant and human capacity ahead of demand. Seeking market share rather than quick profit was another powerful strategy.

Finally, circumstances beyond the direct control of Japan, contributed to its success. International conflicts tended to stimulate the Japanese economy until the devastation at the end of World War II. The Japanese- Russo War (1904-5), World War I (1914- 18), the Korean War (1950-53), and the Second Indo-China War (1954-75) brought economic booms to Japan. In addition, compassionate treatment from the US after World War II facilitated Japanese reconstruction and growth.

Throughout the 1970s, Japan had the world second largest GNP close to the US and ranked first among the major industrial nations in 1990 in per capita GNP at US\$23,801, up sharply from US\$9,068 in 1980. After a temperate economic depression in the mid-1980s, the Japanese economy began a period of expansion in 1986 that continued until it again entered a recessionary period in 1992. Economic growth averaging 5 percent between 1987 and 1989 revived industries such as steel and construction, which had been relatively dormant in the mid-1980s, and brought in record salaries and employment (Flath, 2005: 215).

In 1992, however, the real GNP growth of Japan slowed to 1.7 percent. Even industries such as automobiles and electronics that had experienced phenomenal growth in the 1980s entered a recessionary period in 1992. The domestic market for Japanese automobiles shrank at the same time that Japan's share of the US market declined. Foreign and domestic demand for Japanese electronics also declined, and Japan seemed on the way to losing its leadership in the world semiconductor market to the US, Korea and Taiwan.

Japanese post war technological research was carried out for the sake of economic growth rather than military development. The growth in high-tech industries in the 1980s resulted from a heightened domestic demand for high-technology products and for higher living, housing, and environmental standards; better health, medical, and welfare opportunities; better leisure-time facilities; and improved ways to accommodate a rapidly aging society. This reliance on domestic consumption also became a handicap as consumption grew by only 2.2 percent in 1991 and at the same rate again in 1992 (Stockwin, 1999: 65-69).

Right through the 1980s, the Japanese economy shifted its emphasis away from primary and secondary activities (especially, manufacturing, mining and agriculture) to processing, with telecommunications and computers became increasingly essential. Information became an important resource and product. The rise of an information-based economy was led by major research in highly complicated technology, such as advanced computers. The selling and use of information became very beneficial to the economy. Tokyo became a major financial center and home of some of the world major banks, financial firms, insurance companies along with world's largest stock exchange, the Tokyo Securities and Stock Exchange.

Foreign Policy and Impact of Reforms Before 1990

The foreign policy of a nation is a set of goals that seeks to outline how that particular country will interact on an official basis with other countries of the world and, to a lesser extent, with non-state actors. In addition to this, an entire range of factors relating to those other nations including economic, political, social and military is evaluated and monitored in attempts to maximize benefits of multilateral international cooperation (Takashi and Jain, 2000: 19-35).

Foreign policies are designed to help protect the national interests of a country, national security, ideological goals, and economic prosperity. This can occur as a result of peaceful cooperation with other nations, or through aggression, war, and exploitation. In Japan, the Meiji era began with reforming foreign policies for the interest of the nation. The Meiji government modernized ‘foreign policy’, as an important step in making Japan a full member of the international community. The traditional East Asia worldview was based not on an international society of national units, although on cultural distinctions and tributary relationships. Monks, scholars, and artists, rather than professional diplomatic envoys, had generally served as the conveyors of foreign policy. Foreign relations were related more to the desires of ‘Japan’ than to the public interest.

Instantly, the Tokugawa isolation was forcibly breached in 1853–54 by Commodore Matthew C. Perry of the US Navy, Japan found that geography no longer ensured security; the country was defenseless against military pressures and economic exploitation by the Western powers. For Japan to emerge from the feudal period, it had to avoid the colonial fate of other Asian countries by establishing genuine national independence and equality.

After the Black Ships (called due to black vessels and naval squadron of Commodore Mathew C. Perry³⁴) had compelled Japan to enter into relations with the Western world, the first foreign policy debate took place on extensive modernization to cope with the threat of the ‘Eastward advance of Western power’, which had already violated the independence of China. Opening up the country caused an upheaval that in the end caused the demise of the Tokugawa *Bakufu*; however, the Shoguns of the period were too weak to pose a serious opposition. The opening of Japan accelerated a revolution that was just waiting to happen.

The Meiji Restoration of 1868, which established a new, centralized regime, Japan set out to ‘gather wisdom from all over the world’ and headed for an ambitious program of military, social, political, and economic reforms that transformed it within a generation into a modern nation-state and major world power. The Meiji oligarchy was aware of Western progress, and learning missions were sent abroad to

³⁴ Matthew Calbraith Perry was the Commodore of the US Navy. He compelled the opening of Japan to the West with the Convention of Kanagawa on 31 March 1854.

absorb as much of it as possible. The Iwakura mission³⁵, the most important one, was led by Iwakura Tomomi, Kido Takayoshi and Okubo Toshimichi, contained forty-eight members in total and spent two years (1871–73) touring the US and Europe to gather knowledge.

Reforms in the area of foreign relations were an important step of the Occupation Authorities and Japanese government after the defeat in World War II. The impact of the reform was perceived as the ‘credibility of a peace loving country’ in the world. The foreign relations of Japan, after the war, were based on the principle of cooperation, mostly the economic relation with other countries. After the Occupation period in 1952, Japan became the permanent ally of the US.

In the decades of the 1950s and the 1960s, foreign policy actions were guided by three basic principles: close cooperation with the US for both security and economic reasons; promotion of a free-trade system congenial to own economic needs; and international cooperation through the United Nations (UN), to which it was admitted in 1956, and other multilateral bodies. Adherence to these principles worked well and contributed to phenomenal economic recovery and growth during the first two decades after the end of the occupation (Takashi and Jain, 2000: 178).

Since the 1960s to the 1980s, the foreign relations of Japan concentrated totally on economic cooperation and aid. Basic differences in ideas caused a problem with the foreign relations with China and the erstwhile USSR. In the 1990s, the collapse of the Soviet Union and the growing preoccupation of its former republics and the East European nations with internal political and economic problems increased the importance of economic competition, rather than military power, to Japan. These formerly communist countries were anxiously seeking aid, trade, and technical benefits from the developed countries, such as Japan (Takashi and Jain, 2000: 214-15).

In the formulation of foreign relations, Japan was also checked by public opinion in the formulation. Japan continued to be extremely concerned with public opinion, and

³⁵ ‘Iwakura mission’ was the Japanese diplomatic journey around the world, named on Iwakura Tomomi, was the Japanese statesman, played an important role in the Meiji Restoration, influencing opinions of the Imperial Court (in Meiji period the court was moved to Tokyo from Kyoto).

opinion polling became a conspicuous feature of national life. The large number of polls on public policy issues, including foreign policy matters, conducted by the Office of the Prime Minister, the Ministry of Foreign Affairs (MOFA), other government organizations, and the media led to the presumption by analysts that the collective opinions of voters do apply a significant influence on policy makers.

The public attitudes toward foreign policy that had held throughout much of the post war period appeared to have shifted in the 1980s. Opinion polls reflected a marked increase in national pride and self-esteem. Moreover, public discussion of security matters by government officials, political party leaders, press commentators, and academics had become markedly less volatile and doctrinaire and more open and pragmatic, suggesting indirectly that public attitudes on this subject had evolved as well.

REFORM AND ITS IMPACT ON JAPAN SINCE 1990

Japan faced severe setbacks in its economy in the late 1980s and instability in politics in the beginning of the 1990s. Along with these problems, several other issues that had been raised and were tried to be solved through the reforms. The reforms since 1990 have been detailed in chapter four of this thesis. As it is mentioned in the previous chapter; corruption, the recession in the economy and the old political processes led the requirement of changing the old policies and bringing the new to stabilize Japanese politics, economy and society. The impact that various reform measures had over Japanese society is being discussed here.

Political Reforms in Japan and Its Impact

In the late 1980s, Japanese politics faced a different crisis; corruption and the slowdown of the economy led to the defeat of the LDP in 1993. The LDP had a hold on the politics of Japan for almost 38 years, since the party was formed. In 1990, the election for the House of Councilors was held for various issues; the corruption, the economic condition and the character of politics. The July 1989 election was the first time that the LDP was forced into a minority position. In the previous elections, it had either secured a majority on its own or recruited non-LDP conservatives to make up the difference of a few seats.

The political crisis of 1988–89 was testimony to both the party's strength and its weakness. In the wake of a succession of issues like, the pushing of a highly unpopular consumer tax through the Diet in late 1988, the Recruit insider trading scandal that tainted virtually all the top LDP leaders and forced the resignation of Prime Minister Takeshita Noboru in April (a successor did not appear until June), the resignation in July of his successor, Sosuke Uno, because of a sex scandal, and the poor showing in the House of Councilors election; the media provided the Japanese with a detailed and embarrassing dissection of the political system. In March 1989, popular support for the Takeshita cabinet, as expressed in public opinion polls, had fallen to 9 percent (Isamu and Tokuji, *Japan Quarterly*, July–September 1989: 355). Uno's scandal, covered in magazine interviews of a 'kiss and tell' geisha, aroused the fury of female voters.

However, Uno's successor, the influential if murky Kaifu Toshiki, was successful in repairing the battered image of the party, LDP. By January 1990, talk of the declining conservative power and a possible socialist government had given way to the realization that, like the Lockheed scandal of the mid 1970s, the Recruit scandal did not signal a significant change in who ruled Japan. The February 1990 general election gave the LDP, including affiliated independents, a comfortable, if not spectacular, majority: 275 of 512 total representatives. In October 1991, Prime Minister Kaifu Toshiki, despite his popularity with the electorate, failed to attain passage of a political reform bill and was rejected by the LDP (Stockwin, 1999: 80-81). He was replaced as Prime Minister by Miyazawa Kiichi, a long-time LDP stalwart. Defections from the LDP began in the spring of 1992, when Hosokawa Morihiro left the LDP to form the Japan New Party (JNP).

Later, in the summer of 1993, when the Miyazawa government also failed to pass political reform legislation, thirty-nine LDP members joined the opposition in a no-confidence vote. In the ensuing House of Representatives election, more than fifty LDP members formed the *Shinseito* and the *Sakigake* parties, denying the LDP the majority needed to form a government.

In July 1993, the lower elections were held and the LDP lost its majority and shifted to the opposition. Hosokawa was appointed the new Prime Minister in August on the

base of political coalition of seven parties by managing 262 of the votes, whereas, the LDP's Kono and the JCP's Tetsuzo Fuwa managed 224 and 15 votes simultaneously out of 503 votes in the House of Representatives (The Japan Times, 9 August 1993). The government led by Hosokawa passed the political reform bill in November 1993, which was intended to be from the LDP.

In 1946, a 'medium size constituency' had been adopted and Japan was divided in 130 electoral districts. The electoral system for Japan that is a 'Medium Size Election District System' was adopted in 1925 and abolished after 1993, when the bill concerning political reforms was passed by the Hosokawa government. The system was called 'Medium Size' because the 'Large Size Election District System' was used in Japan from 1900 to the year 1920 and the 'Small Size Election District System' was used twice in the early 1920s (Curtis, 1999: 140).

There were 295 'single member districts', 68 'two member districts' and 11 'three member districts'. This combination of multi-member districts and single entry ballots meant that any party seeking a Diet majority had to run multiple candidates in nearly all the districts. In such a system, it made sense for candidates from the same party to target their campaigns to those voters who had faith in the party rather than to the voters who did not. The combination of multi-member districts and single-entry non-transferable votes not only generated pressure for an intra-party conflict, it also made possible for small parties, such as the JCP, the New *Komeito* and others to survive. It was a system of imperfect proportional representation. A candidate who had secured 20 percent of votes in five member districts would invariably be elected.

The Medium Size District Election System has a history almost as old as the system itself, and the belief that it was somehow responsible for the political problems of Japan grew deeper with each successive political scandal. By the early 1990s, the consensus has been emerged within the mass media and among business leaders, other public figures and bureaucrats who were election specialists; that the election system was responsible for factionalism, money politics and a single party dominance.

Other countries in the world have faced the same situation, that Japanese politicians called a problem. US have the costly political campaign, Italy has the longest experience of factionalism and Sweden and India has the long era of single party dominance, though obviously without following the Japanese election model. The Japanese Diet changed the electoral system in 1993, because Japanese political leaders, business groups, the media and people who were aware, were convinced that electoral reform was the key to political reform. All of them exaggerated the causal effect of the electoral system, believing that the 'Medium Size Election District System' caused corruption and single party dominance and that a 'Single Member District System' would produce policy oriented, inexpensive campaigns and an alternative political power. All opted for a mixed system of 'Single Member' and 'Proportional Representation District' not because the leaders of political parties thought, however all agreed that this was the only solution that would be accepted by all (Curtis, 1999: 168).

The new electoral law was passed in the House of Representatives in November 1993. Electoral reform was oversold as a means of solving Japanese political problems. In the process, a system that was closely identified with the development of Japan as a modern democratic state was discarded and a system adopted that produced reductive pressure on the number of parties through its Single Member Districts and yet encouraged the existence of small parties through its Proportional Representation.

The impact of this political reform was not evolved, as was thought in the policy and plan to change the old electoral system in 1993. The initial effect of this new system was to produce pressures for party consolidation and fragmentation. In the election of 1996 for the House of Representatives and in 1995-1998 for the House of Councilors, the results were as usual.

Not much difference was made by the new electoral law. The LDP managed more seats in the House of Representatives and House of Councilors elections, than its rival parties did. The voting percentage was average for the LDP and more than the 1993 election, which was held on the basis of the 'Medium Size Election District System' of the year 1925.

In 1994, the Socialists and the New Party *Sakigake* left the ruling coalition, joining the LDP in the opposition. The remaining coalition of liberal parties tried to form a make shift minority government. This collapsed in 1994, when the Japan Socialist Party (JSP) formed a majority coalition with its former archrival the LDP (Stockwin, 1999: 85). The LDP was thus returned to power, although it allowed a Socialist to occupy the Prime Minister's chair. Corruption continued after the LDP's return to power in 1996 by full majority, after its defeat in the House of Representatives elections in the 1993. In the year 2007, many ministers of Prime Minister Shinzo Abe's cabinet were involved³⁶ in corruption. This showed the impact of new the electoral system was not effective in preventing corruption. However, since political funding has become questionable, the level of corruption has come down.

The researcher visited Japan in March-April 2008 for field studies on Japanese politics and through questionnaires and interviews surveyed the impact of political reforms in Japan, since 1990.

The methodology of survey (field research) was adopted by filling questionnaires and taking interviews. Both males and females from different parts of Japan were asked to fill the questionnaire and intellectuals and politicians (elected Diet members) were interviewed individually. In total 75 questionnaires were distributed by the researcher and 52 have been answered by both males and females. 27 males and 25 females have answered the questions. As in Japan, the voting rights have been granted to twenty year olds and above, this age criteria has been held for both males and females.

The variables regarding obtaining data were divided with the age group 18 to 100 year old. Although in Japan, those below 20 have no voting rights, five people from both sexes below the voting age have been chosen, as they would be aware as citizens of Japan and are able to differentiate and give unbiased information about Japanese politics, the economy and reforms related to the society. The table clearly indicates that the variables are the number of participants, have the age groups, the place and whether they are employed or unemployed males and females. Most of the participants are the students in the age group of 20-25 years. The questions and

³⁶ Information on this issue is provided in Chapter 2 of the thesis.

analyses of the answers have been shown through the chart based on respondents both male and female.

The table below shows the pattern of questionnaire and nature of participants in the field survey on nature of Japanese politics.

TABLE 11: SAMPLING VARIABLES FOR THE QUESTIONNAIRE

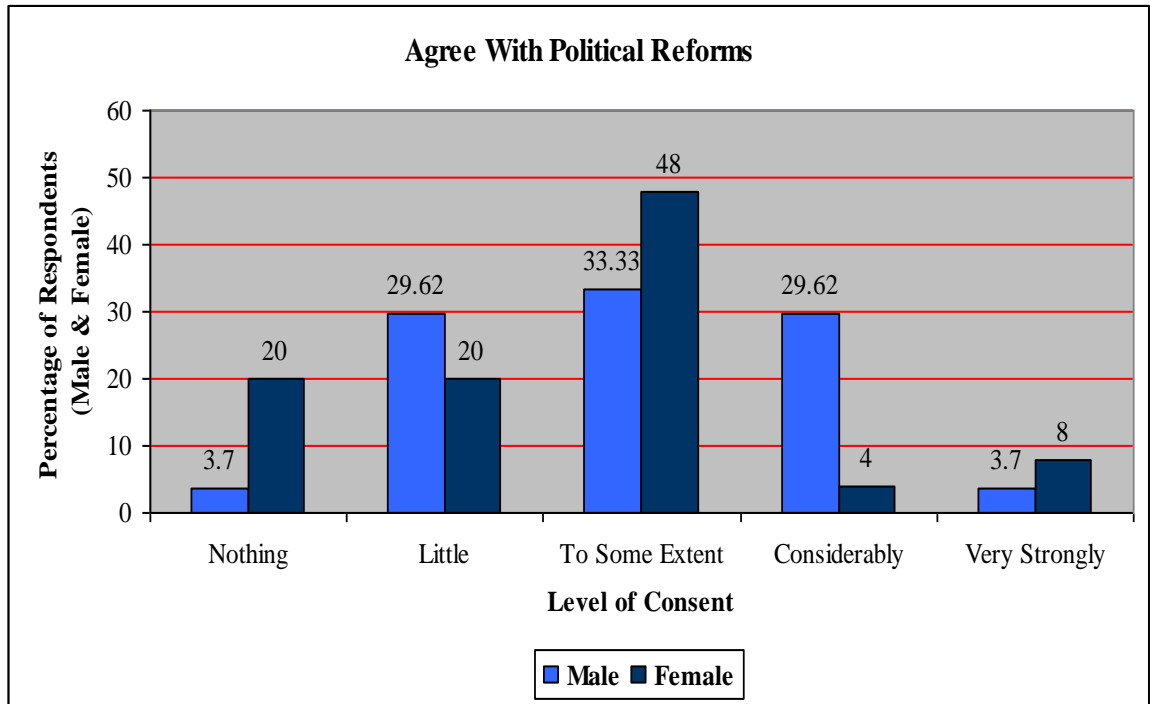
Personal Details/Gender	MALE	FEMALE
Age		
<i>Below 18*</i>	5	5
<i>20-25</i>	12	8
<i>26-50</i>	5	5
<i>51-75</i>	3	5
<i>75-100</i>	2	2
Prefecture/City		
<i>Tokyo</i>	6	4
<i>Ehime</i>	10	14
<i>Hiroshima</i>	3	2
<i>Osaka</i>	2	1
<i>Other (Miyagi, Yamaguchi, Tokushima, Ibaraki, Shimane, Tochigi)</i>	6	4
Present Status		
<i>Working (Managerial/ Non-Managerial)</i>	15	14
<i>Student</i>	10	9
<i>Unemployed</i>	2	2
Working Place/City		
<i>Tokyo</i>	10	11
<i>Ehime</i>	9	7
<i>Hiroshima</i>	2	1
<i>Osaka</i>	4	2
<i>Other</i>	2	4
Total (52 Respondents)	27	25

* In Japan, below 20 years of age have no right to cast votes for the Diet.

The analysis of the data collection of both sexes (along with the age group) of Japan on has been indicated in the diagram (Chart) on the different questions regarding political reforms.

1. Agree on Political Reforms

CHART 4: LEVEL OF CONSENT TO POLITICAL REFORMS



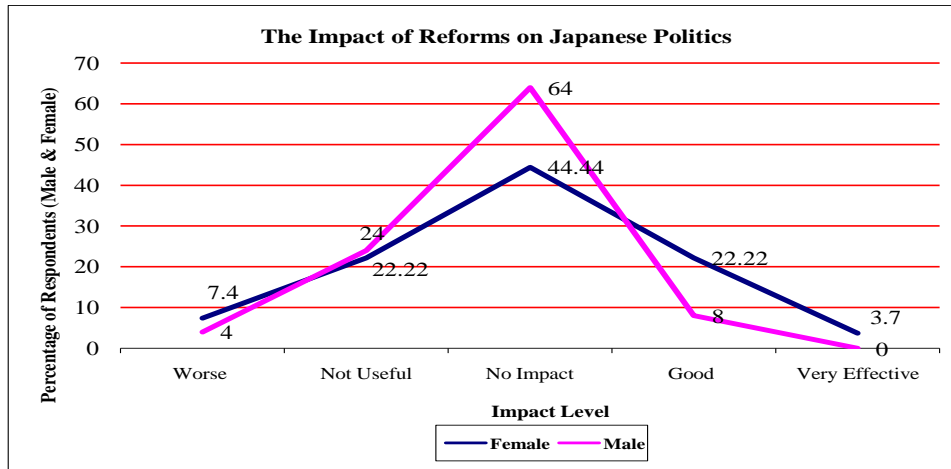
Both males and females responded to this question properly and agreed that somehow the reforms were changing the outlook of Japanese politics and the economy. Only one respondent left the question. The impact of reforms is a major concern for political leaders because people are aware and analyze situation, which they face. The chart 5 (below) shows the percentage of respondents and level of impact on the political reforms.

Many of them have responded that the reform policies have not made any proper impact on Japanese political arena. The Diet member from House of Councilors Tsurunen Marutei agreed with the impact of reforms, as his political party the DPJ was winning against the LDP policies (Interview, Marutei, 07 April 2008).³⁷

³⁷ Interview by the researcher with Marutei san, DPJ member of House of Councilors at DPJ Main Office, Tokyo, Japan, 07 April 2008.

2. Reforms are helpful for Japanese political stability

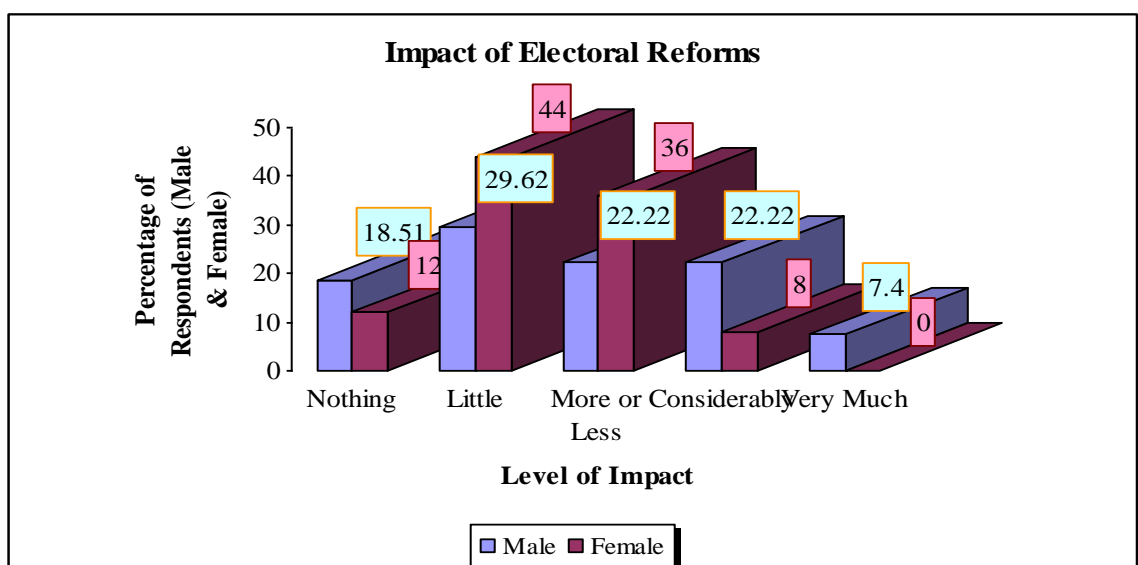
CHART 5: THE IMPACT OF REFORMS (POLITICAL)



Though the reforms in Japan are an ongoing process, yet, the impact could be mapped. Since the reforms have taken place, scandal cases have been few and the economy started changing its outlook. The society is gaining benefits from different welfare policies of the government. The chart indicates that both the genders feel that the reforms related to political issues have not influenced properly. Corruption and instability in the political parties have remained the same, as it had been in the early 1990s.

3. The Impact of Political Reforms on Japanese Politics and Society

CHART 6: THE IMPACT OF ELECTORAL REFORMS ON JAPANESE POLITICS

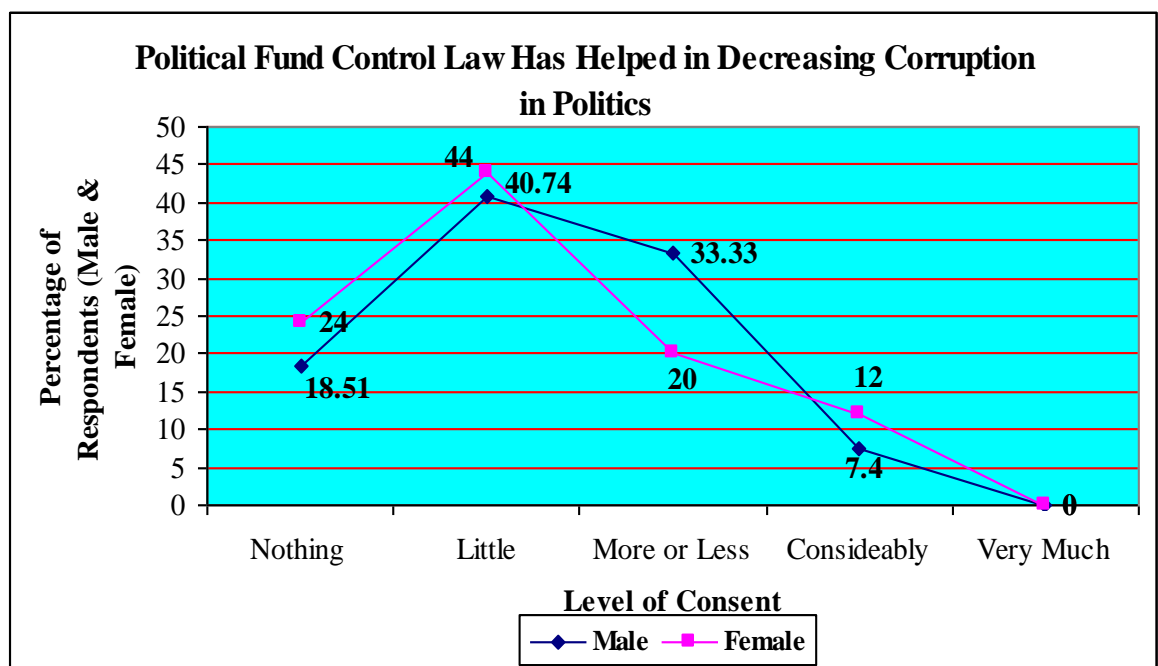


Political Fund Control Law was passed by the Hosokawa government along with tax reforms in late 1993. The law prohibited illegal funding to the political parties through agencies. Political parties had to register the donations to the government, for transparency in politics. Since the law has been enacted, various small irregularities in funding have appeared in the news media. The level of corruption was more or less the same as it was, before the law was enacted.

In 2007, politicians and ministers from the LDP have been charged for taking illegal funds from agencies. The resignation of the Administrative Reform Minister and suicide of Agriculture Minister (in the period of Prime Minister Abe) shows that the law controlling political fund is not as effective as it had been to be perceived. Professor Mikitaka Masuyama of at Keio University, Tokyo, says that the corruption in Japanese politics will not disappear suddenly unless the commitment is strong enough.³⁸ The problem remained same even though the Japanese government keen to solve the scandal problems that the country is facing since long. People of Japan have shown disregard with such behavior, which is continued since many years.

4. Political Fund Control Law and Level of Corruption in Japanese Politics

CHART 7: LEVEL OF CORRUPTION AFTER POLITICAL REFORMS



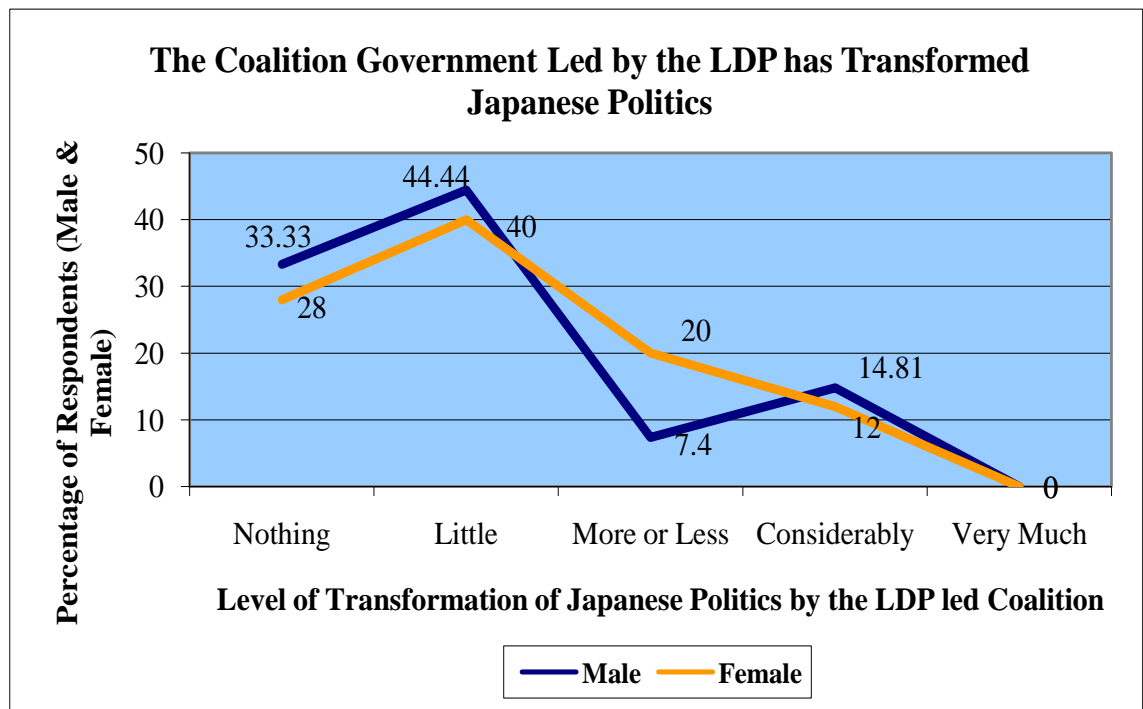
³⁸ Interview by the Researcher with Prof. Masuyama, Keio University, Tokyo, Japan, 31 March 2008.

The impact of this bill is not much satisfactory, though there is less political infighting between candidates of one party (unless there is a real difference in opinion, as in the postal privatization issue). The new system also reduced the number of small parties. Thus for the LDP had remained dominant (2005) in a coalition government, with the New *Komeito*, and the DPJ is emerging as the biggest opposition party.

As far as transforming Japanese politics is concerned, the job done by coalition government is little better than the single party ruling government. The Chart shows that since the year 1996, the coalition government led by LDP since the year 1996 has not done satisfactory work; nevertheless, it is somehow better than the single party dominance.

5. The Coalition government led by the LDP has transformed Japanese politics

CHART 8: THE LEVEL OF TRANSFORMATION OF JAPANESE POLITICS BY THE LDP LED COALITION GOVERNMENT



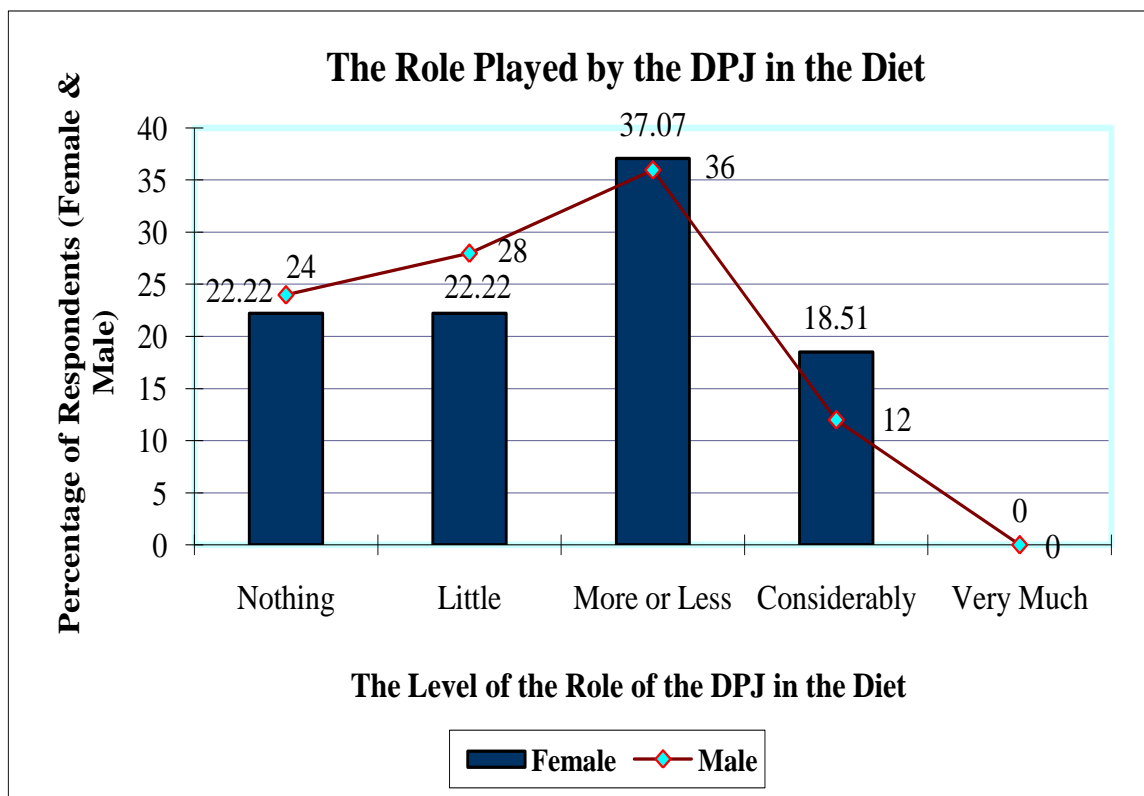
The LDP gains most of its support from rural conservative farmers, and it is the most favored party of the bureaucracy, the famed *keiretsu* and white-collar workers. On

domestic policies, the party is conservative. The party is right wing and conservative party and the most conservative party in Japan, while being most popular. However, the reform steps by the coalition governments are enduring and would take time to perform perfectly.

Due to the LDP's status as the ruling party, it is spoiled by various special interest groups (political, business and NGOs), pushing for government patronage. The LDP has been troubled by frequent financial scandals too and faced public outrage in the 1993. Being in coalition, the LDP has the majority by its own in the House of Representatives since the year 2005 and in the House of Councilors, the opposition party the DPJ has maintained the majority since year 2007.

Since in the 1990s, many instances the LDP had also failed to fulfill the aspiration of voters in Japan. The period of Prime Minister Koizumi was more or less satisfactory; however, he has worked only for economic policies, which is remaining after Prime Minister Abe quit the post. The Role of the DPJ as Opposition in the Diet

CHART 9: THE DPJ AS MAIN OPPOSITION



Fukuda was busy in saving his government and the DPJ in increasing its strength by gaining public support (The Japan Times, 28 April 2008). However, Taro Aso failed to achieve the remaining reform outcomes since he was appointed the prime minister only for a short term. The coalition government, after Koizumi has not succeeded in any policy oriented work. The reason for this is due to public support for the Prime Minister; always tend to decline on their performance on various issues both domestically or internationally.

Since the formation of the DPJ in April 1998, the performance in the election has been outstanding, particularly in the House of Councilors of the Diet. The Democratic Party sought to introduce transparency to the government and a decentralization of government agencies to local organizational structures, including letting the citizens themselves provide good government services and have a society with just and fair rules.

The Democratic Party proclaims to hold the values in the meaning of the constitution to ‘embody the fundamental principles of the Constitution: popular sovereignty, respect for fundamental human rights, and pacifism’, having an international policy of non-intervention and mutual coexistence and to restore the world’s trust in Japan (Web Source: Policy of DPJ). The people of Japan, seeking the alternatives for power change, see the DPJ as the better alternative party after the LDP, for single party government.

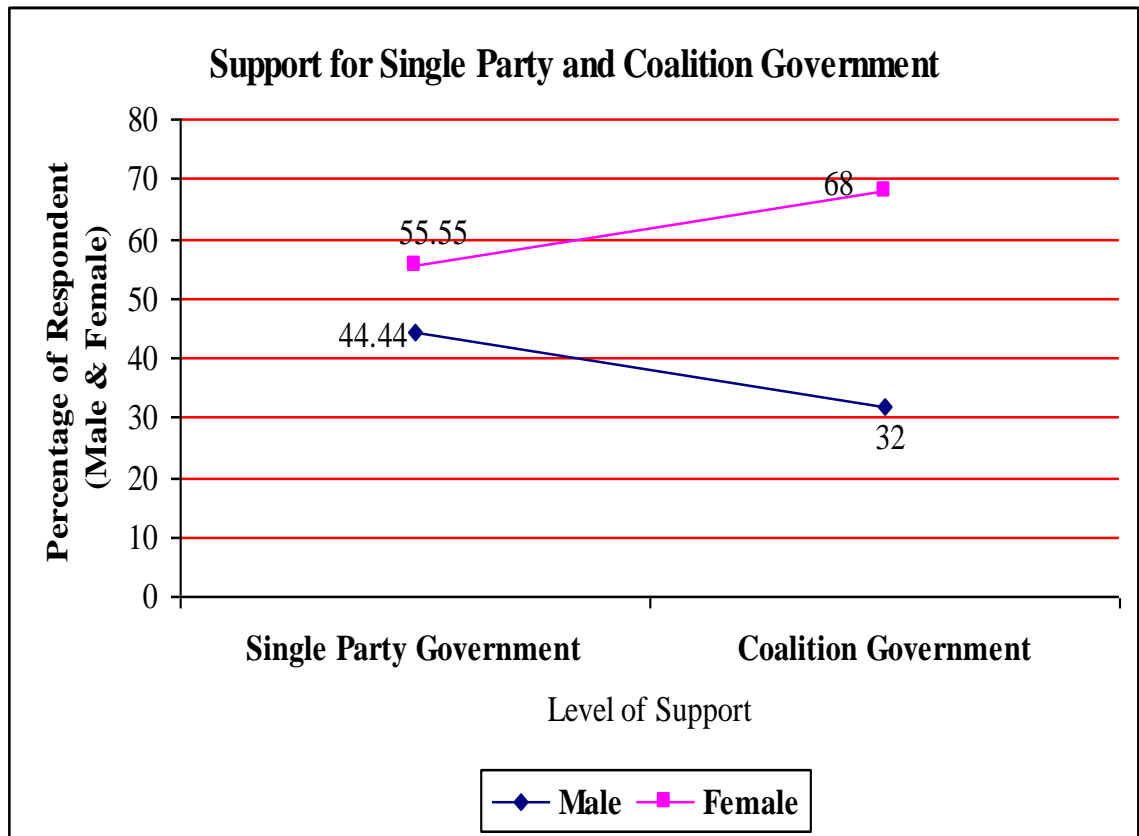
Since the 1990s, the coalition governments have initiated political reforms, which had become essential after the malfunctioning of the political system from the 1950s. Corruption, factional politics and economic recession due to the policies, appeared in the period of a single party government led, by the LDP. It was true that only change in the government could restore the proper functioning of the political system.

The Japanese people are in favor of coalition governments in comparison to a single party government, because there are no proper alternatives to the coalition governments. Few people felt it was the LDP as a major ruling party, not coalition government, brought stability. The impact of reforms on Japanese society might

have been different had there been an alternative of a single party government that could provide the stability.

6. Support for Single Party Government and Coalition Government

CHART 10: THE LEVEL OF SUPPORT OF THE JAPANESE PEOPLE FOR A SINGLE PARTY GOVERNMENT AND A COALITION GOVERNMENT



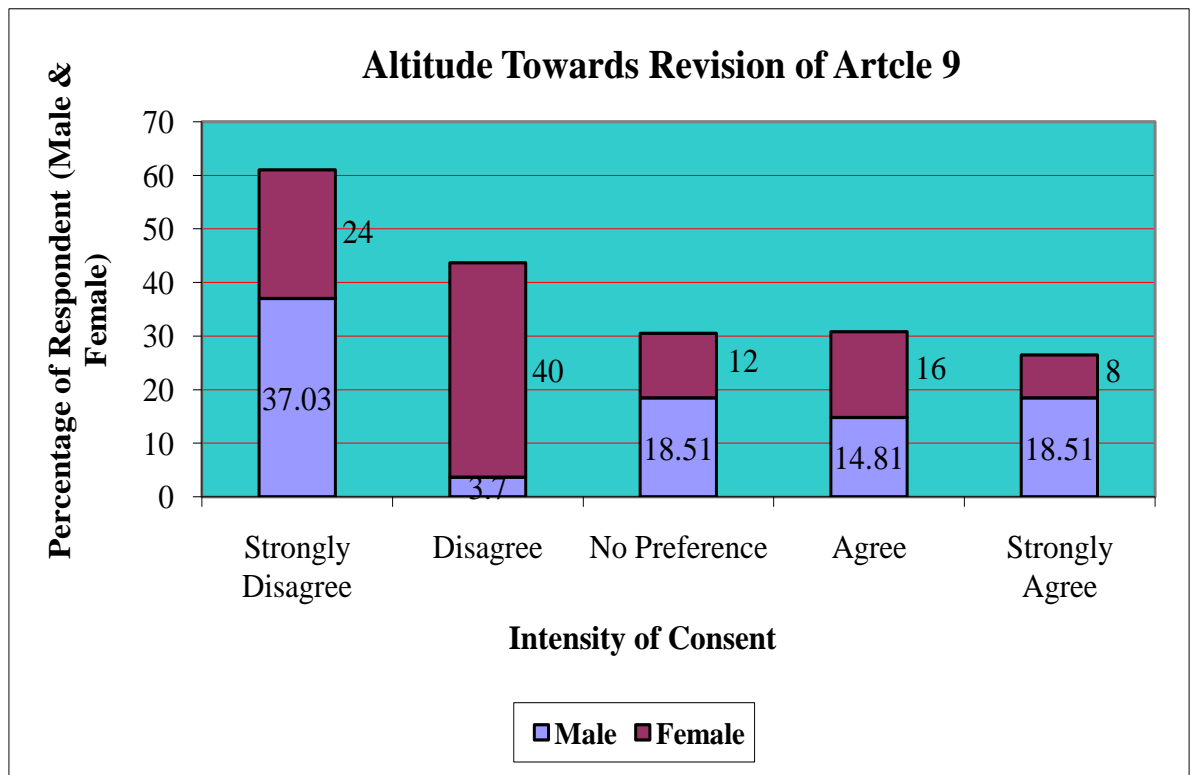
The chart on next page shows the intensity of consent on constitution revision by the Japanese people. Article 9 of the Japanese constitution, states that military forces with war potential will not be maintained. On the question of the review of the article, the majority of Japanese citizens approved the spirit of Article 9 and considered it as being personally important to them. Since the 1990s, there has been a shift away from the stance that would tolerate no alteration of the article to allow a revision that would resolve the discord between the SDF and Article 9.

Furthermore, quite a few citizens consider that Japan should allow itself to commit the SDF for collective defense efforts overseas. The reviewing of the Japanese

constitution was in the agenda of Prime Minister Koizumi. It was Prime Minister Shinzo Abe, on the 60th anniversary of the Japanese Constitution in 2007, who called for a bold review of the document to allow the country to take a larger role in global security and foster a revival of national pride. From the questionnaire data the researcher has collected, it can be interpreted that only few people in Japan agree to review the article and most of them disagree to review it. The chart above shows the data collection on the level of acquiescence to revision of the constitution.

7. Revision of Article 9 of the Japanese Constitution

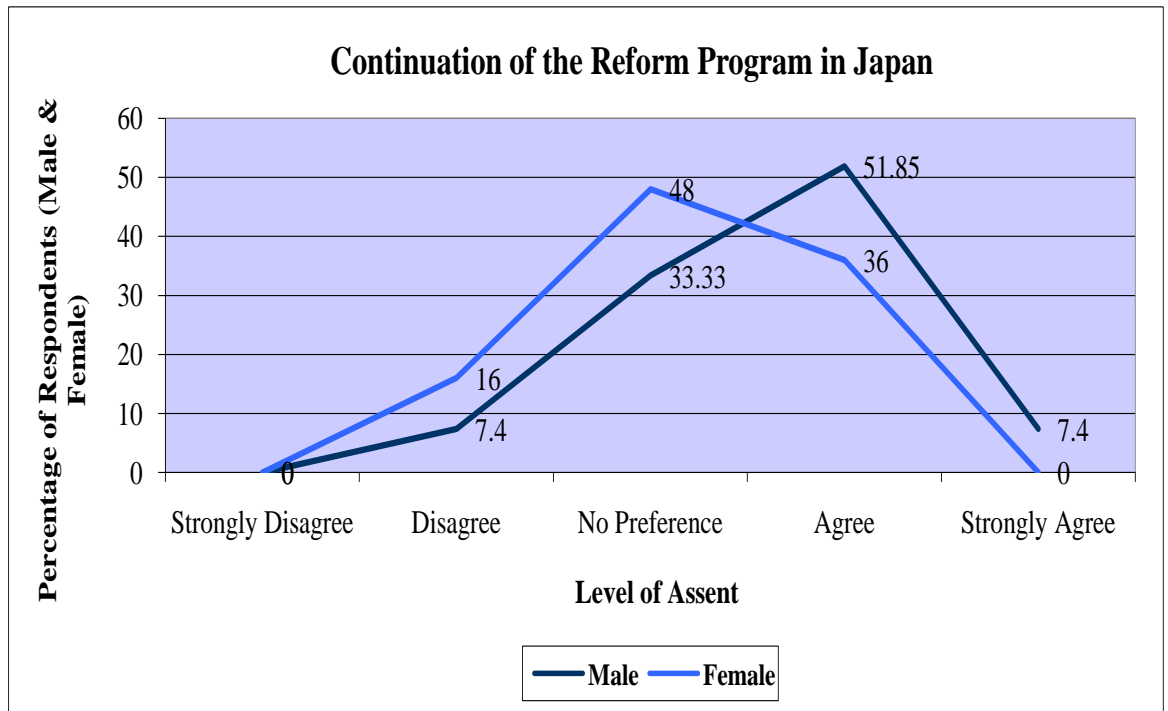
CHART 11: THE LEVEL OF ACQUIESCENCE TO THE REVISION OF THE ARTICLE 9 OF JAPANESE CONSTITUTION



In previous charts, the researcher has explained intensity of political reform. The Japanese people are known to favor reform because it has reduced the improper functioning of the Japanese system—politics, the economy and the society to some extent. On the question of the continuation of the reforms, Japanese society wants it to continue. The chart below shows the approval level of continuation of the reform program by the Japanese government.

Astonishingly, it was found by the researcher that people of Japan are in favor of in the continuation of political reforms initiated by the several governments since 1990.

CHART 12: THE LEVEL OF ASSENT ON THE CONTINUATION OF THE REFORM PROGRAM BY THE JAPANESE GOVERNMENT



Political reforms in Japan are not only associated with politics, however, bureaucratic reforms were also initiated as ‘administrative reforms’ in 1996 under the leadership of Prime Minister Ryutaro Hashimoto who made the Administrative Reform Council (ARC). Hashimoto interested the ARC with three tasks: reorganization of the central ministries and agencies, the definition of the state function for the 21st century and the strengthening of the secretariat of Prime Minister. The impact of this reform was clear the some ministries have been cut short to 12 ministries, and bureaucratic task has been made responsible. More power was given to the Prime Minister’s Office (PMO) and the government system was centralized. Prime Minister Yasuo Fukuda assured in the 169th Diet Session that the talks for the civil service reforms would continue (Yasuo Fukuda, Diet speech, 18 January 2008). The speech of Prime Minister Aso on the New Year 2009 was totally related with the Japanese presence in the world affairs (New Year press conference by Taro Aso, 04 January 2009).

Economic Reform

The problems in the Japanese economy and the reforms concerning them have been dealt with in detail in the chapter 2 and 4. After the World War II, Japan experienced an exceptional growth in the 1960s. Growth slowed down markedly in the 1990s, largely due to the after-effects of over-investments during the late 1980s and domestic policies intended to compress speculative excesses from the stock and real estate markets.

Reform procedures for the recessed economy of Japan were introduced properly by Prime Minister Hashimoto in December 1996, who created a Fiscal Structure Reform Council, comprising leading members of the ruling parties, former ministers and prime ministers. The council report was published in June 1997. As fiscal rehabilitation goals, this report stated that by fiscal year 2003 the fiscal year deficits of the central and the local government should be cut to less than 3 percent of the GDP and new issues of deficit-covering bonds should be reduced to zero.

The report stated that the last three year of the twentieth century (1997, 1998 and 1999) should a period of concentrated reform and numerical targets, should be stipulated for expenditure cuts in each area. Based on this Fiscal Reform Law, the government's fiscal of the 1998 budget was a serious one. Arguing that the economic recession was the results of the Hashimoto administration's mistaken policies, the opposition parties called for a change of policies to emphasize economic stimulus measures and the recompilation of the budget for this purpose. The Hashimoto administration had a plan for the privatization of postal savings and services; it was fulfilled by Prime Minister Junichiro Koizumi later (Amyx, Takenaka, Toyoda, Asian Survey, 2005: 34).

At the end of fiscal 1998, the government outstanding debt had amounted ¥279 million, a truly critical figure, so fiscal reform was an avoidable policy. However, it was the promotion of this policy against a mistaken analysis of economic trends that led to the LDP's defeat in the House of Councilors election of July 1998 and, brought the curtain down on the Hashimoto administration. The reason was the hike in the consumption tax and reduced the public work. The impact of the reform policy was negative and nothing suitable was achieved (Hiroyasu Watanabe, Policy

Research Institute, November 2001). On 30 July 1998, Keizo Obuchi was appointed the new Prime Minister of Japan. The Economic Strategies Council formed in August 1998 and has submitted its report (40th meeting report) on ‘strategies for the review of the economy’ (Economic Strategy Council Report, 26 February 1999), and was placed in the cabinet meeting on 2 March 1999. The report mentioned the current situation of the economy after the Hashimoto initiatives, and recommended their revival. In the report, it was cited that the Japanese economy had begun to show some signs of change, as the effects of the recent large-scale economic packages had gradually helped to stop the severe economic downturn.

However, despite this progress, private demand as a whole remained stagnant. Therefore, the economic prospects for self-supported recovery were uncertain once the economic effects of the last packages had phased out. The fundamental problem pertinent to the weak economy was twofold. First, the true adjustment of the burst of the bubble economy was insufficient. Second, the sharp decline in the number of births and the rapid aging of the population, turned problematic with regard to economic growth.

Obuchi realized that it was important to review the ‘economic reform’ because it had been very slow to achieve any improvement. He said in the 146th Diet session that to recover the real growth rate of the Japanese economy in FY 1999 to around 0.5 percent, his government had made an active efforts in cooperation with the Diet to surmount the financial crisis and the economic recession with recourse to measures in all areas of fiscal affairs, tax systems, finance and legal schemes.

The efficacy of these various policies has begun to permeate through into the economy, and while the economy had not yet got out of a severe situation, activities continued to improve moderately (Obuchi’s Diet Speech, 29 October 1999). In his period of premiership, there was no impact due to his reform policies.

Prior to the appointment of Prime Minister Koizumi, Yoshiro has served the post from 05 April 2000 to 26 April 2001. He formulated a foundation for the “Rebirth of Japan” and tried to resolve in tackling structural adjustments of the Japanese economy and avoid a deflationary spiral (Statements, Prime Minister Mori, 18 April 2001). The sign of improvement to the economy was nil, from 2000 to 2001,

government efforts to revive economic growth proved short lived and were hampered by the slowing of the US, European, and Asian economies. The low public support let him resign and Koizumi was appointed the new LDP President and Prime Minister.

Koizumi was a nonconformist leader of the ruling LDP and known for economic reforms during his more than five year tenure (26 April 2001-26 September 2006). Koizumi pushed for new ways to revitalize the declining economy, aiming to act against bad debts with commercial banks and privatize the postal savings system. He intended it as top priority, the need for a period of painful restructuring in order to improve the future (Statements, Koizumi, 26 April 2001).

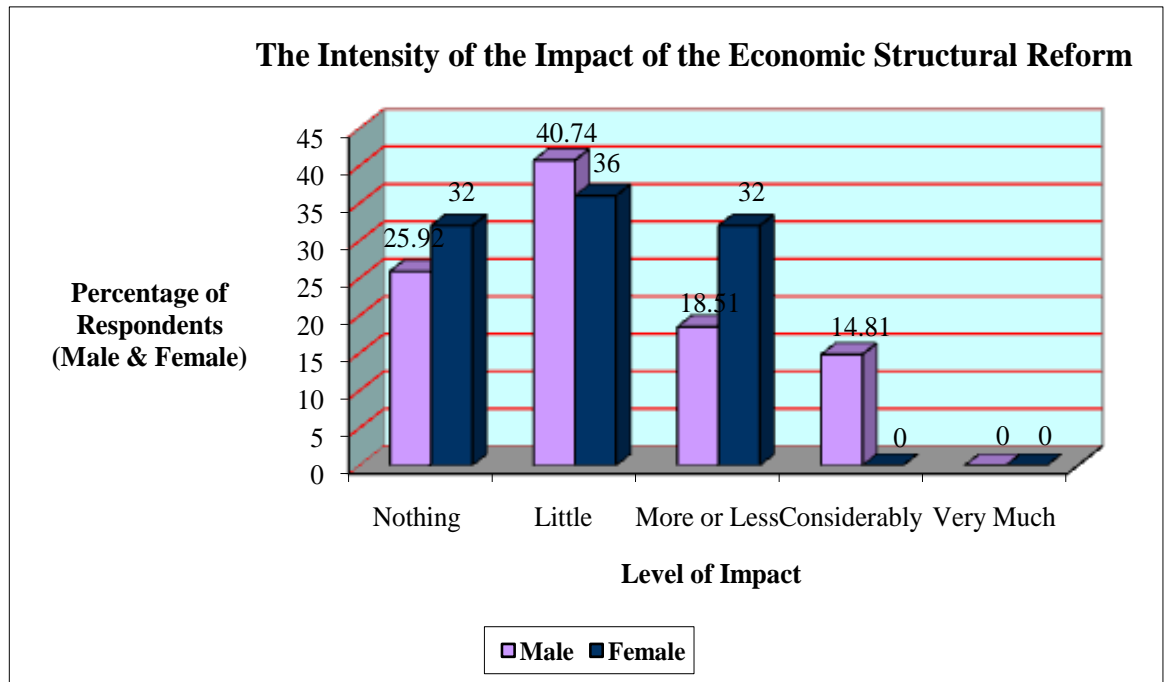
In January 2004, he made statement that the Japanese economy was doing well for the last one and half years from 2002 due to the structural reforms initiated by his government (Speech, Koizumi, 1 January 2004). In 2002-07, growth improved and the lingering fears of deflation in prices and economic activity lessened, leading the central bank to raise interest rates to 0.25 percent in July 2006, up from the near 0 percent rate of the six years prior to that, and to 0.50 percent in February 2007.

The economic reform by the new Prime Minister Abe was the same as adopted by his predecessor Koizumi and he projected that the economic surplus would be achieved by Japan in fiscal year 2011 (Statements, Abe, 26 September 2006). Due to sickness, he resigned on 26 September 2007 and Yasuo Fukuda was elected as the head of the LDP on 23 September and became the Prime Minister by defeating Taro Aso in the party presidential election. He had continued the advance reforms for the economy in his tenure.

The present global economic crisis has brought Japan in the mid of strange conditions, where Japan has not improved its economic situation domestically and have faced severe impact of US and Global meltdown. In February 2009, Prime Minister Aso has assured the stimulation package for economic recovery and reflected in near US\$ one trillion annual record budget for the year 2009-10, however it seems that it would take more time than that has been sought (The Straight Times, 08 February 2009).

8. The Level of the Impact of Structural Economic Reforms in Japan Since 1990

CHART 13: THE IMPACT OF ECONOMIC REFORMS IN JAPAN

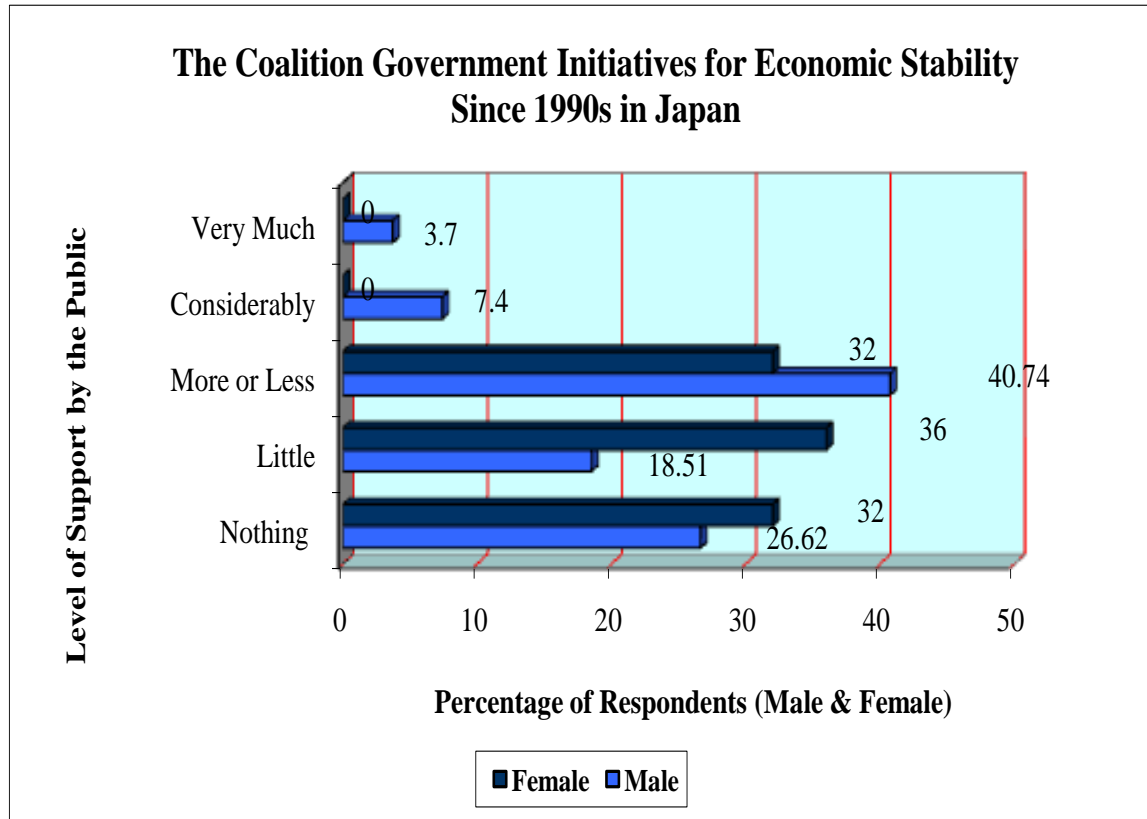


The impact of the economic reform is little positive since the result though, slow is continue. Slow down of the US economy has remained within the predicted range, and exports are stronger than expected due to the weak yen and an upturn in the European Economy. Private consumption, over which there were fears of worsening through the end of last year, has also shown a renewed recovery trend. The economy will continue its gradual expansion against a background of healthy foreign and domestic demand (Research Summary, MRI, May 2008). The researcher has conducted surveys with questionnaires on the impact of the economic reforms and the data has been analyzed below.

The chart above shows that the little impact has been transformed after the reforms have been implemented to counter the challenges in the Japanese economy. As it is mentioned on the previous page, the economy is on track, though it is very slow. The upturn is driven by business investments and exports, while the other components of demands remain sluggish.

9. Altitude of Objectives Related to Economic Stability by Coalition Government in Japan Since 1990

CHART 14: THE LEVEL OF FULFILLMENT OF OBJECTIVES OF ECONOMIC REFORM BY COALITION GOVERNMENTS



The chart above shows that the coalition government led by the LDP is successfully achieving its goal by reforming the recessed economy of Japan. With the end of quantitative easing in 2006, the Bank of Japan introduced a new monetary policy framework that introduced an understanding of price stability as 0-2 percent inflation and raised interest from 0-0.5 percent although most measures of inflation remained negative.

Given remaining deflationary pressures, slower economic growth in 2007 and increased uncertainty about the outlook for growth, the central bank should not raise the short term policy rate further until the inflation is firmly positive and the risk of renewed deflation become negligible (The OECD Survey, Japan, 2008).

Reforms in the Postal Sector

In October 2005, the Japanese government privatized the 'Japan Post' for reforming the slowed economy by passing a bill in the House of Representatives of Diet, and it was fully privatized in October 2007. *Nippon Yūsei Kōsha* (The Japan Post) was a public corporation in Japan, which existed from 2003-2007, offering postal and package delivery services, banking services, and life insurance.

It had over 400,000 employees, ran 24,700 post offices throughout Japan, and was the nation's largest employer. One third of all Japanese government employees worked for Japan Post. In Japan, the post office has long been the place where play-it-safe citizens keep their life savings. About 85 percent of households have postal savings accounts. The post office is also a major broker of life insurance, serving more than 60 percent of households. The Japan Post also held about ¥140 trillion (one fifth) of the Japanese national debt in the form of government bonds (Amyx, Takenaka, Toyoda, Asian Survey, 2005: 23-48).

Koizumi made postal privatization the cornerstone of an effort to streamline the Japanese economy by downsizing the government and encouraging private enterprise and investment. Rejection of postal bills by the House of Councilors in August, led him to dissolve the parliament and call new elections, which his pro-reform candidates won in a landslide. The new mandate opened the way for easy House of Councilors approval of the bills this time around, by a vote of 134 to 100 (The Washington Post, 15 October 2005).

The reform of privatizing the post would take its own time until all the public accounts and transferred to the private company, by September 2007. The bills called for the agency to be split into four entities in 2007, under a new holding company, and it began from October 2007 by splitting as; charge of mail delivery, postal savings, insurance and over-the-counter services. The impact became effective from 01 October 2007, for mail delivery, the postage rates would remain unchanged.

One of the changes with the start of the privatization process was hikes in remittance commission rates due to the imposition of stamp taxes, which had not been imposed

during the days of the public corporation. Remittance commissions at post offices for payments of utility charges had been ¥30 regardless of the amount. Under the new system, commissions for transferring ¥30,000 or more in utility payments, for example, would come to ¥240. Commissions for the remittance of relatively small sums using money orders have risen to ¥100, up from ¥10.

In addition to postal savings and insurance policies, some post offices may sell products offered by other private insurers and sell daily goods. One of the four new firms, Japan Post Network Co., in charge of managing counter services at 24,000 post offices nationwide, plans to sell car accident and cancer insurance policies at post offices in Tokyo and the surrounding areas.

Japan Post Bank has taken over all ordinary postal savings accounts from Japan Post, which had been the world's biggest financial institution, with more than ¥300 trillion in assets, in the form of postal savings and insurance contracts. The new bank can no longer promise a government guarantee for repayment of all deposits. Instead, Japan Post Bank, like other private-sector banks, has joined the government-backed deposit insurance system, under which repayments of up to ¥10 million in principal, plus interest are guaranteed per depositor.

Fixed-amount and installment postal savings accounts opened before the start of privatization were transferred to a newly created government-backed entity, with their repayments fully guaranteed. The agency has also taken over all postal insurance contracts concluded before the start of privatization. The guarantee for payments of insurance money under those contracts would remain until they would mature or cancelled.

Thus, as some analysts say, a crucial change is occurring concerning the fact how individual investors should think about measures to manage their assets. Japan Post had attracted a huge amount of money as investors had considered it the safest financial institution in Japan, with repayment guaranteed by the government. Conservative investors had almost blindly turned to their local post offices for a place where their money could be kept safely.

Pension Reform

The reform in the ‘Pension Sector’ was carried out in 1986, by merging several other plans in to ‘Employment Pension Insurance Plan’. The pension system in Japan is a step-up contribution system, while many of the other countries like Europe adopted a pay-as-you-go system. A step-up contribution system is a system similar to the pay-as-you-go system with fund. Japan had adopted this system for several reasons; in countries like Japan, where the population is aging much faster than other countries, the pay-as-you-go system, as it matures, would result inevitably in a rapid increase in the ratio of social security contributions to the income level (Japan Financial Report, October 2004: 3).

The step-up contribution system is designed to accumulate in advance (before the system reaches maturity), the funds is necessary for future benefit payments, thus preventing the level of social security contributions from soaring as the system matures, and thereby ensuring fairness among generations. Prime Minister Obuchi in the Diet session³⁹ speech insisted on reforming the Pension Plans in the year 2000 based on the Economic Strategy Council, which suggested that the pension should be fully covered by tax revenues (Kyodo International News, 05 April 1999). Since he was replaced by Prime Minister Mori, his plan remained unclear. However, the plan was later finalized and cleared under the premiership of Koizumi.

In Japan, the public pension is multi-tiered. Tier one is ‘Basic Pension’ whose benefits are paid to all public pension subscribers. Tier Two is the ‘Employees’ Pension and Mutual Aid Pensions’. Self-employed persons, unemployed persons and students are called Category one insured persons. They subscribe to the National Pension; they make fixed premium payments, and in the future will be paid Basic Pension benefits. Salaried employees (in the private sector) subscribe to the ‘Employees’ Pension’, and public sector employees subscribe to the ‘Mutual Aid Pension’. They are defined as Category two insured persons.

On 11 May 2004, the bill on ‘Pension Reform’ was passed by the House of Representatives. Until now, both the Employees’ Pension and the National Pension determined the benefit amount to be paid out, and then they would determine the

³⁹ The 146th Diet Session of Japan was convened on 29 October 1999.

necessary premium to attain this benefit amount. As a result, with the increasing number of beneficiaries that the aging population had brought about, and the relative decrease in the working population due to a declining birth rate, the burden on the contributors has become much higher.

The current pension reform is designed with the aim of reforming the system to create a sustainable structure with mutual support between the younger generation and the elderly over a course of time, with consideration given under such tight circumstances to two crucial points: the balance between premiums and benefits, and the extent of tax revenue collected from the people to be used for the system.

The conventional approach taken to date has been to revise the pension system every five years. However, in reforming the pension system, the Koizumi government in 2004, established the future minimum pension benefits and maximum pension premiums so that people could get a clearer picture of the pension system in future. It is true that the pension system comprised many elements in a complicated structure that included the basic pension obligatory for everyone, ‘the employees’ pension’ for salaried workers in the private sector, the ‘mutual aid pension’ for public service employees as well as the ‘corporate pension’ unique to each corporation.

The impact of the pension reform would largely affect the aging society of Japan by benefiting them financial support from the public sector, although, the analysis of the reform would emerge properly, after 2017. To give an example; the premium rate of the Employees’ Pension was 13.58 percent as in September 2004, however this will be raised by 0.354 percent every year and will be fixed at 18.30 percent from September 2017 (Japan Financial Report, October 2004: 6).

Tax Reform

The tax system of Japan is composed of income tax, corporation tax and consumption tax (VAT) as a core, and other excise taxes; taxes on property such as inheritance tax and gift tax. These taxes have been financing a large portion of the revenue and have contributed to the development of Japanese society and its economy significantly. Indeed, taxation plays an important role not only as a way for

revenue raising for the government, though as one of income and wealth redistribution in order to move towards the distribution that society considers to be 'just or 'equitable', or as one to overcome economic inefficiency.

In this sense, it is fair to state that this has been one of the keys for the success of the Japanese economy after the World War II, and though the recent situation has not always been easy, it is the success of taxation as well as the success of tax administration.

Various tax reform measures have been discussed in the Japanese government policy lobby and various criteria have been adopted since the 1990s. Tax cuts and new taxes have always been the issue in Japanese Economic Structural Reforms. The government led by Hosokawa announced tax cut for the February 1994, ¥6 trillion tax cut and 7 percent welfare taxes. However, it was opposed by the coalition parties, especially the SDPJ. Later, Prime Minister Hosokawa adopted the same 7 percent of welfare tax scheme to replace the 3 percent of consumption tax. The impact was associated with the aging society in a special social welfare program (Curtis, 1999: 128).

Prime Minister Obuchi proposed that in order to expand the domestic demand and enhance the international competitiveness of Japanese corporations, implementation of permanent tax reductions for both the individual income tax and corporate income taxes would continue (Diet Speech, 18 January 1999). The impact of the tax reform has lowered the Japanese personal income tax. In July 2000, the Government Tax Commission submitted its report to Prime Minister Mori for the proposal of a better taxation system.

The next Prime Minister Koizumi has also sought help from the Government Tax Commission in June 2002 and asked for tax reforms in Fiscal Year 2003. The finance ministry proposed a corporate tax and reviewing the local allocation tax (Diet Speech, 26 September 2005). The impact was converted into better results for economic improvement. His successor, Abe took some steps toward balancing the Japanese budget, such as appointing a tax policy expert, Koji Omi, as Minister of Finance. Omi previously supported increases in the national consumption tax, although Abe distanced himself from this policy and tried to achieve much of his

budget balancing through spending cuts (Mayumi Otsuma, 26 September 2006). Abe also planned tax breaks (tax exemption, deduction and credit) which influenced the technological innovation in the private sector of Japan.

Prime Minister Fukuda, in the opening remarks in the Diet session insisted on the revision of gasoline and road related taxes for the Fiscal Year 2008 (Fukuda's Budget Speech, 31 March 2008). The motivation was the environment issue that the raise in gasoline tax would result in the less use of it, and the green house effect of global warming would not take place in the period. Meanwhile, with strong opposition by the DPJ, the gasoline price was halted till May 2008 and hiked on 04 June 2008.

Fukuda assured the opposition that the gasoline and road tax revenue would be used for other than road related works; ¥59 trillion would be used for 5 year from Fiscal Year 2008 for road maintenance (The Yomiuri Shimbun, 14 May 2008). On 11 June 2008, the opposition passed a motion of censure against his activities; though it was not legally binding (NHK World, 11 June 2008). The impact of gasoline and road tax reform would be effective by the collection of large amount of revenues.

Social Reform

In Japan, the social issues are immense and challenging for the Japanese political system. Since 1990, the coalition governments have initiated a series of reforms to tackle the social problems. In chapter 2 and 4 of the thesis, the challenges and reforms have been specified, which have been concerned with education and aging population along with other issues.

Education Reform

The Ministry of Education had been working since 1995 at developing concepts for educational reform. Prompted by Prime Minister Hashimoto's announcement (Hashimoto, Diet Speech, 19 June 1997), it redoubled its efforts, calling on all of its advisory organs; the Central Council for Education and the University Council among them to deliberate on what reforms should be undertaken, and based on their work, it had a body of major recommendations by the end of 1999.

The Central Council for Education and other councils have made numerous concrete proposals, ranging from the idea of introducing unified secondary education (combining middle schools and high schools) as an option for public schools, modifications of the entrance exam system, including permitting superior students to enter the university directly from the eleventh grade, skipping the final year of high school (Japan Echo, 2000). Some of the proposed changes in the education sector have been implemented.

On 18 April 2001, Prime Minister Mori sought for education reform for the people of the 21st century and introduced the bill based on the ‘National Commission on Education Reform’ in the Diet.⁴⁰ Later, ‘Fundamental Law of Education’, a reform for education was proposed by the Koizumi government (Diet session, 26 September 2003).

Education reform is a very slow process in Japan, largely because of the way the Japanese bureaucracy functions. After the Education Ministry identifies a problem, the Central Council for Education deliberates it and submits its recommendations, the Courses of Study are reviewed and revised, and finally the textbooks are revised to match. Assuming that each of these steps will take a year or more, at least three years are bound to elapse between the time the Education Ministry identifies the problem and the implementation of a solution, including revised textbooks.

Prime Minister Abe’s idea was very clear, in revising the textbooks relating to history and rebuilding education. As the bureau chief of the ‘Institute of Junior Assembly Members Who Think about the Outlook of Japan and History Education,’ Abe supported the controversial Japanese Society for History Textbook Reform and the ‘New History Textbook’. He denied the abduction of comfort women by Japanese troops, claims that a history textbook must contribute to the formation of national consciousness, and cited the South Korean criticism of the ‘New History Textbook’ as foreign interference in Japanese domestic affairs.

The reform of the educational system has highlighted the new style of the government. Parliamentary approval of amendments to the fundamental law of

⁴⁰ The full reform criteria on education in Japan has been detailed in appendix-X of this thesis, p. 296.

education, on 10 December 2006 and the report of the consultative committee for school reform on 19 January 2007 is representative of the essence of the government strategy. The “fundamental law of education” has been presented by the media as a “constitutional charter for education”. When it was drafted for the first time (towards the end of the nineteenth century), its aim was to form generations who would allow Japan to become a strong nation in the context of western powers: nationalism and militarism were the key pillars.

The impact of the reform has begun; schools are now teaching nationalism again, however, it is on trial. Prime Minister Fukuda said that education is a family issue with larger interest; Japan has to build a strong education not only by schools, however by the influence of the family with cooperation from local society and the administration (Fukuda’s Diet session, 01 October 2007). New guide lines has been adopted in the period of Prime Minister Aso for the High School in which various reforms has been projected for schools i. e. learning English, basic grammar and Japanese culture is been must (Japan Times, 07 January 2009).

Aging Population

Old age ideally represents a time of relaxation of social obligations, assisting with the family form or business without carrying the main responsibility, socializing, and receiving respectful care from the family and esteem from the community. In the late 1980s, high (although declining) rates of suicide among the elderly people and the continued existence of temples where one could pray for quick death indicated that this ideal was not always fulfilled.

Japan has a national holiday called Respect for the Aged Day, but for most people it is merely another day for picnics or an occasion when commuter trains run on holiday schedules. True respect for the elderly may be questioned when buses and trains carry signs above especially reserved seats to remind people to give up their seats for elderly riders. Although the elderly might not have been accorded generalized respect based on age, many older Japanese continued to live full lives that included gainful employment and close relationships with adult children.

Although, the standard retirement age in Japan throughout most of the post war period was fifty-five, people aged sixty-five and over in Japan were more likely to work than in any other developed country in the 1980s. In 1987, about 36 percent of men and 15 percent of women in this age group were in the labor force. With better pension benefits and decreased opportunities for agricultural or other self-employed work however, labor force participation by the elderly has been decreasing since 1960.

In 1986, about 90 percent of the Japanese surveyed said that they wished to continue working after the age of sixty-five. They indicated both financial and health reasons for this choice. Other factors, such as a strong work ethic and the centering of men's social ties around the workplace, may also be relevant. Employment was not always available, however, and men and women who worked after retirement usually took substantial cuts in salary and prestige.

Between 1981 and 1986, the proportion of people of sixty and over who reported that a public pension was their major source of income increased from 35 percent to 53 percent, while those relying mostly on earnings for income, fell from 31 to 25 percent and those relying on children decreased from 16 to 9 percent. The financial health of the public pension plan has deteriorated as the aging people are increasing in Japan. To avoid massive increases in premiums, the government reformed the system in 1986, by cutting benefit levels and rising the planned specified age at which the benefits began from sixty to sixty-five.

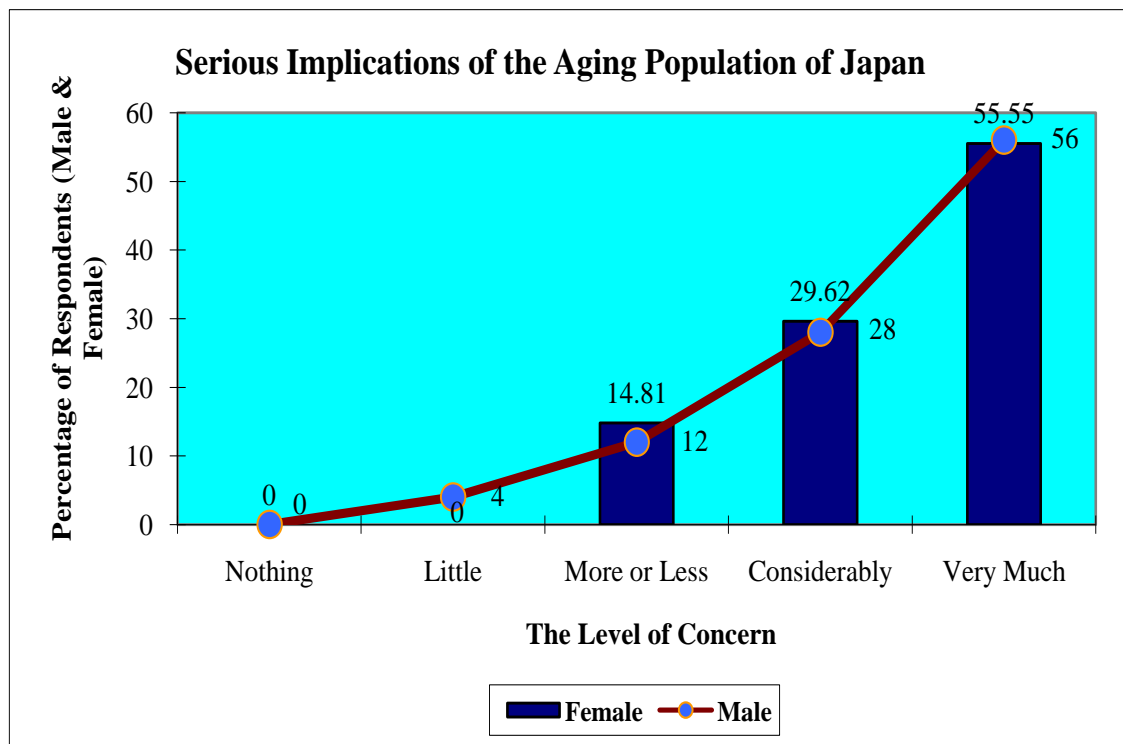
Under the revised system, contributions paid in equal shares by the employer and the employee were expected to be equivalent to about 30 percent of wages, as opposed to 40 percent of wages under the old system. However, problems now arose in securing employment opportunities for the sixty-to-sixty-five age group.

The impact of aging on the Japanese society and economy was drastic. In 1990, some 90 percent of companies paid retirement benefits to their employees in the form of lump-sum payments and pensions (Osamu, *Japan Echo*, Vol. 35, No. 5). Some companies based the payment amount on the employee's basic pay, while others used formulas independent of the basic pay. Because the system was designed to reward long service, payment rose progressively with the number of years the

employee worked. It is considered that the share of 65-85 year old residents is expected to rise from 6 percent to 15 percent by 2025. To know and understand the impact of the reform, a survey based on questionnaire regarding the aged population has been conducted. The chart below shows the seriousness of the problem of the old aged population in Japanese society.

10. The Aging Society is a matter of Concern in Japan

CHART 15: THE LEVEL OF CONCERN FOR THE AGING POPULATION IN JAPAN



Japan has not adopted any kind of reform policies for the aged population; however, the pension scheme for the aged people has been revised in the 1990s and later. The impact is very slow, as the aging people are increasing. Japan has no alternative to check this problem, which is leading to a serious labor crisis. Output growth has slowed down and more people are living off pensions.

Japan over recent years has already introduced some changes designed to make its pension system workable. Between 2000 and 2025, the age at which men can receive their full pension is being raised from 60 to 65. These changes would affect

the aged women population five years later. Pension premiums paid by workers are rising. Still this is not enough. Other ways to alleviate the problem could include allowing a greater number of foreign workers in Japan, which has traditionally not allowed large-scale immigration.

Because of the concern with the aging population, Japan has taken the necessary steps to reform nursing care and health care. The Japanese government has undertaken the establishment of a long-term care insurance system that covers institutional services and in-home services. Three bills to create a long-term care insurance system for the elderly were approved in the Diet in December 1997. The new system became effective in April 2000.

After analyzing various impacts of reforms, it has been clear that reform is an ongoing process. The political reform is the only main area that needs to be focused thoroughly. The next chapter 'Summary and Conclusion' have captured the main reason for the failure of reforms mainly and positive affect slightly.

Chapter 6

SUMMARY AND CONCLUSION

Japan has faced several crises, political and economic—both the criteria have made a direct impact on its society. It is essential therefore to map Japanese history to understand its success in the economic field and its democratization of the political system. From its early pre-history of Jomon to the current existing period of Heisei, Japan has experienced severe internal changes and evolved from a country disciplined by military rule to that is by and large peace loving.

The samurai culture, which originated in the Heian period (794-1185) before the modern period, lasted till the Meiji period of 1868. Prior to the Meiji period and in the Tokugawa period the developments were limited to the economy only. In this period, the capital was accumulated in the hands of prosperous urban merchants and wealthy rural farmers. During this period, Japan developed a sophisticated mechanism for extending credit, whether to the poorest tenant in a village or to a big merchant house in a major city. This caused the people to develop a feeling of trust, which is essential in meeting contractual obligations in a commercial and industrial society. From these developments also, the Meiji state was able to enhance and expand its legacies from the Tokugawa period (Beck And Burks, 1983: 1).

The Meiji state improved the quality of the existing financial institutions by creating a modern banking system. Economic development in Japan was thus in an advanced position in the Tokugawa period, which has the legacy of improved economic condition in the country. The political developments in the Meiji period were far behind in comparison to the modern political institutions, which were based on the institutions of the western style. The Meiji Restoration was a political revolution that promoted widespread economic renovation and brought a measure of social liberation to the populace that had been constrained in many ways during the Tokugawa period. Though the social changes that occurred during the Meiji period were very limited, especially with respect to status, standard of living, demography, family and community life, gender, education, were the sectors in which the drastic

changes took place from 1868 to 1912. The development of Meiji politics, the economy as well as the society, was based totally on feudal ideas, because it had inherited the major thoughts from the Tokugawa period. McLaren writes about the Meiji Restoration and Western influence on it. He says:

...If, in seeking the cause of the Restoration movement, great importance is to be attached to the jealousy of the Western clansmen, there were other and less significant forces at work bringing on the event, chief among them being the intellectual movements of the eighteenth and nineteenth centuries in the field of history, religion and science, as well as the disintegration of the Tokugawa power and the foreign policy of the Shogunate...(Maclaren 2007: 30).

The four mid-century decades spanned one of the most eventful periods in Japanese modern history. It began with the economic depression and imperial conquest; and was followed by the war, devastation, defeat, and foreign occupation. These events were gradually repaired during a post war revival that took nearly a decade to complete, at which point Japan entered a period of unprecedented economic growth.

A coalition of military leaders and bureaucrats persuaded Japan to conquer Asia and wage war against the US. Japan entered World War II, and joined the Anti-Comintern Pact in 1936. It formed the Axis Pact with Germany and Italy on 27 September 1940. Later, the attack on Pearl Harbor, sanctioned by Emperor Showa on 01 December 1941, occurred on 7 December and the Japanese were successful in their surprise attack. Although the Japanese won the battle, the attack proved a long-term strategic disaster that actually did relatively little lasting damage to the US military and provoked the US to retaliate with full commitment against Japan and its allies (Mason and Caiger, 1997: 353-59).

After the defeat in World War II, Japan left its legacy of the Meiji, the Taisho and Showa period, and turned into a democratic and peace loving country. The real political and economic developments in Japan began after the Occupation period. In October 1955, socialist groups reunited under the Japan Socialist Party, which emerged as the second most powerful political force. It was followed closely in popularity by the *Komeito* (Clean Government Party), founded in 1964 as the political arm of the *Soka Gakkai* (Value Creation Society), until 1991 a lay organization affiliated with the *Nichiren Shoshu* Buddhist sect. This was the major

turn in the political history after the World War II that led to the formation to the LDP.

The political map in Japan had been largely unaltered until early 1990s and the LDP had been the largest political party in the national politics. The LDP politicians and government bureaucrats focused on economic policy. From the 1950s to the 1980s, Japan experienced rapid development into a major economic power due to the political stability provided by the LDP, a process often referred to as the Japanese post war economic miracle.

Japan rapidly caught up with the West in foreign trade, GNP, and general quality of life. These achievements were underscored by the 1964 Tokyo Olympic Games and the Osaka International Exposition in 1970. Japanese exports increased; there was widespread admiration for their management system that seemed to result in products of high quality with a minimum of labor disputes. 'Permanent Employment' that secured jobs and without fear of technological innovation, a seniority system of pay that guaranteed equity, and 'quality control circles', which institutionalized workers' participation in shop-floor decisions seemed the harbingers of a more humane and rewarding system.

The high economic growth and political scenario in the late 1960s were tempered by the quadrupling of oil prices by the OPEC in 1973. Almost completely dependent on imports for petroleum, Japan experienced its first recession since World War II. Another serious problem was the growing trade surplus of Japan, which reached record heights during Prime Minister Yasuhiro Nakasone's first term. The US pressured Japan to remedy the imbalance, demanding that Tokyo raise the value of the yen and open its markets further to facilitate more imports from the US (Watanuki, 1977:25).

The consequences of Japanese economic growth were not always positive. Large advanced corporations existed side-by-side with the smaller and technologically less-developed firms, and created a kind of economic dualism in the late twentieth century. Often the smaller firms, which employed more than two-thirds of Japanese workers, worked as subcontractors directly for larger firms, supplying a narrow range of parts and temporary workers. Excellent work conditions, salaries, and

benefits, such as permanent employment, were provided by most of the large firms, though not by the smaller firms. Temporary workers, mostly women, received much smaller salaries and had less job security than permanent workers had. Thus, despite the high living standards of many workers in larger firms, Japan in 1990 remained in general a low wage country whose economic growth was fuelled by highly skilled and educated workers who accepted poor salaries, often-unsafe working conditions, and poor living standards.

In comparison to the economic advancement of Japan in the 1960s, the political stability faced a few awkward situations in the mid 1970s when the LDP declined and Japanese politics experimented with a short period of coalition between the LDP and the independents. Ever since the formation of the LDP, it had dominated Japanese politics until the year 1993. Despite numerous political changes that took place between 1958 and 1993, the LDP had remained at the helm of offices.

The violent street protests over the Japan-US alliance of the 1960s gave way to resigned acceptance. Japanese landowners, mostly farmers along with politically active students, had spearheaded the opposition to Narita International Airport, this disappeared from the political landscape, when campus politics became quiescent in 1999, the final parcel of the land needed to build Narita's long awaited second runway, was finally sold by a farmer.

The LDP struggled in the 1970s when the oil crisis was at the center stage of politics in Japan. In the general elections of December 1976 that followed the expiration of the term of the House of Representatives, the pro-Miki (then Prime Minister Takeo Miki) and anti-Miki factions campaigned separately. After the elections, the LDP won only 249 seats less than the required 256 for a simple majority. By enrolling eight independents, the party managed to regain a bare majority to run the government under the Premiership of Fukuda Takeo (Stockwin, 1999: 57).

These developments provided a chance to the LDP again and to its allied parties to win the elections. The period after that was a blow for the opposition, who had gained momentum in the 1970s. The stability in the 1980s again provided the outstanding economic growth without control and 1989 marked one of the most rapid economic growth spurts in Japanese history. With a strong yen and a favorable

exchange rate with the US dollar, the Bank of Japan, kept interest rates low, sparking an investment boom that drove Tokyo property values up sixty percent within a year. Shortly before New Year's Day, the index of 'Tokyo Stock Exchange Nikkei 225' reached its record high of 39,000. By 1991, it had fallen to 15,000, subsequently less than 10,000, signifying the end of Japanese famed 'Bubble economy'.

A significant policy-making institution in the previous decades of 1970s and after was the research council of LDP to help it. It consisted of a number of committees, composed of LDP Diet members, with the committees corresponding to the different executive agencies. Committee members worked closely with their official counterparts, advancing the requests of their constituents, in one of the most effective means through which interest groups could state their case to the bureaucracy through the channel of the ruling party (Curtis, 1999: 120-21).

The Unemployed population was high in 1990s and it has been continued until today, though not at crisis levels. Rather than suffer large-scale unemployment and layoffs, the Japanese labor market suffered in more subtle, yet no less profound effects that were nonetheless, difficult to gauge statistically. During the prosperous times, jobs were seen as long term even to the point of being life-long. In contrast, Japan during the 'lost decade' saw a marked increase in temporary and part time work, which only promised employment for short periods and marginal benefits. This also created a generational gap, as those who had entered the labor market prior to the 'lost decade' usually retained their employment and benefits, and were effectively insulated from the economic slowdown, whereas younger workers who entered the market a few years later suffered the brunt of its effects.

The scandals in the Japanese politics and the involvement of LDP politicians in it created uproar in Japan. The media has brought all the news immediately and public support for the LDP declined. In the late 1980s, the LDP started declining and the House of Councilors election in July 1989 proved the public intention towards the LDP. In the 1990, the LDP secured fewer seats than the 1986 elections for the House of Representatives elections. The economic situation worsened and an era of slow-moving economy began in Japan. The early part of the Heisei period was politically very unstable.

The long waited reform requirements and series of corruption like the Recruit and Sagawa Kyubin scandals of 1988-1993, hit the LDP and the party lost its majority in the Diet; a multiparty coalition took over the government and initiated a package of political reform legislation. A coalition government led by Morihiro Hosokawa of the Japan New Party (JNP) took over as the ruling power in 1993. Even though the political fund control adapted in 1994 to stem the corruption in Japanese politics, there was no transparency and it was not implemented properly. In the period of Prime Minister Junichiro Koizumi, Shinzo Abe, Yasuo Fukuda and Taro Aso, many cases of scandal appeared in the Japanese media. This had an impact on the support rate of Japanese people mainly for Abe and Fukuda and pressurized them to quit office. However, the period of Koizumi was considered clean in comparison to that of other politicians.

Four reform bills were introduced: a new electoral system, new regulations on political donations, government funding for political parties and a special legal status for political parties by the Hosokawa government. The aim of the reforms was to tighten the system of legal controls, to increase penalties for wrongdoing by politicians and to make the political funds or the flow of money more transparent. The legislation was passed in the Diet in November 1994 and went into effect a month later. Hosokawa succeeded in passing the new voting election law instead of the stalemated multi-member constituency election system. The law has been revised since it was enacted in 1925.

Ironically, the new mixed system of Single-Seat Constituencies and Proportional Representation, widely thought to favor the LDP, was passed by a governing coalition of smaller parties that had fared well under the prevailing Multiple-Seat Constituency System. In a spirit of reform, they created a system that paved the way for the return to power by the LDP.

The electoral reform did not address the unequal representation of urban and rural voters. In a decision regarding the new electoral laws, the Supreme Court ruled that the current system was unconstitutional because urban voters were systematically under-represented while the sparsely populated rural districts were significantly over-presented. In general, the LDP had gained from this disparity in voting, because it enjoyed the support of farmers, who remembered the help of the Liberals

to gain ownership of their land through the land reform by the US and the conservative allies during the days of Occupation.

In 1994, the coalition government of seven small parties collapsed due to internal disputes amongst them. The next year parties gathered to simply overthrow the LDP and lacked a unified position on almost every social issue. The LDP returned to the government in 1996, when it helped to elect Social Democrat Tomiichi Murayama as the Prime Minister.

It has already been discussed in the earlier chapters that reforms had been initiated since the 1990s, and it is an ongoing process. However, many reforms were never completed until date, due to many other reasons. It is essential to note that, in Japanese understanding, the term reform does not comprise decentralization, nor does it usually involve deregulation. These two measures are regarded as too significant and important to be a component part of the prolonged process of administrative reform.

Thus, they have been accorded a different and special treatment. As is well known, Japan is a highly centralized country. Traditionally, administrative control has been extremely tight to the extent that it is often ranked equal to that of France. Japanese centralization has essentially been the creation of the country's national government officials. These public officials possess several important means of control, including discretionary and regulatory powers.

Whenever a new law or policy is initiated, a central agency usually issues administrative guidelines and agency circulars. These are called discretionary powers. Although they have no legal basis, they produce binding effects and force both national governments and business firms to respond in a positive manner. Likewise, Japanese central bureaucrats command various licensing and approval powers. They number more than 10,000 items. These are extensive and cover a whole range of private as well as public activities.

Every government since 1990 has announced series of reform measures. The economic reforms, the political and the societal reforms have not yet achieved the proper results. The successes rate of the reform is very low. At the turn of the

century, the political sector in Japan looked for greater change. The LDP is still in power, the governments and its agencies are spending vast sums on public works and the Japanese people seem to be more concerned about propping up a well-furnished system than in achieving meaningful reform. However, it seems that the public mood is less tolerant of the patterns and the practices of the past. The system is discredited and distrusted, government officials are demoralized and policy drift is pervasive and widely criticized. Given the enormous challenges faced by Japanese politics and economy and the lack of charismatic politicians and political instability has reduced the rate of success of reforms.

It is only in the speech that on every occasion in the Diet that every Prime Ministers has confirmed reform measures for Japan and its people. Abe, who succeeded Koizumi (reformist and non-conformist Prime Minister), in the Diet session insisted on the commitment. He said that as Japan has become a society with a declining population, it is essential to increase productivity and strengthen growth potential so that Japanese people have dreams and hopes for the future, and to maintain a social security system, which provides the basis for more secure lives (Diet Speech, Koizumi, 2005).

The society too, has faced the severe crisis of an aging population. The postwar population bulge was slowed and finally stopped by a combination of social and economic factors. Mention should also be made of campaigns urging families to limit their size to two children, ‘one princess, one boy’ (*ichihime ichiTaro*). In time as the population growth slowed, stopped and then reversed, government leaders advocated less career and more children for young women, though with little effect. Nor was Japan affected by flows of immigration that reinforced the work force; instead, its population leveled off at approximately 125 million, making it number eight in the world (Jansen, 2000: 738).

The result of all this was a population differently structured from those of other industrialized societies, with a steady increase in the proportion of elderly Japanese. Women married later and had fewer children. In addition, the Japanese were healthier and lived longer; indeed, the country achieved the world’s highest longevity rates, most of them being resided in the Okinawa prefecture (BBC News, 12 September 2008). The workforce contributed to the Japanese national health

insurance and social security through its taxes and payroll deductions, though the cost was rising steadily.

At the moment in Japan, the elderly population is increasing fast. The ruling LDP proposed and submitted a report to the government in June 2008, that Japan would have to increase its foreign residents to up to 10 percent of the nation's population in the next 50 years. The report, titled 'Proposal for a Japanese-style Immigration Policy,' says that for Japan to become an 'immigrant state,' it must create a 'multiracial symbiotic society' (The Japan Times, 21 June 2008).

In September 2008, Prime Minister Taro Aso appointed Yuko Obuchi to bring major policies and programs to solve the aging population problem; she was made the in charge of Ministry of Population and Gender Equality. However, this is a serious issue and it is worth finding a better policy as a solution to the problem of population that will keep increasing in the days to come.

The pension issue along with the postal saving scheme, due to the privatization of this sector, has raised a serious concern in the Japanese society. Regarding the 2004 reform of the Japanese pension system, there is a domestic outcry for the collapse of the pension system, although overseas economists and international organizations such as the World Bank have praised the scheme. In May 2007, the problem stemmed from the more than seventeen thousand lost pension payment slips. About 40 percent of the petitioners appear to have been directly affected: Their pension payments were believed to be less than what the agency owes them (Booting, 13 May 2007).

The postal privatization should help Japanese economic re-structuring. Japan has been suffering from economic stagnation and has been struggling to overcome this, besides global economic slowdown. Prime Minister Koizumi⁴¹ in 2005 deemed that Japan Post assets could be more properly utilized if the private sector was in charge. The postal service possessed an enormous amount of financial resources. It enjoys

⁴¹ Prime Minister Koizumi has received overwhelming support from all the sectors in the society of Japan. He has always enjoyed the best support from Japanese men and women. The researcher conducted a survey in Japan, which had one question on the best Prime Minister after 1990. Both genders supported the policies of Koizumi and declared him to be the most likable politician (Question no. 10 of the questionnaire, which could be referred in the appendix-XIV, page no. 307).

¥340 trillion (a little more than US\$3 trillion) in assets. Koizumi argued that the privatization of Japan Post would facilitate the entry of these assets into the market economy, which would lead to more dynamic economic activities in Japan. The implementation of the postal privatization program has already started and once carried out, will yield significant financial benefits and efficient delivery to people. However, it will take some time to show the desired result officially up to 2017.

All issues were either it is to reform the economy or to solve the societal challenges. The recovery of the economy of Japan will play an important role in the coming years. This is the time to elevate the Japanese economy to a new stage of economic growth that is to be achieved over a medium or a long term, and toward that end, formulate the 'Direction and Strategy for the Japanese Economy,' which lays out the reform goals that Japan will pursue during the next five years. The Japanese government will strongly advance a new growth strategy under this policy, so that the people can truly sense for themselves that the government is achieving real growth.

Prime Minister Fukuda also has made the statements on economic reforms. This shows that the sudden changes in the government are the main reason in the delay of the implementation of the reform program. His commitment to reform the economy has not yielded any of the positive result. On 13 August 2008 it was declared that the economy had shrunken at an annualized pace of 2.4 percent in the second quarter, posting the first negative growth in the year and signaling the approach of a recession that was linked to rising oil prices and a slowdown in the US (Takahara, 14 August 2008).

In response to this crisis, the government unveiled a stimulus package by September 2008 and the negative GDP figures may push the politicians to boost its size. In the end, the government is better off carrying out fiscal reform and ensuring financial resources for social welfare costs, rather than considering such measures as slashing highway tolls.

Even though the economy and political corruption led Japan in the 1990s and in the 2000s to the worst crisis that Japan had ever experienced previously, the internal situation regarding SDF policies and the required constitutional changes would

shortly need to be attended. The constitution issue is linked with indirectly or directly to the SDF and security threat by its neighbors.

The constitution has not been amended once since its 1947 enactment. Article 96 provides that amendments can be made to any part of the constitution. However, a proposed amendment must first be approved by both houses of the Diet, by at least a super majority of two-thirds of each house (rather than just a simple majority). It must then be submitted to a referendum in which it is sufficient for it to be endorsed by a simple majority of votes cast. A successful amendment is finally promulgated by the Emperor, but the monarch cannot veto an amendment.

From the 1960s to the 1980s, constitutional revision was rarely debated. In the 1990s, right-leaning and conservative voices broke some taboos; when the Yomiuri Shimbun published a suggestion for constitutional revision in 1994. This period saw a number of right leaning groups forming to aggressively push for constitutional revision, though there also a significant number of organizations and individuals speaking out against revision and in support of ‘the peace constitution.’

This debate has been highly polarized. The most controversial issues are proposed changes to Article 9, the ‘peace article’ and provisions relating to the role of the Emperor. Progressive, left, center-left and peace movement related individuals, as well as the opposition parties, labor and youth groups advocated for keeping the existing constitution in these areas; while the right-leaning, nationalist and conservative groups and individuals advocated changes to increase the prestige of the Emperor (though not granting him political powers) and to allow a more aggressive stance to the SDF, by turning it officially into a military. Other areas of the constitution and connected laws have been discussed for potential revision relating to the status of women, the education system and the system of public corporations (including social welfare, non-profit and religious organizations as well as foundations), and structural reform of the election process, e.g. to allow for direct election of the prime minister. There are countless grassroots groups, associations, NGOs, think tanks, scholars, and politicians speaking out in favor of one or the other side of the issue.

In August 2005, the then Prime Minister, Koizumi, proposed an amendment to the constitution in order to increase the Self Defense Force (SDF) roles in international affairs. A draft of the proposed constitution was released by the Liberal Democratic Party (LDP) on 22 November 2005 as part of the 50th anniversary of the founding of the LDP. The proposed changes included Preamble⁴², Article 9, Article 13 for the individual rights and in Article 96 itself.

Koizumi's successor, Abe vowed to push aggressively for constitutional revision. A major step toward this was getting legislation passed to allow for a national referendum in April 2007. However, by that time there was little public support for changing the constitution with a survey showing that 34.5 percent of Japanese were not in the favor of any changes, 44.5 percent wanted no change to Article 9, and 54.6 percent supported the current interpretation on the SDF (The Japan Times, 4 May 2006). On the 60th anniversary of the constitution, in May 2007, thousands took to the streets in support of Article 9. The Chief Cabinet secretary and other top government officials interpreted this to mean that the public wants a pacifist Constitution that renounces war, and may need to be better informed about the details of the revision debate. The legislation passed by the parliament specifies that a referendum on constitutional reform could take place at the earliest in 2010, and would need approval from a majority of voters.

Not only were there these domestic problems, there were other issues also that need to be entertained by the government and solved, whether it was an island problem with neighboring countries i.e. North Korea or with the 'New History Textbook' controversy with the People's Republic of China. North Korean and Chinese controversial issues somehow showed some progress, though the Island issue with Russia has remained the same till today, other than some bilateral talks.

The disputed Kuril Islands issue is unsolved and needs to be looked into properly since the global scenario is changing faster than before. A substantial dispute regarding the status of the Kuril Islands arose between the US and the USSR during the preparation of the Treaty of San Francisco in 1951. The treaty was the permanent peace treaty between Japan and the Allied Powers of World War II.

⁴² Please refer Appendix-II for Constitution's preamble, pp. 264-65.

The Cold War took hold and the position of the US in relation to the Yalta and Potsdam agreements changed considerably in 1950s. The US maintained that the declaration of Potsdam should take preference and that strict adherence to the Yalta agreement was not necessary since, in the view of the US, the USSR itself had violated several provisions of the Yalta agreement in relation to the rights of other countries.

The USSR strongly disagreed and demanded that the US adhere to its promises made to the USSR in Yalta as a condition of the entry into the war with Japan by USSR. A particular point of disagreement, at the time, was the fact that the draft text of the treaty, while stating that Japan will renounce all rights to Southern Sakhalin and the Kuril islands, did not state explicitly that Japan would recognize the sovereignty of the USSR over these territories.

The Treaty of San Francisco was officially signed by 49 nations, including Japan and the US, on 08 September 1951. Article (2, C) of the Treaty of San Francisco states: “Japan renounces all rights, titles and claim to the Kuril Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan had acquired sovereignty as a consequence of the Treaty of Portsmouth of 5 September 1905.” The USSR refused to sign the Treaty of San Francisco and publicly stated that the Kuril Islands issue was one of the reasons for its opposition to the Treaty, however the treaty was signed and ratified by Japan.

Both the Japanese government and most of the Japanese media currently claim that at the time of the 1951 San Francisco peace conference, Japan held that the islands of Kunashiri, Etorofu, Shikotan and the Habomai rocks were technically not a part of the Kuril Islands and thus were not covered by the provisions of Article (2, C) of the Treaty. Now, the timing of this claim is disputed by Russia and by some western historians. In a 2005, it was appeared in the article in The Japan Times written by Gregory Clark that official Japanese statements, maps and other documents from 1951 and the statements by the head of the US delegation to the San Francisco conference, John Foster Dulles has made it clear that, at the time the San Francisco Treaty was concluded in October 1951, both Japan and the US considered the islands of Kunashiri and Etorofu to be a part of the Kuril Islands and was to be covered by Article (2, C) of the Treaty.

USSR rejected the view of Japanese government that Etorofu and Kunashiri are not a part of the Kuril Islands and is thus not covered by Article (2, C) of the Treaty of San Francisco; the Soviet Union, and, subsequently, Russia, has maintained the same position since then.

In February 2008, the 'Japan Today', reported that the Russian President had suggested to Japanese Prime-Minister Fukuda to finally settle all territorial disputes over the Kuril Islands and had sent him a letter inviting him to visit Russia for discussions. The dispute over the Kuril Islands was further exacerbated when the Japanese government published a new guideline for school textbooks on July 16, 2008 to teach Japanese children that their country has sovereignty over the Kuril Islands. The Russian public was outraged by the action and demanded the government to counteract. The Foreign Minister of Russia announced on 18 July 2008, "these actions contribute neither to the development of positive cooperation between the two countries, nor to the settlement of the dispute" and reaffirmed its sovereignty over the islands.

The foreign policy issues remained unsolved, and Japanese security continues to be threatened by its neighbors. The missile test conducted over Japan, by North Korea in 1998 and China's destruction of its own satellite has led Japan to revise its space law in June 2008, though the regulation only allows for non-aggressive use of satellites. Articles 9 of the Japanese constitution thus need to be reviewed thoroughly. The SDF policy has to be debated extensively and related problems need to be solved through referendum. The Japan-US relations have become an important 'alliance' for Asian region after global economic recession emerged and new US administration was setup, though the notion 'allies' continued since 1950s (Editorial, Japan Times, 25 February 2009).

As far as the opposition is concerned, it may be presumed that the presence of the DPJ in the House of Councilors as the main opposition party and the LDP in the House of Representatives as the ruling party will lead to positive changes in future. There have been three changes in the government since the elections of 2005 and this will cost the LDP dearly in the next elections. However, the opposition party, the DPJ will try hard to take some unsolved issues amongst the public and ask for

support. Since the DPJ has tried to hit the LDP back by bringing the censure motion and propagating for the same.

The motion was passed on 11 June 2008, and as expected, the Fukuda government ignored it completely. Also as expected, it did not prompt the members of the cabinet to step down. In the end, this entire exercise illustrated only the limits of the DPJ's actual authority in the Diet. However, it influenced by winning the minds of the Japanese voters and led to the resignation of Prime Minister Fukuda in September 2008.

If the ruling coalition produces policy proposals in line with the popular will, the opposition would find it difficult to drag its feet. The idea of a "grand coalition" between the LDP and the DPJ has already been considered and discarded (Harris, 30 January 2008).

This shows that when there is politics over policies, the result is always predictable. The changes in the government have always had a bad impact on the reform policies and this has led to reform failure. Consequently, the impact of reforms has been far from satisfactory. Until these problems persist, the Japanese will continue to seek change and improvement through reforms.

These issues would remain for coming years, even though the government has changed on 24 September 2008 (The Japan Times, 24 September 2008) and elections are ahead. The content of debate on reviving economy would be the challenge for the government in the near future. In 2008, the government was scheduled to increase expenditure on the public pension system from one third to one half of its required funding beginning in April 2009, as planned; it would require at least an additional ¥2 trillion per year, which would have to be provided through revision of the tax system. Some LDP politicians have called for a hike in the consumption tax to cover this shortfall.

Opposition party, the DPJ, will certainly make gain and would be the one of major political force for Japan. In the election for the post of party President of the DPJ, Ichiro Ozawa was elected for the third tenure on 21 September 2008. With a general election on the horizon it seems like an inconvenient time for the party to take part in

an activity that could increase its internal divisions, though Seiji Maehara, a former party President, has been vocal in his criticism of current President Ichiro Ozawa⁴³. Maehara was slightly ideologically closed to the LDP, as shown by his support of the idea of hiking the consumption tax proposed by Fukuda in his tenure as Prime Minister to cover social security expenditures.

As far as the stability of government and its importance to Japanese politics is concerned, it can be said that coalition governments cannot provide stability, which can only be provided by single party led governments. From 1993-2005, Japan has had the seven coalition governments. In the period that Koizumi was the Prime Minister, LDP had the majority in both chambers of the Diet. However, after 2007, it had the lost majority in the House of Councilors. This has created many hurdles in passing various bills. To remove such difficult circumstances it has become necessary that the ruling party should have a majority in both the chambers of the Diet. This will enable the government to function smoothly and bringing reforms.

However, such a situation might in all probability remain only speculative and not be reality at least in the near future. The coalition government is likely to remain in the future since the weak performance by the LDP on various issues and leadership crisis, along with factional presence and ambitions of its veteran politicians. Likewise, the performance of the DPJ is concerned; it might explore the possibilities to go ahead with the formation of the government with the alliance of the likeminded smaller parties. Nevertheless, the competition with dominant LDP would be tough for the DPJ.

Lastly, the 'reforms' have now become all attention commanding issue in Japan and no party could ignore this issue if it wishes to get support from the voters. The policies, whether it is concerning the 'reform or changes in the system' would not be complete until the political parties of Japan do not unite on the 'issues' in the broader interest of the Japanese people and as well as for the country.

⁴³ The Researcher had interviewed with Japanese people in March-April 2008, in which many of the respondents said that Ichiro Ozawa has done nothing and a few of them replied that his work towards the Japanese policies is considerably good (The details of data collection can be seen on p. 213 of this thesis.

APPENDIX I

THE MEIJI CONSTITUTION*

THE CONSTITUTION OF THE EMPIRE OF JAPAN

(Translated by Ito Miyoji)

Contents

- Chapter I. The Emperor (Article 1-17)
- Chapter II. Rights and Duties of Subjects (Article 18-32)
- Chapter III. The Imperial Diet (Article 33-54)
- Chapter IV. The Ministers of State and the Privy Council (Article 55-56)
- Chapter V. The Judicature (Article 57-61)
- Chapter VI. Finance (Article 62-72)
- Chapter VII. Supplementary Rules (Article 73-76)

Imperial Oath at the Sanctuary of the Imperial Palace

We, the Successor to the prosperous Throne of Our Predecessors, do humbly and solemnly swear to the Imperial Founder of Our House and to Our other Imperial Ancestors that, in pursuance of a great policy co-extensive with the Heavens and with the Earth, We shall maintain and secure from decline the ancient form of government.

In consideration of the progressive tendency of the course of human affairs and in parallel with the advance of civilization, We deem it expedient, in order to give clearness and distinctness to the instructions bequeathed by the Imperial Founder of Our House and by Our other Imperial Ancestors, to establish fundamental laws formulated into express provisions of law, so that, on the one hand, Our Imperial posterity may possess an express guide for the course they are to follow, and that, on the other, Our subjects shall thereby be enabled to enjoy a wider range of action in giving Us their support, and that the observance of Our laws shall continue to the remotest ages of time. We will thereby to give greater firmness to the stability of Our country and to promote the welfare of all the people within the boundaries of Our dominions; and We now establish the Imperial House Law and the Constitution. These Laws come to only an exposition of grand precepts for the conduct of the government, bequeathed by the Imperial Founder of Our House and by Our other Imperial Ancestors. That we have been so fortunate in Our reign, in keeping with the tendency of the times, as to accomplish this work, We owe to the glorious Spirits of the Imperial Founder of Our House and of Our other Imperial Ancestors.

We now reverently make Our prayer to Them and to Our Illustrious Father, and implore the help of Their Sacred Spirits, and make to Them solemn oath never at this time nor in the future to fail to be an example to our subjects in the observance of the Laws hereby established.

May the Heavenly Spirits witness this Our solemn Oath.

* *National Diet Library, Japan, <http://www.ndl.go.jp/constitution/e/etc/c02.html>.*

Imperial Speech on the Promulgation of the Constitution

Whereas We make it the joy and glory of Our heart to behold the prosperity of Our country, and the welfare of Our subjects, We do hereby, in virtue of the supreme power We inherit from Our Imperial Ancestors, promulgate the present immutable fundamental law, for the sake of Our present subjects and their descendants.

The Imperial Founder of Our House and Our other Imperial Ancestors, by the help and support of the forefathers of Our subjects, laid the foundation of Our Empire upon a basis, which is to last forever. That this brilliant achievement embellishes the annals of Our country, is due to the glorious virtues of Our Sacred Imperial Ancestors, and to the loyalty and bravery of Our subjects, their love of their country and their public spirit. Considering that Our subjects are the descendants of the loyal and good subjects of Our Imperial Ancestors, We doubt not but that Our subjects will be guided by Our views, and will sympathize with all Our endeavours, and that, harmoniously cooperating together, they will share with Us Our hope of making manifest the glory of Our country, both at home and abroad, and of securing forever the stability of the work bequeathed to Us by Our Imperial Ancestors.

The Constitution of the Empire of Japan

Having, by virtue of the glories of Our Ancestors, ascended the throne of a lineal succession unbroken for ages eternal; desiring to promote the welfare of, and to give development to the moral and intellectual faculties of Our beloved subjects, the very same that have been favoured with the benevolent care and affectionate vigilance of Our Ancestors; and hoping to maintain the prosperity of the State, in concert with Our people and with their support, We hereby promulgate, in pursuance of Our Imperial Rescript of the 12th day of the 10th month of the 14th year of Meiji, a fundamental law of the State, to exhibit the principles, by which We are guided in Our conduct, and to point out to what Our descendants and Our subjects and their descendants are forever to conform.

The right of sovereignty of the State, We have inherited from Our Ancestors, and We shall bequeath them to Our descendants. Neither We nor they shall in future fail to wield them, in accordance with the provisions of the Constitution hereby granted.

We now declare to respect and protect the security of the rights and of the property of Our people, and to secure to them the complete enjoyment of the same, within the extent of the provisions of the present Constitution and of the law.

The Imperial Diet shall first be convoked for the 23rd year of Meiji, and the time of its opening shall be the date, when the present Constitution comes into force.

When in the future it may become necessary to amend any of the provisions of the present Constitution, We or Our successors shall assume the initiative right, and submit a project for the same to the Imperial Diet. The Imperial Diet shall pass its vote upon it, according to the conditions imposed by the present Constitution, and in no otherwise shall Our descendants or Our subjects be permitted to attempt any alteration thereof.

Our Ministers of State, on Our behalf, shall be held responsible for the carrying out of the present Constitution, and Our present and future subjects shall forever assume the duty of allegiance to the present Constitution.

[His Imperial Majesty's Sign-Manual.]

[Privy Seal.]

The 11th day of the 2nd month of the 22nd year of Meiji.

(Countersigned)

Count Kuroda Kiyotaka,

Minister President of State.

Count Ito Hirobumi,

President of the Privy Council.

Count Okuma Shigenobu,

Minister of State for Foreign Affairs.

Count Saigo Tsukumichi,

Minister of State for the Navy.

Count Inouye Kaoru,

Minister of State for Agriculture and Commerce.

Count Yamada Akiyoshi,

Minister of State for Justice.

Count Matsugata Masayoshi,

Minister of State for Finance, and Minister of State for Home Affairs.

Count Oyama Iwao,

Minister of State for War.

Viscount Mori Arinori,

Minister of State for Education.

Viscount Enomoto Takeaki,

Minister of State for Communications.

The Constitution of the Empire of Japan

Chapter I. The Emperor

- **Article 1.** The Empire of Japan shall be reigned over and governed by a line of Emperors unbroken for ages eternal.
- **Article 2.** The Imperial Throne shall be succeeded to by Imperial male descendants, according to the provisions of the Imperial House Law.
- **Article 3.** The Emperor is sacred and inviolable.
- **Article 4.** The Emperor is the head of the Empire, combining in Himself the rights of sovereignty, and exercises them, according to the provisions of the present Constitution.
- **Article 5.** The Emperor exercises the legislative power with the consent of the Imperial Diet.
- **Article 6.** The Emperor gives sanction to laws, and orders them to be promulgated and executed.
- **Article 7.** The Emperor convokes the Imperial Diet, opens, closes and prorogues it, and dissolves the House of Representatives.

- **Article 8.** The Emperor, in consequence of an urgent necessity to maintain public safety or to avert public calamities, issues, when the Imperial Diet is not sitting, Imperial Ordinances in the place of law.
(2) Such Imperial Ordinances are to be laid before the Imperial Diet at its next session, and when the Diet does not approve the said Ordinances, the Government shall declare them to be invalid for the future.
- **Article 9.** The Emperor issues or causes to be issued, the Ordinances necessary for the carrying out of the laws, or for the maintenance of the public peace and order, and for the promotion of the welfare of the subjects. But no Ordinance shall in any way alter any of the existing laws.
- **Article 10.** The Emperor determines the organization of the different branches of the administration, and salaries of all civil and military officers, and appoints and dismisses the same. Exceptions especially provided for in the present Constitution or in other laws, shall be in accordance with the respective provisions (bearing thereon).
- **Article 11.** The Emperor has the supreme command of the Army and Navy.
- **Article 12.** The Emperor determines the organization and peace standing of the Army and Navy.
- **Article 13.** The Emperor declares war, makes peace, and concludes treaties.
- **Article 14.** The Emperor proclaims the law of siege.
(2) The conditions and effects of the law of siege shall be determined by law.
- **Article 15.** The Emperor confers titles of nobility, rank, orders and other marks of honor.
- **Article 16.** The Emperor orders amnesty, pardon, commutation of punishments and rehabilitation.
- **Article 17.** A Regency shall be instituted in conformity with the provisions of the Imperial House Law.
(2) The Regent shall exercise the powers appertaining to the Emperor in His name.

Chapter II. Rights and Duties of Subjects

- **Article 18.** The conditions necessary for being a Japanese subject shall be determined by law.
- **Article 19.** Japanese subjects may, according to qualifications determined in laws or ordinances, be appointed to civil or military offices equally, and may fill any other public offices.
- **Article 20.** Japanese subjects are amenable to service in the Army or Navy, according to the provisions of law.
- **Article 21.** Japanese subjects are amenable to the duty of paying taxes, according to the provisions of law.
- **Article 22.** Japanese subjects shall have the liberty of abode and of changing the same within the limits of the law.
- **Article 23.** No Japanese subject shall be arrested, detained, tried or punished, unless according to law.
- **Article 24.** No Japanese subject shall be deprived of his right of being tried by the judges determined by law.
- **Article 25.** Except in the cases provided for in the law, the house of no Japanese subject shall be entered or searched without his consent.
- **Article 26.** Except in the cases mentioned in the law, the secrecy of the letters of every Japanese subject shall remain inviolate.
- **Article 27.** The right of property of every Japanese subject shall remain inviolate.
(2) Measures necessary to be taken for the public benefit shall be any provided for by law.

- **Article 28.** Japanese subjects shall, within limits not prejudicial to peace and order, and not antagonistic to their duties as subjects, enjoy freedom of religious belief.
- **Article 29.** Japanese subjects shall, within the limits of law, enjoy the liberty of speech, writing, publication, public meetings and associations.
- **Article 30.** Japanese subjects may present petitions, by observing the proper forms of respect, and by complying with the rules specially provided for the same.
- **Article 31.** The provisions contained in the present Chapter shall not affect the exercise of the powers appertaining to the Emperor, in times of war or in cases of a national emergency.
- **Article 32.** Each and every one of the provisions contained in the preceding Articles of the present Chapter, that are not in conflict with the laws or the rules and discipline of the Army and Navy, shall apply to the officers and men of the Army and of the Navy.

Chapter III. The Imperial Diet

- **Article 33.** The Imperial Diet shall consist of two Houses, a House of Peers and a House of Representatives.
- **Article 34.** The House of Peers shall, in accordance with the Ordinance concerning the House of Peers, be composed of the members of the Imperial Family, of the orders of nobility, and of those persons, who have been nominated thereto by the Emperor.
- **Article 35.** The House of Representatives shall be composed of Members elected by the people, according to the provisions of the Law of Election.
- **Article 36.** No one can at one and the same time be a Member of both Houses.
- **Article 37.** Every law requires the consent of the Imperial Diet.
- **Article 38.** Both Houses shall vote upon projects of law submitted to it by the Government, and may respectively initiate projects of law.
- **Article 39.** A Bill, which has been rejected by either the one or the other of the two Houses, shall not be again brought in during the same session.
- **Article 40.** Both Houses can make representations to the Government, as to laws or upon any other subject. When, however, such representations are not accepted, they cannot be made a second time during the same session.
- **Article 41.** The Imperial Diet shall be convoked every year.
- **Article 42.** A session of the Imperial Diet shall last during three months. In case of necessity, the duration of a session may be prolonged by the Imperial Order.
- **Article 43.** When urgent necessity arises, an extraordinary session may be convoked, in addition to the ordinary one.
(2) The duration of an extraordinary session shall be determined by Imperial Order.
- **Article 44.** The opening, closing, prolongation of session and prorogation of the Imperial Diet, shall be effected simultaneously for both Houses.
(2) In case the House of Representatives has been ordered to dissolve, the House of Peers shall at the same time be prorogued.
- **Article 45.** When the House of Representatives has been ordered to dissolve, Members shall be caused by Imperial Order to be newly elected, and the new House shall be convoked within five months from the day of dissolution.
- **Article 46.** No debate can be opened and no vote can be taken in either House of the Imperial Diet, unless not less than one third of the whole number of the Members thereof is present.
- **Article 47.** Votes shall be taken in both Houses by absolute majority. In the case of a tie vote, the President shall have the casting vote.
- **Article 48.** The deliberations of both Houses shall be held in public. The deliberations may, however, upon demand of the Government or by resolution of the House, be held in secret sitting.

- **Article 49.** Both Houses of the Imperial Diet may respectively present addresses to the Emperor.
- **Article 50.** Both Houses may receive petitions presented by subjects.
- **Article 51.** Both Houses may enact, besides what is provided for in the present Constitution and in the Law of the Houses, rules necessary for the management of their internal affairs.
- **Article 52.** No Member of either House shall be held responsible outside the respective Houses, for any opinion uttered or for any vote given in the House. When, however, a Member himself has given publicity to his opinions by public speech, by documents in print or in writing, or by any other similar means, he shall, in the matter, be amenable to the general law.
- **Article 53.** The Members of both Houses shall, during the session, be free from arrest, unless with the consent of the House, except in cases of flagrant delicts, or of offences connected with a state of internal commotion or with a foreign trouble.
- **Article 54.** The Ministers of State and the Delegates of the Government may, at any time, take seats and speak in either House.

Chapter IV. The Ministers of State and the Privy Council

- **Article 55.** The respective Ministers of State shall give their advice to the Emperor, and be responsible for it.
(2) All Laws, Imperial Ordinances, and Imperial Rescripts of whatever kind, that relate to the affairs of the State, require the countersignature of a Minister of State.
- **Article 56.** The Privy Councilors shall, in accordance with the provisions for the organization of the Privy Council, deliberate upon important matters of State, when they have been consulted by the Emperor.

Chapter V. The Judicature

- **Article 57.** The Judicature shall be exercised by the Courts of Law according to law, in the name of the Emperor.
(2) The organization of the Courts of Law shall be determined by law.
- **Article 58.** The judges shall be appointed from among those, who possess proper qualifications according to law.
(2) No judge shall be deprived of his position, unless by way of criminal sentence or disciplinary punishment.
(3) Rules for disciplinary punishment shall be determined by law.
- **Article 59.** Trials and judgments of a Court shall be conducted publicly. When, however, there exists any fear that, such publicity may be prejudicial to peace and order, or to the maintenance of public morality, the public trial may be suspended by provisions of law or by the decision of the Court of Law.
- **Article 60.** All matters, that fall within the competency of a special Court, shall be specially provided for by law.
- **Article 61.** No suit at law, which relates to rights alleged to have been infringed by the illegal measures of the executive authorities, and which shall come within the competency of the Court of Administrative Litigation specially established by law, shall be taken cognizance of by a Court of Law.

Chapter VI. Finance

- **Article 62.** The imposition of a new tax or the modification of the rates (of an existing one) shall be determined by law.
(2) However, all such administrative fees or other revenue having the nature of compensation shall not fall within the category of the above clause.

- (3) The raising of national loans and the contracting of other liabilities to the charge of the National Treasury, except those that are provided in the Budget, shall require the consent of the Imperial Diet.
- **Article 63.** The taxes levied at present shall, in so far as are not remodelled by new law, be collected according to the old system.
 - **Article 64.** The expenditure and revenue of the State require the consent of the Imperial Diet by means of an annual Budget.

(2) Any and all expenditures overpassing the appropriations set forth in the Titles and Paragraphs of the Budget, or that are not provided for in the Budget, shall subsequently require the approbation of the Imperial Diet.
 - **Article 65.** The Budget shall be first laid before the House of Representatives.
 - **Article 66.** The expenditures of the Imperial House shall be defrayed every year out of the National Treasury, according to the present fixed amount for the same, and shall not require the consent thereto of the Imperial Diet, except in case an increase thereof is found necessary.
 - **Article 67.** Those already fixed expenditures based by the Constitution upon the powers appertaining to the Emperor, and such expenditures as may have arisen by the effect of law, or that appertain to the legal obligations of the Government, shall be neither rejected nor reduced by the Imperial Diet, without the concurrence of the Government.
 - **Article 68.** In order to meet special requirements, the Government may ask the consent of the Imperial Diet to a certain amount as a Continuing Expenditure Fund, for a previously fixed number of years.
 - **Article 69.** In order to supply deficiencies, which are unavoidable, in the Budget, and to meet requirements unprovided for in the same, a Reserve Fund shall be provided in the Budget.
 - **Article 70.** When the Imperial Diet cannot be convoked, owing to the external or internal condition of the country, in case of urgent need for the maintenance of public safety, the Government may take all necessary financial measures, by means of an Imperial Ordinance.

(2) In the case mentioned in the preceding clause, the matter shall be submitted to the Imperial Diet at its next session, and its approbation shall be obtained thereto.
 - **Article 71.** When the Imperial Diet has not voted on the Budget, or when the Budget has not been brought into actual existence, the Government shall carry out the Budget of the preceding year.
 - **Article 72.** The final account of the expenditures and revenues of the State shall be verified and confirmed by the Board of Audit, and it shall be submitted by the Government to the Imperial Diet, together with the report of verification of the said Board.

(2) The organization and competency of the Board of Audit shall be determined by law separately.

Chapter VII. Supplementary Rules

- **Article 73.** When it has become necessary in future to amend the provisions of the present Constitution, a project to that effect shall be submitted to the Imperial Diet by Imperial Order.

(2) In the above case, neither House can open the debate, unless not less than two thirds of the whole number of Members are present, and no amendment can be passed, unless a majority of not less than two thirds of the Members present is obtained.
- **Article 74.** No modification of the Imperial House Law shall be required to be submitted to the deliberation of the Imperial Diet.

(2) No provision of the present Constitution can be modified by the Imperial House Law.

- **Article 75.** No modification can be introduced into the Constitution, or into the Imperial House Law, during the time of a Regency.
- **Article 76.** Existing legal enactments, such as laws, regulations, Ordinances, or by whatever names they may be called, shall, so far as they do not conflict with the present Constitution, continue in force.

(2) All existing contracts or orders, that entail obligations upon the Government, and that are connected with expenditure, shall come within the scope of Article 67.

APPENDIX II

CONSTITUTION OF JAPAN, 1947*

The Constitution of Japan

Based on the English Edition by Government Printing Bureau

Contents

- Chapter I. The Emperor (Article 1-8)
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- Chapter IV. The Diet (Article 41-64)
- Chapter V. The Cabinet (Article 65-75)
- Chapter VI. Judiciary (Article 76-82)
- Chapter VII. Finance (Article 83-91)
- Chapter VIII. Local Self-Government (Article 92-95)
- Chapter IX. Amendments (Article 96)
- Chapter X. Supreme Law (Article 97-99)
- Chapter XI. Supplementary Provisions (Article 100-103)

I rejoice that the foundation for the construction of a new Japan has been laid according to the will of the Japanese people, and hereby sanction and promulgate the amendments of the Imperial Japanese Constitution effected following the consultation with the Privy Council and the decision of the Imperial Diet made in accordance with Article 73 of the said Constitution.

Signed: HIROHITO, Seal of the Emperor

This third day of the eleventh month of the twenty-first year of Showa (November 3, 1946)

Countersigned:

Prime Minister and concurrently Minister for Foreign Affairs

YOSHIDA Shigeru

Minister of State

Baron SHIDEHARA Kijuro

Minister of Justice

KIMURA Tokutaro

Minister for Home Affairs

OMURA Seiichi

Minister of Education.

* Constitution of Japan, 1947, *National Diet Library*, Japan,

TANAKA Kotaro
Minister of Agriculture and Forestry
WADA Hiroo
Minister of State
SAITO Takao
Minister of Communications
HITOTSUMATSU Sadayoshi
Minister of Commerce and Industry
HOSHIJIMA Niro
Minister of Welfare
KAWAI Yoshinari
Minister of State
UEHARA Etsujiro
Minister of Transportation
HIRATSUKA Tsunejiro
Minister of Finance
ISHIBASHI Tanzan
Minister of State
KANAMORI Tokujiro
Minister of State
ZEN Keinosuke

The Constitution of Japan

We, the Japanese people, acting through our duly elected representatives in the National Diet, determined that we shall secure for ourselves and our posterity the fruits of peaceful cooperation with all nations and the blessings of liberty throughout this land, and resolved that never again shall we be visited with the horrors of war through the action of government, do proclaim that sovereign power resides with the people and do firmly establish this Constitution. Government is a sacred trust of the people, the authority for which is derived from the people, the powers of which are exercised by the representatives of the people, and the benefits of which are enjoyed by the people. This is a universal principle of mankind upon which this Constitution is founded. We reject and revoke all constitutions, laws, ordinances, and rescripts in conflict herewith.

We, the Japanese people, desire peace for all time and are deeply conscious of the high ideals controlling human relationship, and we have determined to preserve our security and existence, trusting in the justice and faith of the peace-loving peoples of the world. We desire to occupy an honored place in an international society striving for the preservation of peace, and the banishment of tyranny and slavery, oppression and intolerance for all time from the earth. We recognize that all peoples of the world have the right to live in peace, free from fear and want.

We believe that no nation is responsible to itself alone, but that laws of political morality are universal; and that obedience to such laws is incumbent upon all nations who would sustain their own sovereignty and justify their sovereign relationship with other nations.

We, the Japanese people, pledge our national honor to accomplish these high ideals and purposes with all our resources.

Chapter I. The Emperor

- **Article 1.** The Emperor shall be the symbol of the State and of the unity of the people, deriving his position from the will of the people with whom resides sovereign power.
- **Article 2.** The Imperial Throne shall be dynastic and succeeded to in accordance with the Imperial House Law passed by the Diet.
- **Article 3.** The advice and approval of the Cabinet shall be required for all acts of the Emperor in matters of state, and the Cabinet shall be responsible therefor.
- **Article 4.** The Emperor shall perform only such acts in matters of state as are provided for in this Constitution and he shall not have powers related to government.
(2) The Emperor may delegate the performance of his acts in matters of state as may be provided by law.
- **Article 5.** When, in accordance with the Imperial House Law, a Regency is established, the Regent shall perform his acts in matters of state in the Emperor's name. In this case, paragraph one of the preceding article will be applicable.
- **Article 6.** The Emperor shall appoint the Prime Minister as designated by the Diet.
(2) The Emperor shall appoint the Chief Judge of the Supreme Court as designated by the Cabinet.
- **Article 7.** The Emperor, with the advice and approval of the Cabinet, shall perform the following acts in matters of state on behalf of the people:
 1. Promulgation of amendments of the constitution, laws, cabinet orders and treaties.
 2. Convocation of the Diet.
 3. Dissolution of the House of Representatives.
 4. Proclamation of general election of members of the Diet.
 5. Attestation of the appointment and dismissal of Ministers of State and other officials as provided for by law, and of full powers and credentials of Ambassadors and Ministers.
 6. Attestation of general and special amnesty, commutation of punishment, reprieve, and restoration of rights.
 7. Awarding of honors.
 8. Attestation of instruments of ratification and other diplomatic documents as provided for by law.
 9. Receiving foreign ambassadors and ministers.
 10. Performance of ceremonial functions.
- **Article 8.** No property can be given to, or received by, the Imperial House, nor can any gifts be made therefrom, without the authorization of the Diet.

Chapter II. Renunciation of War

- **Article 9.** 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.
(2) 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.

Chapter III. Rights and Duties of the People

- **Article 10.** The conditions necessary for being a Japanese national shall be determined by law.
- **Article 11.** The people shall not be prevented from enjoying any of the fundamental human rights. These fundamental human rights guaranteed to the people by this Constitution shall be conferred upon the people of this and future generations as eternal and inviolate rights.
- **Article 12.** The freedoms and rights guaranteed to the people by this Constitution shall be maintained by the constant endeavor of the people, who shall refrain from any abuse of these freedoms and rights and shall always be responsible for utilizing them for the public welfare.
- **Article 13.** All of the people shall be respected as individuals. Their right to life, liberty, and the pursuit of happiness shall, to the extent that it does not interfere with the public welfare, be the supreme consideration in legislation and in other governmental affairs.
- **Article 14.** All of the people are equal under the law and there shall be no discrimination in political, economic or social relations because of race, creed, sex, social status or family origin.
 - (2) Peers and peerage shall not be recognized.
 - (3) No privilege shall accompany any award of honor, decoration or any distinction, nor shall any such award be valid beyond the lifetime of the individual who now holds or hereafter may receive it.
- **Article 15.** The people have the inalienable right to choose their public officials and to dismiss them.
 - (2) All public officials are servants of the whole community and not of any group thereof.
 - (3) Universal adult suffrage is guaranteed with regard to the election of public officials.
 - (4) In all elections, secrecy of the ballot shall not be violated. A voter shall not be answerable, publicly or privately, for the choice he has made.
- **Article 16.** Every person shall have the right of peaceful petition for the redress of damage, for the removal of public officials, for the enactment, repeal or amendment of laws, ordinances or regulations and for other matters; nor shall any person be in any way discriminated against for sponsoring such a petition.
- **Article 17.** Every person may sue for redress as provided by law from the State or a public entity, in case he has suffered damage through illegal act of any public official.
- **Article 18.** No person shall be held in bondage of any kind. Involuntary servitude, except as punishment for crime, is prohibited.
- **Article 19.** Freedom of thought and conscience shall not be violated.
- **Article 20.** Freedom of religion is guaranteed to all. No religious organization shall receive any privileges from the State, nor exercise any political authority.
 - (2) No person shall be compelled to take part in any religious act, celebration, rite or practice.
 - (3) The State and its organs shall refrain from religious education or any other religious activity.
- **Article 21.** Freedom of assembly and association as well as speech, press and all other forms of expression are guaranteed.
 - (2) No censorship shall be maintained, nor shall the secrecy of any means of communication be violated.

- **Article 22.** Every person shall have freedom to choose and change his residence and to choose his occupation to the extent that it does not interfere with the public welfare.
 - (2) Freedom of all persons to move to a foreign country and to divest themselves of their nationality shall be inviolate.
- **Article 23.** Academic freedom is guaranteed.
- **Article 24.** Marriage shall be based only on the mutual consent of both sexes and it shall be maintained through mutual cooperation with the equal rights of husband and wife as a basis.
 - (2) With regard to choice of spouse, property rights, inheritance, choice of domicile, divorce and other matters pertaining to marriage and the family, laws shall be enacted from the standpoint of individual dignity and the essential equality of the sexes.
- **Article 25.** All people shall have the right to maintain the minimum standards of wholesome and cultured living.
 - (2) In all spheres of life, the State shall use its endeavors for the promotion and extension of social welfare and security, and of public health.
- **Article 26.** All people shall have the right to receive an equal education correspondent to their ability, as provided by law.
 - (2) All people shall be obligated to have all boys and girls under their protection receive ordinary education as provided for by law. Such compulsory education shall be free.
- **Article 27.** All people shall have the right and the obligation to work.
 - (2) Standards for wages, hours, rest and other working conditions shall be fixed by law.
 - (3) Children shall not be exploited.
- **Article 28.** The right of workers to organize and to bargain and act collectively is guaranteed.
- **Article 29.** The right to own or to hold property is inviolable.
 - (2) Property rights shall be defined by law, in conformity with the public welfare.
 - (3) Private property may be taken for public use upon just compensation therefor.
- **Article 30.** The people shall be liable to taxation as provided by law.
- **Article 31.** No person shall be deprived of life or liberty, nor shall any other criminal penalty be imposed, except according to procedure established by law.
- **Article 32.** No person shall be denied the right of access to the courts.
- **Article 33.** No person shall be apprehended except upon warrant issued by a competent judicial officer which specifies the offense with which the person is charged, unless he is apprehended, the offense being committed.
- **Article 34.** No person shall be arrested or detained without being at once informed of the charges against him or without the immediate privilege of counsel; nor shall he be detained without adequate cause; and upon demand of any person such cause must be immediately shown in open court in his presence and the presence of his counsel.
- **Article 35.** The right of all persons to be secure in their homes, papers and effects against entries, searches and seizures shall not be impaired except upon warrant issued for adequate cause and particularly describing the place to be searched and things to be seized, or except as provided by Article 33.
 - (2) Each search or seizure shall be made upon separate warrant issued by a competent judicial officer.
- **Article 36.** The infliction of torture by any public officer and cruel punishments are absolutely forbidden.
- **Article 37.** In all criminal cases the accused shall enjoy the right to a speedy and public trial by an impartial tribunal.
 - (2) He shall be permitted full opportunity to examine all witnesses, and he shall have the right of compulsory process for obtaining witnesses on his behalf at public

expense.

(3) At all times the accused shall have the assistance of competent counsel who shall, if the accused is unable to secure the same by his own efforts, be assigned to his use by the State.

- **Article 38.**No person shall be compelled to testify against himself.
(2) Confession made under compulsion, torture or threat, or after prolonged arrest or detention shall not be admitted in evidence.
(3) No person shall be convicted or punished in cases where the only proof against him is his own confession.
- **Article 39.**No person shall be held criminally liable for an act which was lawful at the time it was committed, or of which he has been acquitted, nor shall he be placed in double jeopardy.
- **Article 40.**Any person, in case he is acquitted after he has been arrested or detained, may sue the State for redress as provided by law.

Chapter IV. The Diet

- **Article 41.**The Diet shall be the highest organ of state power, and shall be the sole law-making organ of the State.
- **Article 42.**The Diet shall consist of two Houses, namely the House of Representatives and the House of Councilors.
- **Article 43.**Both Houses shall consist of elected members, representative of all the people.
(2) The number of the members of each House shall be fixed by law.
- **Article 44.**The qualifications of members of both Houses and their electors shall be fixed by law. However, there shall be no discrimination because of race, creed, sex, social status, family origin, education, property or income.
- **Article 45.**The term of office of members of the House of Representatives shall be four years. However, the term shall be terminated before the full term is up in case the House of Representatives is dissolved.
- **Article 46.**The term of office of members of the House of Councilors shall be six years, and election for half the members shall take place every three years.
- **Article 47.**Electoral districts, method of voting and other matters pertaining to the method of election of members of both Houses shall be fixed by law.
- **Article 48.**No person shall be permitted to be a member of both Houses simultaneously.
- **Article 49.**Members of both Houses shall receive appropriate annual payment from the national treasury in accordance with law.
- **Article 50.**Except in cases provided by law, members of both Houses shall be exempt from apprehension while the Diet is in session, and any members apprehended before the opening of the session shall be freed during the term of the session upon demand of the House.
- **Article 51.**Members of both Houses shall not be held liable outside the House for speeches, debates or votes cast inside the House.
- **Article 52.**An ordinary session of the Diet shall be convoked once per year.
- **Article 53.**The Cabinet may determine to convoke extraordinary sessions of the Diet. When a quarter or more of the total members of either House makes the demand, the Cabinet must determine on such convocation.
- **Article 54.**When the House of Representatives is dissolved, there must be a general election of members of the House of Representatives within forty (40) days from the date of dissolution, and the Diet must be convoked within thirty (30) days from the date of the election.
(2) When the House of Representatives is dissolved, the House of Councilors is closed at the same time. However, the Cabinet may in time of national emergency

convoke the House of Councilors in emergency session.

(3) Measures taken at such session as mentioned in the proviso of the preceding paragraph shall be provisional and shall become null and void unless agreed to by the House of Representatives within a period of ten (10) days after the opening of the next session of the Diet.

- **Article 55.** Each House shall judge disputes related to qualifications of its members. However, in order to deny a seat to any member, it is necessary to pass a resolution by a majority of two-thirds or more of the members present.
- **Article 56.** Business cannot be transacted in either House unless one-third or more of total membership is present.

(2) All matters shall be decided, in each House, by a majority of those present, except as elsewhere provided in the Constitution, and in case of a tie, the presiding officer shall decide the issue.
- **Article 57.** Deliberation in each House shall be public. However, a secret meeting may be held where a majority of two-thirds or more of those members present passes a resolution therefor.

(2) Each House shall keep a record of proceedings. This record shall be published and given general circulation, excepting such parts of proceedings of secret session as may be deemed to require secrecy.

(3) Upon demand of one-fifth or more of the members present, votes of members on any matter shall be recorded in the minutes.
- **Article 58.** Each House shall select its own president and other officials.

(2) Each House shall establish its rules pertaining to meetings, proceedings and internal discipline, and may punish members for disorderly conduct. However, in order to expel a member, a majority of two-thirds or more of those members present must pass a resolution thereon.
- **Article 59.** A bill becomes a law on passage by both Houses, except as otherwise provided by the Constitution.

(2) A bill which is passed by the House of Representatives, and upon which the House of Councilors makes a decision different from that of the House of Representatives, becomes a law when passed a second time by the House of Representatives by a majority of two-thirds or more of the members present.

(3) The provision of the preceding paragraph does not preclude the House of Representatives from calling for the meeting of a joint committee of both Houses, provided for by law.

(4) Failure by the House of Councilors to take final action within sixty (60) days after receipt of a bill passed by the House of Representatives, time in recess excepted, may be determined by the House of Representatives to constitute a rejection of the said bill by the House of Councilors.
- **Article 60.** The budget must first be submitted to the House of Representatives.

(2) Upon consideration of the budget, when the House of Councilors makes a decision different from that of the House of Representatives, and when no agreement can be reached even through a joint committee of both Houses, provided for by law, or in the case of failure by the House of Councilors to take final action within thirty (30) days, the period of recess excluded, after the receipt of the budget passed by the House of Representatives, the decision of the House of Representatives shall be the decision of the Diet.
- **Article 61.** The second paragraph of the preceding article applies also to the Diet approval required for the conclusion of treaties.
- **Article 62.** Each House may conduct investigations in relation to government, and may demand the presence and testimony of witnesses, and the production of records.
- **Article 63.** The Prime Minister and other Ministers of State may, at any time, appear in either House for the purpose of speaking on bills, regardless of whether they are

members of the House or not. They must appear when their presence is required in order to give answers or explanations.

- **Article 64.** The Diet shall set up an impeachment court from among the members of both Houses for the purpose of trying those judges against whom removal proceedings have been instituted.
(2) Matters relating to impeachment shall be provided by law.

Chapter V. The Cabinet

- **Article 65.** Executive power shall be vested in the Cabinet.
- **Article 66.** The Cabinet shall consist of the Prime Minister, who shall be its head, and other Ministers of State, as provided for by law.
(2) The Prime Minister and other Ministers of State must be civilians.
(3) The Cabinet, in the exercise of executive power, shall be collectively responsible to the Diet.
- **Article 67.** The Prime Minister shall be designated from among the members of the Diet by a resolution of the Diet. This designation shall precede all other business.
(2) If the House of Representatives and the House of Councilors disagree and if no agreement can be reached even through a joint committee of both Houses, provided for by law, or the House of Councilors fails to make designation within ten (10) days, exclusive of the period of recess, after the House of Representatives has made designation, the decision of the House of Representatives shall be the decision of the Diet.
- **Article 68.** The Prime Minister shall appoint the Ministers of State. However, a majority of their number must be chosen from among the members of the Diet.
(2) The Prime Minister may remove the Ministers of State as he chooses.
- **Article 69.** If the House of Representatives passes a non-confidence resolution, or rejects a confidence resolution, the Cabinet shall resign en masse, unless the House of Representatives is dissolved within ten (10) days.
- **Article 70.** When there is a vacancy in the post of Prime Minister, or upon the first convocation of the Diet after a general election of members of the House of Representatives, the Cabinet shall resign en masse.
- **Article 71.** In the cases mentioned in the two preceding articles, the Cabinet shall continue its functions until the time when a new Prime Minister is appointed.
- **Article 72.** The Prime Minister, representing the Cabinet, submits bills, reports on general national affairs and foreign relations to the Diet and exercises control and supervision over various administrative branches.
- **Article 73.** The Cabinet, in addition to other general administrative functions, shall perform the following functions:
 1. Administer the law faithfully; conduct affairs of state.
 2. Manage foreign affairs.
 3. Conclude treaties. However, it shall obtain prior or, depending on circumstances, subsequent approval of the Diet.
 4. Administer the civil service, in accordance with standards established by law.
 5. Prepare the budget, and present it to the Diet.
 6. Enact cabinet orders in order to execute the provisions of this Constitution and of the law. However, it cannot include penal provisions in such cabinet orders unless authorized by such law.
 7. Decide on general amnesty, special amnesty, commutation of punishment, reprieve, and restoration of rights.
- **Article 74.** All laws and cabinet orders shall be signed by the competent Minister of State and countersigned by the Prime Minister.

- **Article 75.** The Ministers of State, during their tenure of office, shall not be subject to legal action without the consent of the Prime Minister. However, the right to take that action is not impaired hereby.

Chapter VI. Judiciary

- **Article 76.** The whole judicial power is vested in a Supreme Court and in such inferior courts as are established by law.
 - (2) No extraordinary tribunal shall be established, nor shall any organ or agency of the Executive be given final judicial power.
 - (3) All judges shall be independent in the exercise of their conscience and shall be bound only by this Constitution and the laws.
- **Article 77.** The Supreme Court is vested with the rule-making power under which it determines the rules of procedure and of practice, and of matters relating to attorneys, the internal discipline of the courts and the administration of judicial affairs.
 - (2) Public procurators shall be subject to the rule-making power of the Supreme Court.
 - (3) The Supreme Court may delegate the power to make rules for inferior courts to such courts.
- **Article 78.** Judges shall not be removed except by public impeachment unless judicially declared mentally or physically incompetent to perform official duties. No disciplinary action against judges shall be administered by any executive organ or agency.
- **Article 79.** The Supreme Court shall consist of a Chief Judge and such number of judges as may be determined by law; all such judges excepting the Chief Judge shall be appointed by the Cabinet.
 - (2) The appointment of the judges of the Supreme Court shall be reviewed by the people at the first general election of members of the House of Representatives following their appointment, and shall be reviewed again at the first general election of members of the House of Representatives after a lapse of ten (10) years, and in the same manner thereafter.
 - (3) In cases mentioned in the foregoing paragraph, when the majority of the voters favors the dismissal of a judge, he shall be dismissed.
 - (4) Matters pertaining to review shall be prescribed by law.
 - (5) The judges of the Supreme Court shall be retired upon the attainment of the age as fixed by law.
 - (6) All such judges shall receive, at regular stated intervals, adequate compensation which shall not be decreased during their terms of office.
- **Article 80.** The judges of the inferior courts shall be appointed by the Cabinet from a list of persons nominated by the Supreme Court. All such judges shall hold office for a term of ten (10) years with privilege of reappointment, provided that they shall be retired upon the attainment of the age as fixed by law.
 - (2) The judges of the inferior courts shall receive, at regular stated intervals, adequate compensation which shall not be decreased during their terms of office.
- **Article 81.** The Supreme Court is the court of last resort with power to determine the constitutionality of any law, order, regulation or official act.
- **Article 82.** Trials shall be conducted and judgment declared publicly.
 - (2) Where a court unanimously determines publicity to be dangerous to public order or morals, a trial may be conducted privately, but trials of political offenses, offenses involving the press or cases wherein the rights of people as guaranteed in Chapter III of this Constitution are in question shall always be conducted publicly.

Chapter VII. Finance

- **Article 83.**The power to administer national finances shall be exercised as the Diet shall determine.
- **Article 84.**No new taxes shall be imposed or existing ones modified except by law or under such conditions as law may prescribe.
- **Article 85.**No money shall be expended, nor shall the State obligate itself, except as authorized by the Diet.
- **Article 86.**The Cabinet shall prepare and submit to the Diet for its consideration and decision a budget for each fiscal year.
- **Article 87.**In order to provide for unforeseen deficiencies in the budget, a reserve fund may be authorized by the Diet to be expended upon the responsibility of the Cabinet.
(2) The Cabinet must get subsequent approval of the Diet for all payments from the reserve fund.
- **Article 88.**All property of the Imperial Household shall belong to the State. All expenses of the Imperial Household shall be appropriated by the Diet in the budget.
- **Article 89.**No public money or other property shall be expended or appropriated for the use, benefit or maintenance of any religious institution or association, or for any charitable, educational or benevolent enterprises not under the control of public authority.
- **Article 90.**Final accounts of the expenditures and revenues of the State shall be audited annually by a Board of Audit and submitted by the Cabinet to the Diet, together with the statement of audit, during the fiscal year immediately following the period covered.
(2) The organization and competency of the Board of Audit shall be determined by law.
- **Article 91.**At regular intervals and at least annually the Cabinet shall report to the Diet and the people on the state of national finances.

Chapter VIII. Local Self-Government

- **Article 92.**Regulations concerning organization and operations of local public entities shall be fixed by law in accordance with the principle of local autonomy.
- **Article 93.**The local public entities shall establish assemblies as their deliberative organs, in accordance with law.
(2) The chief executive officers of all local public entities, the members of their assemblies, and such other local officials as may be determined by law shall be elected by direct popular vote within their several communities.
- **Article 94.**Local public entities shall have the right to manage their property, affairs and administration and to enact their own regulations within law.
- **Article 95.**A special law, applicable only to one local public entity, cannot be enacted by the Diet without the consent of the majority of the voters of the local public entity concerned, obtained in accordance with law.

Chapter IX. Amendments

- **Article 96.**Amendments to this Constitution shall be initiated by the Diet, through a concurring vote of two-thirds or more of all the members of each House and shall thereupon be submitted to the people for ratification, which shall require the affirmative vote of a majority of all votes cast thereon, at a special referendum or at such election as the Diet shall specify.
(2) Amendments when so ratified shall immediately be promulgated by the Emperor in the name of the people, as an integral part of this Constitution.

Chapter X. Supreme Law

- **Article 97.**The fundamental human rights by this Constitution guaranteed to the people of Japan are fruits of the age-old struggle of man to be free; they have survived the many exacting tests for durability and are conferred upon this and future generations in trust, to be held for all time inviolate.
- **Article 98.**This Constitution shall be the supreme law of the nation and no law, ordinance, imperial rescript or other act of government, or part thereof, contrary to the provisions hereof, shall have legal force or validity.
(2) The treaties concluded by Japan and established laws of nations shall be faithfully observed.
- **Article 99.**The Emperor or the Regent as well as Ministers of State, members of the Diet, judges, and all other public officials have the obligation to respect and uphold this Constitution.

Chapter XI. Supplementary Provisions

- **Article 100.**This Constitution shall be enforced as from the day when the period of six months will have elapsed counting from the day of its promulgation.
(2) The enactment of laws necessary for the enforcement of this Constitution, the election of members of the House of Councilors and the procedure for the convocation of the Diet and other preparatory procedures necessary for the enforcement of this Constitution may be executed before the day prescribed in the preceding paragraph.
- **Article 101.**If the House of Councilors is not constituted before the effective date of this Constitution, the House of Representatives shall function as the Diet until such time as the House of Councilors shall be constituted.
- **Article 102.**The term of office for half the members of the House of Councilors serving in the first term under this Constitution shall be three years. Members falling under this category shall be determined in accordance with law.
- **Article 103.**The Ministers of State, members of the House of Representatives, and judges in office on the effective date of this Constitution, and all other public officials who occupy positions corresponding to such positions as are recognized by this Constitution shall not forfeit their positions automatically on account of the enforcement of this Constitution unless otherwise specified by law. When, however, successors are elected or appointed under the provisions of this Constitution, they shall forfeit their positions as a matter of course.

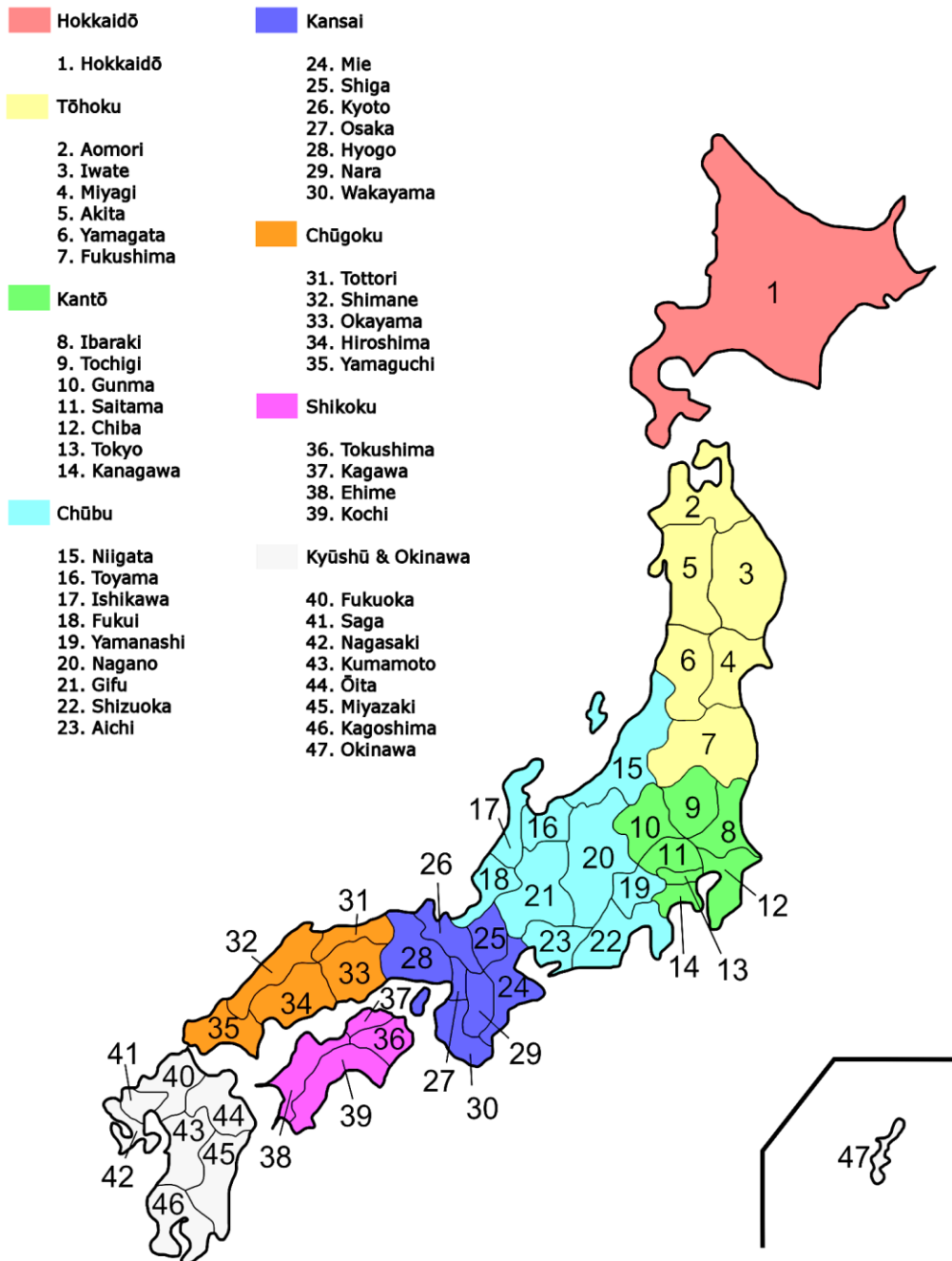
APPENDIX III

A: MAP OF JAPAN: THE PRE-MEIJI PERIOD

Source: Hane , Mikiso (1991),
Premodern Japan: A Historical Survey, US: Westview Press.

B: MAP OF JAPAN: MODERN

Regions and Prefectures of Japan



Source: Wikimedia Commons,
http://commons.wikimedia.org/wiki/File:Regions_and_Prefectures_of_Japan.png.

APPENDIX IV

A: ORIGIN OF POLITICAL PARTIES: PRE-WAR PERIOD

B. ORIGIN OF POLITICAL PARTIES: POST-WORLD WAR II PERIOD

APPENDIX V

SELECT ELECTION RESULTS OF THE HOUSE OF REPRESENTATIVES IN THE PRE AND THE POST-WAR PERIODS

PRE-WAR ELECTION RESULTS HAVE BEEN SHOWN IN THE TABLE
BELOW

	July 1890*		
Political Parties	Candidates	Elected	% of Seats
<i>Jiyuto</i>		130	
<i>Kaishinto</i>		41	
Independents		45	
Total		216	
	February 1892		
<i>Jiyuto</i>	270	94	31
<i>Chuo club</i>	94	83	28
<i>Dakuritsu club</i>	106	37	12
<i>Kinki Kakutai</i>	12	12	4
Independents	271	42	14
Total	787	300	100
	March 1898		
<i>Jiyuto</i>	233	105	35
<i>Shimpoto</i>	174	103	34
<i>Kokumin Kyokai</i>	52	29	10
<i>Yamashita club</i>	28	26	9
Independents	118	37	12
Total	605	300	100
	May 1908		
<i>Seiyukai</i>	246	188	50
<i>Kenseihonto</i>	92	70	18
<i>Daido club</i>	42	29	8
<i>Yukokai</i>	39	29	8
Independents	102	63	16
Total	521	379	100
	March 1915		
Political Parties	Candidates	Elected	% of Seats
<i>Seiyukai</i>	201	108	28
<i>Kokuminto</i>	40	27	7
<i>Rikken Doshikai</i>	200	153	40
<i>Chuseikai</i>	44	33	9
Count <i>Okuma</i>	21	12	3
Independents	109	48	13
Total	615	381	100

* Total electoral data for the year 1890 is not available.

May 1920			
<i>Seiyukai</i>	418	278	60
<i>Kenseikai</i>	240	110	24
<i>Kokuminto</i>	46	29	6
Independents	135	47	10
Total	839	464	100
May 1924			
<i>Kenseikai</i>	265	152	33
<i>Seiyuhonto</i>	242	112	25
<i>Seiyukai</i>	218	102	22
<i>Kakushin club</i>	53	30	7
Minor Parties & Ind.	194	69	13
Total	972	465	100
February 1928			
<i>Seiyukai</i>	342	217	46
<i>Minseito</i>	340	216	46
<i>Jitsugyo Doshikai</i>	31	4	1
<i>Kakushinto</i>	15	3	1
<i>Musan Seito</i>	77	8	2
Independents	159	17	4
Total	964	465	100
February 1930			
<i>Minseito</i>	341	273	59
<i>Seiyukai</i>	304	174	37
<i>Kokumin Doshikai</i>	12	6	1
<i>Musanto</i>	98	5	1
Minor Parties & Ind.	77	5	1
Total	838	466	100
February 1932			
Political Parties	Candidates	Elected	% of Seats
<i>Seiyukai</i>	348	301	65
<i>Minseito</i>	279	146	31
<i>Kakushinto</i>	3	2	5
<i>Musanto</i>	29	5	1
Minor Parties & Ind.	47	12	3
Total	706	466	100
February 1936			
<i>Minseito</i>	298	205	44
<i>Seiyukai</i>	340	174	37
<i>Showakai</i>	49	20	4
<i>Kokumin Domei</i>	32	15	3
<i>Shakai Taishuto</i>	36	22	5
Independents	122	30	7
Total	877	46	100

	April 1937		
<i>Minseito</i>	267	179	38
<i>Seiyukai</i>	263	175	38
<i>S.Taishuto</i>	66	37	8
<i>Showakai</i>	36	19	4
<i>Kokumin Domei</i>	20	11	2
<i>Tohokai</i>	20	11	2
<i>Nihin usanto</i>	7	3	1
Independents	141	31	7
Total	820	466	100

A: THE POST-WAR ELECTION RESULTS FROM 1946-1952⁴⁴

Political Party	10 Apr 1946	25 Apr 1947	23 Jan 1949	1 st Oct 1952
Progressive Party	94 (18.1)			
Democratic Party		121 (25.1)	69 (15.7)	
Reformist Party				85 (18.2)
Liberal Party	140 (24.4)	131 (26.9)		240 (47.9)
DLP			264 (49.3)	
Hatoyama LP				
Yoshida LP				
LDP				
NLC				
CP	14 (3.2)			
People's CP		29 (7.0)	14 (3.4)	
JSP	92 (17.8)	143 (26.2)	48 (13.5)	
SDP				
Left SP				54 (9.6)
Right SP				57 (11.6)
LFP			7 (2.0)	4 (0.7)
DSP				
<i>Komei</i> Party				
JCP	5 (3.8)	4 (3.7)	35 (9.7)	0 (2.6)
SDL				
JRP				
<i>Sakigake</i>				
JNP				
NFP				
DP				
DRL				
Independents	81 (20.40)	132 (5.8)	12 (6.6)	19 (6.7)
Others	38 (11.7)	25 (5.4)	17 (5.2)	7 (2.7)
Total	464	466	466	466

⁴⁴ J.A.A. Stockwin, *Governing Japan* (Blackwell Publishers, U.K., 1999)

B: THE POST-WAR ELECTION RESULTS FROM 1953-1960

Political Party	19 Apr 1953	27 Feb 1955	22 May 1958	20 Nov 1960
Progressive Party				
Democratic Party		185 (36.6)		
Reformist Party	76 (17.9)			
Liberal Party		112 (26.6)		
DLP				
Hatoyama LP	35 (8.8)			
Yoshida LP	199 (39.0)			
LDP			287 (61.5)	296 (57.6)
NLC				
CP				
People's CP				
JSP			166 (32.9)	145 (27.6)
SDP				
Left SP	72 (13.1)	89 (15.3)		
Right SP	66 (11.6)	67 (13.9)		
LFP	5 (1.0)	4 (1.0)		
DSP				17 (8.8)
<i>Komei</i> Party				
JCP	1 (0.2)	2 (0.4)	1 (2.6)	3 (2.9)
SDL				
JRP				
<i>Sakigake</i>				
JNP				
NFP				
DP				
DRL				
Independents	11 (4.4)	6 (3.3)	12 (6.0)	5 (2.8)
Others	1 (0.4)	2 (1.3)	1 (0.7)	1 (0.30)
Total	466	467	467	467

**C: POST-WAR ELECTION RESULTS FROM 1963-1972 ARE LISTED
BELOW**

Political Party	21 Nov 1963	29 Jan 1967	27 Dec 1969	10 Dec 1972
Progressive Party				
Democratic Party				
Reformist Party				
Liberal Party				
DLP				
Hatoyama LP				
Yoshida LP				
LDP	288 (47.6)	277 (57.0)	288 (47.4)	271 (46.8)
NLC				
CP				
People's CP				
JSP	144 (29.0)	140 (27.9)	90 (21.4)	118 (21.9)
SDP				
Left SP				
Right SP				
LFP				
DSP	23 (7.4)	30 (7.4)	31 (7.7)	19 (7.0)
<i>Komei</i> Party		25 (5.4)	47 (10.9)	29 (8.5)
JCP	5 (4.0)	5 (4.8)	14 (6.8)	38 (10.5)
SDL				
JRP				
<i>Sakigake</i>				
JNP				
NFP				
DP				
DRL				
Independents	12 (4.8)	9 (5.5)	16 (5.3)	14 (5.1)
Others	0 (0.1)	0 (0.2)	0 (0.2)	2 (0.3)
Total	467	486	486	491

D: POST-WAR ELECTION RESULTS FROM 1976-1983

Political Party	5 Dec 1976	7 Oct 1979	22 Jun 1980	18 Dec 1983
Progressive Party				
Democratic Party				
Reformist Party				
Liberal Party				
DLP				
Hatoyama LP				
Yoshida LP				
LDP	249 (41.8)	248 (44.6)	284 (47.9)	250 (45.8)
NLC	17 (4.2)	4 (3.0)	12 (3.0)	8 (2.4)
CP				
People's CP				
JSP	123 (20.7)	107 (19.7)	107 (19.3)	112 (19.5)
SDP				
Left SP				
Right SP				
LFP				
DSP	29 (6.3)	35 (6.8)	32 (6.6)	38 (7.3)
<i>Komei</i> Party	55 (10.9)	57 (9.8)	33 (9.0)	58 (10.1)
JCP	17 (10.4)	39 (10.4)	29 (9.8)	26 (9.3)
SDL		2 (0.7)	3 (0.7)	3 (0.7)
JRP				
<i>Sakigake</i>				
JNP				
NFP				
DP				
DRL				
Independents	21 (5.7)	19 (4.9)	11 (3.5)	16 (4.9)
Others	0 (0.1)	0 (0.1)	0 (0.2)	0 (0.1)
Total	511	511	511	511

**E: POST-WAR ELECTION RESULTS FROM 1986-1996 ARE LISTED
BELOW:**

Political Party	6 Jul 1986	18 Feb 1990	18 Jul 1993	20 Oct 1996
Progressive Party				
Democratic Party				
Reformist Party				
Liberal Party				
DLP				
Hatoyama LP				
Yoshida LP				
LDP	300 (49.4)	275 (46.1)	223 (36.6)	239 (38.6)
NLC	6 (1.8)			
CP				
People's CP				
JSP	85 (17.2)	136 (24.4)	70 (15.4)	
SDP				15 (2.2)
Left SP				
Right SP				
LFP				
DSP	26 (6.4)	14 (4.8)	15 (3.5)	
<i>Komei</i> Party	56 (9.4)	45 (8.0)	51 (8.1)	
JCP	26 (8.8)	16 (8.0)	15 (7.7)	15 (12.9)
SDL	4 (0.8)	4 (0.9)	4 (0.7)	
JRP			55 (10.8)	
<i>Sakigake</i>			13 (2.6)	2 (1.3)
JNP			35 (8.0)	
NFP				156 (28.0)
DP				52 (10.6)
DRL				1 (0.3)
Independents	9 (5.8)	21 (7.3)		9 (4.4)
Others	0 (0.2)	0 (0.1)		0 (2.1)
Total	512	512	511	500

F: THE POST-WAR ELECTION RESULTS FROM 2000-2005

Political Party	25 Jun 2000	9 Nov 2003	11 Sep 2005
LDP	229 (49.25)	237 (49.38)	296 (38.2)
NLC			
CP			
People's CP			
JSP			
SDP	17 (3.66)	6 (1.25)	7 (5.5)
NCP	7 (1.51)	4 (0.83)	
Left SP			
Right SP			
LFP			
DSP			
New <i>Komeito</i>	28 (6.02)	34 (7.08)	31 (13.3)
JCP	18 (3.87)	9 (1.88)	9 (7.3)
SDL			
JRP			
<i>Sakigake</i>			
JNP			
NFP			
DP			
LP	21 (4.52)		
DRL			
PNP			4 (1.7)
NPN			1 (2.4)
NPD			1 (0.6)
DPJ	124 (26.67)	177 (36.88)	113 (31.0)
Independents	16 (3.44)	11 (2.29)	
Others	6 (1.29)	2 (0.42)	18
Total	465	480	480

APPENDIX VI

ELECTION RESULTS OF THE HOUSE OF COUNCILORS AFTER LDP'S SET-UP⁴⁵

A: ELECTION RESULTS FROM THE YEAR 1956 TO 1974

Year	Const.	LDP	SDPJ*	<i>Kome Ito</i>	JCP	DSP	NLC	Small Parties	Independents	Total
8 July 1956	National	19 (39.7)	21 (29.9)		1 (2.1)			6 (12.8)	5 (15.5)	52
	Prefectural	42 (48.4)	28 (37.6)		1 (3.9)			0 (3.0)	4 (7.1)	75
	Total	61	49		2			6	9	127
2 July 1959	National	22 (41.2)	17 (26.5)		1 (1.9)			5 (10.6)	7 (19.8)	52
	Prefectural	49 (52.0)	21 (34.1)		0 (3.3)			2 (2.9)	3 (7.7)	75
	Total	71	38		1			7	10	127
1 July 1962	National	21 (46.4)	15 (24.3)	7 (11.5) 2 (2.6)	2 (3.1)	3 (5.3)		2 (5.5)	1 (3.9)	51
	Prefectural	48 (47.1)	22 (32.8)	9	1 (4.8)	1 (7.3)		0 (0.6)	2 (4.8)	76
	Total	69	37		3	4		2	3	127
4 July 1965	National	25 (47.2)	12 (23.4)	9 (13.7) 2 (5.1)	2 (4.4)	2 (5.9)		0 (0.8)	2 (4.6)	52
	Prefectural	46 (44.2)	24 (32.8)	11	1 (6.9)	1 (6.1)		0 (0.5)	1 (4.4)	75
	Total	71	36		3	3		0	3	127
7 July 1968	National	21 (46.7)	12 (19.8)	9 (15.4) 4 (6.1)	3 (5.0)	4 (6.0)		0 (0.4)	2 (6.7)	51
	Prefectural	48 (44.9)	16 (29.2)	13	1 (8.3)	3 (6.9)		0 (0.2)	3 (4.4)	75
	Total	69	28		4	7		0	5	126
27 June 1971	National	21 (44.5)	11 (21.3)	8 (14.1) 2 (3.5)	5 (8.0)	4 (6.1)		0 (0.1)	1 (5.9)	50
	Prefectural	42 (43.9)	28 (31.2)	10	1 (12.0)	2 (4.8)		0 (0.2)	1 (4.3)	76
	Total	63	39		6	6		0	2	126
7 July 1974	National	19 (44.3)	10 (15.2)	9 (12.1) 5 (12.6)	8 (9.4)	4 (5.9)		0 (0.1)	4 (12.6)	54
	Prefectural	43 (39.5)	18 (26.0)	14	5 (12.0)	1 (4.4)		1 (0.6)	3 (4.9)	76
	Total	62	28		13	5		1	7	130

⁴⁵ About Japan Series, (Foreign Press Center, Japan, 1999)

* JSP changed its name as SDPJ in 1991.

B: ELECTION RESULTS FROM THE YEAR 1977-1980

10 July 1977	National	18 (35.8)	10 (17.4)	9 (14.2) 5 (6.2)	3 (8.4)	4 (6.7)	1 (3.9)	2 (6.2) 1 (3.5)	3 (7.4) 2 (4.8)	50 76
	Prefectural	45 (39.5)	17 (25.9)	14	2 (9.9)	2 (4.5)	2 (5.7)	3	5	126
	Total	63	27		5	6	3			
22 June 1980	National	21 (42.7)	9 (13.1) 13	9 (11.9) 3 (5.0)	3 (7.3)	4 (6.0)	0 (0.6)	1 (4.0)	3 (14.4)	50
	Prefectural	48 (43.3)	(22.4) 22	12	4 (11.7)	2 (5.1)	0 (0.6)	1 (1.1)	5 (10.7)	76
	Total	69			7	6	0	2	8	126

**C: ELECTION RESULTS FROM THE YEAR 1983-1998 ON THE BASIS OF
NEW ELECTORAL LAWS**

Year	Const.	LDP	SDPJ	<i>Komeito</i>	JCP	DSP	JNP	NLC	<i>Rengo Sangin</i>	Small Parties	Ind.	Total
26 June 1983	PR	19 (35.3)	9 (16.3)	8 (15.7)	5 (8.9)	4 (8.4) 2 (5.7)		1 (2.7)		4 (12.7)		50
	ED	49 (43.2)	13 (24.3)	6 (7.8)	2 (10.7)	6		1 (1.2)		2 (3.4)	1 (3.8)	76
	Total	68	22	14	7			2		6	1	126
6 July 1986	PR	22 (38.6)	9 (17.2)	7 (13.0)	5 (9.5)	3 (6.9)		1 (2.4)		3 (12.4)		50
	ED	50 (45.1)	11 (21.5)	3 (4.4)	4 (11.4)	2 (4.6)				0 (2.7)	6 (10.4)	76
	Total	72	20	10	9	5		1		3	6	126
23 July 1989	PR	15 (27.3)	20 (35.1)	6 (10.9)	4 (7.0)	2 (4.9)				3 (14.9)		50
	ED	21 (30.7)	26 (26.4)	4 (5.1)	1 (8.8)	1 (3.6)			11 (6.8)	2 (5.6)	10 (12.9)	76
	Total	36	46	10	5	3			11	5	10	126
26 July 1992	PR	19 (33.3)	10 (17.8)	8 (14.3)	4 (7.9)	3 (5.0)	4 (8.0)			2 (13.8)		50
	ED	49 (43.4)	12 (12.9)	6 (7.8)	2 (10.6)	1 2.3v			0 (9.7)	2 (3.5)	5 (9.8)	77
	Total	68	22	14	6	4	4		0	4	5	127
Year	Const.	LDP	NEP	SDP*	JCP	<i>Sakigake</i>	DRP			Small Parties	Ind.	Total
23 July 1995	PR	15 (27.3)	18 (30.8)	9 (16.9)	5 (9.5)	2 (3.6)				1 (11.9)		50
	ED	34 (25.4)	22 (26.5)	7 (11.9)	3 (10.4)	1 (2.6)	2 (4.5)			1 (4.0)	6 (14.7)	76
	Total	49	40	16	8	3	2			2	6	126

* SDPJ changed its name to SDP in January 1996.

Year	Const.	LDP	DPJ	LP	JCP	New <i>Komeito</i>	SDP	<i>Sakig ake</i>	Small Parties	Ind.	Total
12 June 1998	PR	14 (25.2)	12 (21.7)	5 (9.3)	8 (14.6)	7 (13.8)	7 (7.8)	0 (1.4)	0 (6.1)		50
	ED	31 (30.8)	15 (16.2)	1 (1.8)	7 (15.7)	2 (3.3)	1 (4.3)		0 (5.3)	19 (22.6)	76
	Total	45	27	6	15	9	8	0	0	19	126

D: ELECTION RESULTS FOR THE YEAR 2001, 2004 AND 2007 ON THE BASIS OF NEW ELECTORAL LAWS

Year	Const.	LDP	DPJ	LP	JCP	New <i>Komeito</i>	SDP	<i>Sakig Ake</i>	NCP	Small Parties	Ind.	Total
29 July 2001	PR	20	8	4	4	8	3		1	0		48
	ED	45	18	2	1	5	0		0	2		73
	Total	65	26	6	5	13	3		1	2		121

Year	Const.	LDP	DPJ	LP	JCP	New <i>Komeito</i>	SDP	<i>Sakig Ake</i>	NCP	Small Parties	Ind.	Total
11 July 2004	PR	15	19		4	8						48
	ED	34	31		-	3						73
	Total	49	50		4	11	2					121

Year	Const.	LDP	DPJ	PNP	JCP	New <i>Komeito</i>	SDP	NPN	Small Parties	Ind.	Total
29 July 2007	PR	14	20	1	3	7	2	0	0		47
	ED	23	40		0	2	0				74
	Total	37	60		3	9	2				121

APPENDIX VII

LIST OF JAPANESE PRIME MINISTERS FROM 1885 TO 2009

NAME OF THE PRIME MINISTERS	THE POLITICAL PARTY	THE PERIOD
Ito Hirobumi		22 December 1885- 30 April 1888
Kuroda Kiyotaka		30 April 1888-25 October 1889
Yamagata Aritomo		24 December 1889-6 MAY1891
Matsukata Masayoshi		6 May 1891-8 August 1892
Ito Hirobumi		8 August 1892-31 August 1896
Matsukata Masayoshj		18 September 1896-12 January 1898
Ito Hirobumi		12 January 1898-30 June 1898
Okuma Shigenobu	<i>Kenseito</i>	30 June 1898-8 November 1898
Yamagata Aritomo		8 November 1898-19 October 1900
Ito Hirobumi	<i>Rikken Seiyukai</i>	19 October 1900-10 May 1901
Katsura Taro		2 June 1901-7 January 1906
Saionji Kinmochi	<i>Rikken Seiyukai</i>	7 January 1906-14 July 1908
Katsura Taro		14 July 1908-30 August 1911
Saionji Kinmochi	<i>Rikken Seiyukai</i>	30 August 1911-21 December 1912
Katsura Taro		21 December 1912-20 February 1913
Yamamoto Gonnohyoei	<i>Rikken Seiyukai</i>	20 February 1913-16 April 1914
Okuma Shigenobu	<i>Rikken Doshikai</i>	16 April 1914-9 October 1916
Terauchi Masatake		9 October 1916-29 September 1918
Hara Kei (Takashi)	<i>Rikken Seiyukai</i>	29 September 1918-4 November 1921
Takahashi Korekiyo	<i>Rikken Seiyukai</i>	13 November 1921-12 June 1922
Kato Tomosaburo		12 June 1922-24 August 1923
Yamamoto Gonnohyoei		2 September 1923-7 January 1924
Kiyoura Keigo		7 January-11 June1924
Kato Takaaki	<i>Rikken Seiyukai, Kenseito, Kakushin Club</i>	11 June 1924-28 January 1926
Wakatsuki Reijiro	<i>Kenseito</i>	30 January 1926-20 April 1927
Tanaka Giichi	<i>Rikken Seiyukai</i>	20 April 1927-2 July 1929

Hamaguchi Osachi	<i>Rikken Minseito</i>	2 July 1929-14 April 1931
Wakatsuki Reijiro	<i>Rikken Minseito</i>	14 April-13 December 1931
Inukai Tsuyoshi	<i>Rikken Seiyukai</i>	13 December 1931-16 May 1932
Saito Makoto		26 May 1932-8 July 1934
Okada Keisuke		8 July 1934-9 March 1936
Hirota Koki		9 March 1936-2 February 1937
Hayashi Senjuro		2 February-4 June 1937
Konoe Fumimaro		4 June 1937-5 January 1939
Hiranuma Kiichio		5 January-30 August 1939
Abe Nobuyuki		30 August 1939-16 January 1940
Yonai Mitsumasa		16 January-22 July 1940
Konoe Fumimaro	<i>Taisei Yokusankai</i>	22 July 1940-18 July 1941
Tojo Hideki		18 October 1941-22 July 1944
Kaiso Kuniaki		22 July 1944-7 April 1945
Suzuki Kantaro		7 April-17 August 1945
Prince Haruhiko Higashikuni		17 August-9 October 1945
Shidehara Kijuro		9 October 1945-22 May 1946
Yoshida Shigeru	Liberal	22 May 1946-24 May 1947
Katayama Tetsu	Socialist	24 May 1947-10 March 1948
Ashida Hitoshi	Democratic	10 March-15 October 1948
Yoshida Shigeru	Liberal	15 October 1948-10 December 1954
Hatoyama Ichiro	Liberal/ Liberal Democratic	10 December 1954-23 December 1956
Ishibashi Tanzan	Liberal Democratic	23 December 1956-25 February 1957
Kishi Nobusuke	Liberal Democratic	25 February 1957-19 July 1960
Ikeda Hayato	Liberal Democratic	19 July 1960-9 November 1964
Sato Eisaku	Liberal Democratic	9 November 1964-7 July 1972
Tanaka Kakuei	Liberal Democratic	7 July 1972-9 December 1974
Miki Takeo	Liberal Democratic	9 December 1974-24 December 1976
Fukuda Takeo	Liberal Democratic	24 December 1976-7 December 1978
Ohira Masayoshi	Liberal Democratic	7 December 1978-12 June 1980
Suzuki Zenko	Liberal Democratic	17 July 1980-27 November 1982

Nakasone Yasuhiro	Liberal Democratic	27 November 1982-6 November 1987
Takeshita Noboru	Liberal Democratic	6 November 1987-3 June 1989
Uno Souseki	Liberal Democratic	3 June-10 August 1989
Kaifu Toshiki	Liberal Democratic	10 August 1989-5 November 1991
Miyazawa Kiichi	Liberal Democratic	5 November 1991-9 August 1993
Hosokawa Morihiro	Coalition (Japan New Party)	9 August 1993-28 April 1994
Hata Tsutomu	Coalition (JRP and Others)	28 April-30 June 1994
Murayama Tomiichi	Coalition (SDPJ, LDP and <i>Sakigake</i>)	30 June 1994-11 January 1996
Hashimoto Ryotaro	Coalition (LDP and Other)	11 January 1996-30 July 1998
Obuchi Keizo	Coalition (LDP and Other)	30 July 1998-5 April 2000
Yoshiro Mori	Coalition (LDP and Other)	5 April 2000-26 April 2001
Junichiro Koizumi	Coalition (LDP and Other)	26 April 2001-26 September 2006
Shinzo Abe	Coalition (LDP and Other)	28 September 2006-26 September 2007
Yasuo Fukuda	Coalition (LDP and Other)	26 September 2007-24 September 2008
Taro Aso	Coalition (LDP and Other)	24 September 2008-till date

APPENDIX VIII

VOTING PATTERN AFTER THE NEW ELECTORAL LAW, 1994⁴⁶

A new electoral law for the House of Representatives was adopted in 1994. It was first implemented in the 1996 election based on Single-Member Districts and Proportional Representation Districts. The method of the election is as follows:

A: PATTERN OF THE NEW ELECTORAL LAW OF 1996 HOUSE OF REPRESENTATIVES ELECTIONS FOR SINGLE-MEMBER DISTRICTS

CONSTITUENCY	CANDIDATES	TIMES ELECTED	PARTY	VOTES
<i>Chiba No. 1</i>				
Elected	H. Usui	6	The LDP	77,679*
Not elected	Murai		The <i>Shinshinto</i>	40,094
(+ one from DP, one JCP and two minor party candidates)				
<i>Chiba No.2</i>				
Elected	K.Eguchi	3	The LDP	75,939*
Not elected	Nakamura		The <i>Shinshinto</i>	60,401
(+ one from DP, one JCP and one minor party candidate)				
<i>Chiba no.3</i>				
Elected	M.Okajima	4	The <i>Shinshinto</i>	84,846
Not elected	Murano		The LDP	72,254*
(+ one from JCP, one DP and one minor party candidate)				

⁴⁶ J.A.A. Stockwin, *Governing Japan* (Blackwell Publishers, U.K., 1999)

* These Candidates Were Also Standing in Proportional Representation Constituency.

B: PATTERNS OF THE NEW ELECTORAL LAW IN 1996 HOUSE OF REPRESENTATIVES ELECTIONS FOR THE PROPORTIONAL REPRESENTATION DISTRICTS IN THE SHIKOKU BLOCK

RESULT	CANDIDATES	TIMES ELECTED	ORDER	MARGIN⁴⁷
The LDP- three candidates were elected with 783,589 votes (% of votes 41.6)				
Elected	Ochi	10	1	
Elected	Nishida	7	2	
Elected	Morita	6	3	
Not elected	Shichijo		4	
Not elected	Sanseki		5	
Not elected	S.Miki		6	94.36 %
Not elected	T.Miki		6	87.41 %

In addition, 10 the LDP candidates who stood for the Shikoku block also stood for and were elected in single-member districts in Shikoku. All were ordered as 6.

The Shinshinto- two candidates were elected with 455,269 votes (% of votes 24.2)				
Elected	Endo	5	1	
Elected	Nishimura	6	2	
Not elected	Mizuta		3	

The DP- one candidate was elected with 245,323 votes (% 13.0 votes)

Elected	Goto	3	1	93.64 %
Not elected	Manabe		1	87.41 %
Not elected	Asami		4	
Not elected	Utsunomiya		5	

In addition one DP candidate was elected for single-member districts in Shikoku. He was listed as 1.

The JCP-one was elected with 227,014 votes (% of votes 12.1)

Elected	Haruna	1	2	26.79 %
Not elected	Matsubara		3	

In addition one JCP candidate was elected in single-member districts in Shikoku and was listed as 1.

The SDP-no one elected. Only 132,868 votes with 7.1 % of vote share

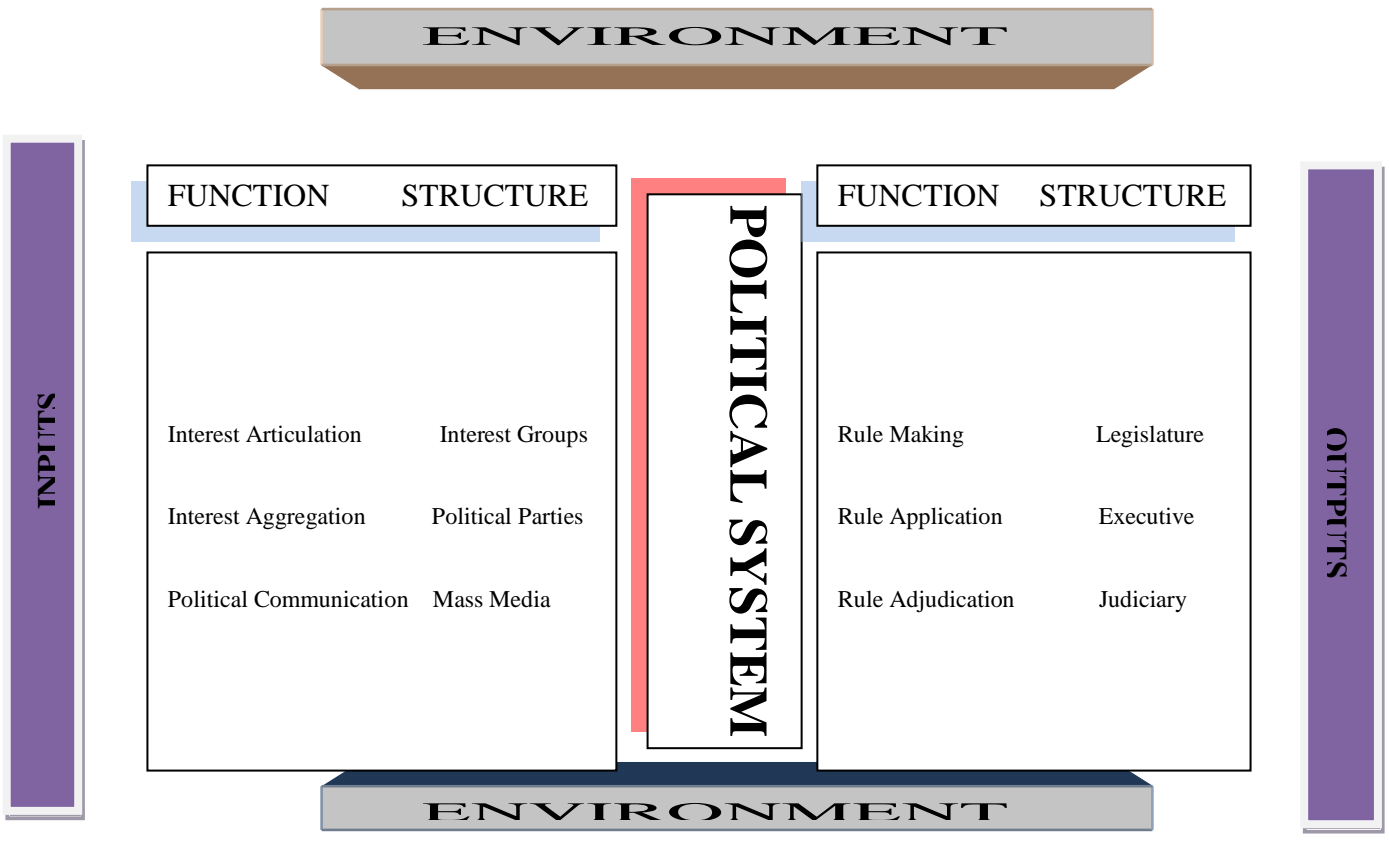
Four candidates were listed as 1 in Shikoku block. All stood in single-member districts where their margin of defeats were respectively 47.85 %, 22.74 %, 20.17 % and 16.30 %.

⁴⁷

Margin: Percentage Margin of Defeat in a Single Member Districts.

APPENDIX IX

GABRIEL A. ALMOND AND G. B. POWELL'S MODEL OF THE POLITICAL SYSTEM APPROACH



Gabriel A. Almond and G. B. Powell have mentioned in their book *Comparative Politics: A Development Approach* (1966) that the political system is driven by the influences present within the system and it affects the policies and outcomes. As far as the Japanese politics is concerned, it is too driven by the influences of the surroundings. In 1993, the factors (as input) were responsible for the change of government and bringing the seven party coalition based government (as output). The function and structure are closely linked with the environments (surroundings) that are the major variable for constructing and changing the political system.

Here in the model, the interest articulation implies the process whereby opinions, attitudes, beliefs, preferences etc. are converted into coherent demand on the political system. Interest aggregation is the process in which the various divergent interests are collated and translated into concrete demand of a very large section of society, policy proposals and programs of action. Political parties are more suited to perform this function. Political communication is associated with the individuals, groups and institutions transmit and receive information regarding the functioning of the political system.

APPENDIX X

REPORTS BY COUNCIL OF EDUCATION OF JAPAN, 1998*

EDUCATION REFORMS

1. Improve students' basic scholastic proficiency 'in easy to understand classes'
 - Implement the 20 students per class system for fundamental subjects and advance placement classes
 - Improve classrooms in order to be able to conduct IT classes and the 20 students per class system (establish "A Learning Environment for the New Generation")
 - Implement national academic achievement surveys
2. Foster youth into becoming open and warm-hearted Japanese through participating in community services and various programs
 - Encourage youth to participate in community services and various programs (or consider such a system) and establish the "Children's Dream Fund"
 - Improve moral education (for example, development and distribution of the "Kokoro no Note" (Notebook to be used by students in moral education.))
 - Take actions for educational revitalization in the home and in the community
3. Improve learning environment to one which is enjoyable and free of worries
 - Enrich cultural and sporting activities (encourage school club activities)
 - Take appropriate measures concerning problematic behaviors among children (improvement of the suspension system and measures to care such children)
 - Protect children from harmful information
4. Make schools that can be trusted by parents and communities
 - Implement school evaluation system, including the establishment of the self-evaluation system and introduction of school councilors
 - Revitalize the school board by means of parental participation and disclosure of information
 - Promote the establishment of new types of schools to fit the needs of the different communities
5. Train teachers as real "professionals" of education
 - Introduce an awards system, a bonus and a special promotion system for outstanding teachers

* Ministry of Education, Culture, Sports, Science and Technology (MEXT), Japan, http://www.mext.go.jp/b_menu/hakusho/html/hpae199801/hpae199801_2_005.html.

- Establish a system where teachers have working community experience (cf: take working experience at companies)
 - Take appropriate measures on incompetent teachers, such as teaching suspensions
6. Promote the establishment of universities of International standard
- Reinforce university education and research functions for bringing up leaders of the next generation (improve the system for admitting 17-year-old students into universities, universally introduce a system for admitting students who have finished their third year into graduate school, and establish professional schools)
 - Establish a competitive environment (grant national universities the status of independent administrative corporations, promote fixed-term employment so that professors can transfer easily, increase competitive grants)
 - Implement a strict grading system for university students and focus on the teaching abilities of academic
7. Establish an educational philosophy suitable for the new century and improve the provision for education
- Review the Fundamental Law of Education and modify the Law into one suitable for the new century
 - Develop a Comprehensive Plan for the Promotion of Educational Measures

APPENDIX XI

BASIC PHILOSOPHY OF LIBERAL DEMOCRATIC PARTY OF JAPAN*

The Formation of the LDP

.... In light of public opinion and sentiments within the liberal democratic camp itself, the movement toward a “conservative alliance” gained momentum beginning around 1953. Then, in November of 1954, the Reform Party joined with the Japan Liberal Party to form the Japan Democratic Party. A meeting between the executive members of the Democratic and Liberal parties in May of 1955 and another in June between Democratic Party leader Hatoyama and Liberal Party leader Ogata further accelerated the movement toward a formal union of Liberal Democratic Forces.

The meeting between Hatoyama and Ogata was of particular historic importance as the two leaders agreed to unite “conservative forces and stabilize politics”.

Once catalyzed in this way, the situation began to develop rapidly. A Policy Committee consisting of members elected from both parties began work on a draft of a new party’s prospective “mission,” “characteristics,” and “platform.” In addition, the results from research conducted by a New Party Structure Committee on the basic organizational form that a new party might take were used to formulate an “organizational framework” for a modern political party with broad popular appeal. Included with this were guidelines for party “regulations and principles” and “public relations and advertising” designed to contribute to its democratic administration. After the core policies and organization of the new party had been established, the Policy Committee and New Party Structure Committee were combined to create a New Party Formation Preparation Committee in October. This body then finalized the party’s “inaugural declaration,” platform, policies, and procedures for the election of the party president.

The last remaining issue was that of what to call the new party. After soliciting suggestions from both inside and outside the party, the name “Liberal Democratic Party” (LDP) was finally decided upon as it was thought to best embody the party’s basic principles.

Following the completion of these preparations, Acting Party Presidents Ichiro Hatoyama, Taketora Ogata, Banboku Ohno, and Bukichi Miki presided over the LDP’s formal inauguration on November 15, 1955. This gala event, held at Chuo University in Kanda, Tokyo, marked the birth of the single largest Liberal Democratic Party in Japan’s postwar history. At the time, the new party controlled 298 seats in the House of Representatives and 115 seats in the House of Councillors.

The party’s inaugural begin by stating that Politics must serve the public interest. Politics are the means by which public stability and welfare are enhanced at home while national sovereignty is restored and conditions for peace are secured abroad. Fully conscious of these goals and duties, we hereby establish the Liberal Democratic Party and pledge ourselves to work through the popular will to uphold the principles and ideals of democracy.

* Official Website, LDP, Japan, <http://www.jimin.jp/jimin/english/index.html>.

The Party's basic philosophy is further illuminated by the following passage-
In establishing this Party, our primary political goal is to pursue mainstream parliamentary politics. We therefore reject all forces and ideologies that promote the use of violence, revolution, or dictatorship as political instruments. In addition, we affirm that respect for individual rights and dignity is the most basic premise of social order and adamantly oppose the imposition of dictatorship or class ideology by force.

Additionally, the Party itself is characterized as being (1) a national party, (2) a pacifist party, (3) a genuinely democratic party, (4) a parliamentary party, (5) a progressive party, and (6) a party committed to creation of Welfare State.

The Party's platform includes several fundamental precepts -

1.

Working from democratic principles, our party is committed to reforming the nation's institutions so as to create a cultured, democratic society.

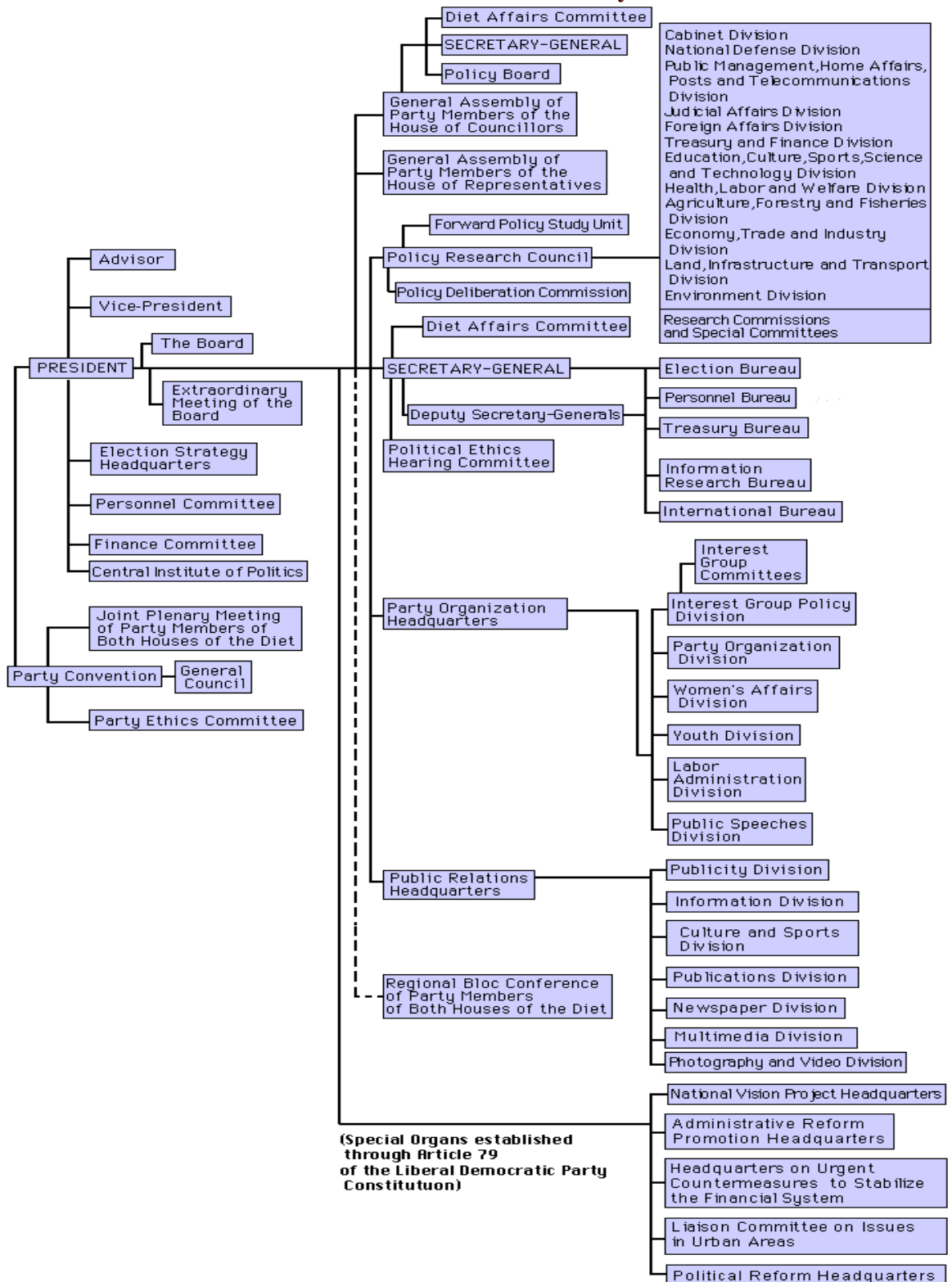
2.

Based upon just, universally-recognized principles of peace and freedom, our party will work to secure the nation's sovereignty through adjustments and corrections to Japan's international relations.

3.

With the public's welfare as our chief imperative, our party will formulate and implement comprehensive economic policies designed to foster individual creativity and corporate freedom in order that people's livelihoods can be secured and the construction of a welfare state can be successfully completed. In this way, the LDP succeeded in making a number of critical contributions to the historic development of postwar democracy in Japan. One month prior to this, the Socialist Party had managed to bring together its left and right wings. The formation of the LDP, then, heralded the beginning of two-party competition between conservative and reformist forces in Japan. It was widely expected that this change would push politics in a completely new direction.

Organizational Chart of the Liberal Democratic Party



THE MAIN FEATURE OF THE CONSTITUTION OF LIBERAL DEMOCRATIC PARTY

(Revised January 17, 2008)

CHAPTER I-1 GENERAL PROVISIONS

Article 1

The Party shall be called the Liberal Democratic Party and its headquarters shall be in Tokyo.

Article 2

The objectives of the Party shall be to realize the principles, platform and policies of the Party.

CHAPTER I-2 PARTY MEMBERS

Article 3

1. Party Members shall be Japanese nationals who perform their duties faithfully and who cooperate positively in Party activities as servants of the public.
2. Party Members shall have the following rights:
 - a. To vote on Party matters and to be elected Party Officers;
 - b. To participate in the selection of candidates and the election of Party Officers;
 - c. To freely voice opinions regarding the policies of the Party;
 - d. To freely participate in Party activities through conferences and to contribute to Party publications.
3. Party Members shall have the following responsibilities:
 - a. To observe the principles, platform, and policies of the Party;
 - b. To support Party candidates in each constituency;
 - c. To cooperate positively in Party activities;
 - d. To pay Party dues.

CHAPTER II EXECUTIVE ORGANS *President and Vice-President*

Article 4

1. The Party shall have a President.
2. The President shall assume supreme responsibility for the Party, and represent and oversee the Party.

Article 5

1. The Party may appoint a Vice-President.
2. The Vice-President shall assist the President and act on his behalf in the event the President is unable to perform his duties or in the event the President's seat becomes vacant.

APPENDIX XII

BASIC PHILOSOPHY OF DEMOCRATIC PARTY OF JAPAN*

View of the Status Quo

Today's Japan is no longer responding to the changing times. This is because bureaucracy-led protectionism and conformity and the structure of collusion have reached a dead end. Before Japan enters an age of fewer children and an aging population in the early 21st century, we must overthrow the *ancien régime* locked in old thinking and vested interests, solve the problems at hand, and create a new, flexible, affluent society which values people's individuality and vitality.

Political Standpoint

We stand for those who have been excluded by the structure of vested interests, those who work hard and pay taxes, and for people who strive for independence despite difficult circumstances. In other words, we represent citizens, taxpayers, and consumers. We do not seek a panacea either in the free market or in the welfare state. Rather, we shall build a new road of the democratic center toward a society in which self-reliant individuals can mutually coexist and the government's role is limited to building the necessary systems.

Objectives

First of all, we shall build a society governed with transparent, just, and fair rules. Secondly, while the free market should permeate economic life, we aim for an inclusive society which guarantees security, safety, and fair and equal opportunity for each individual. Thirdly, we shall devolve the centralized government powers to citizens, markets, and to local governments, and build a decentralized society in which people of all backgrounds participate. Fourthly, we shall embody the fundamental principles of the Constitution: popular sovereignty, respect for fundamental human rights, and pacifism. Finally, as a member of the global community, we shall establish international relations in the fraternal spirit of self-reliance and mutual coexistence, and thereby restore the world's trust in Japan.

Realizing Our Philosophy

We shall rally around us a political force capable of gaining power, present ourselves as a choice to the people, and thereby establish a government for realizing our philosophy.

* Official Website, DPJ, Japan, <http://www.dpj.or.jp/english/policy/index.html>.

THE DPJ

The Democratic Party of Japan (DPJ) was created in 1998, when reform-minded politicians from a number of opposition parties came together with the aim of establishing a genuine opposition force capable of taking power from the ruling Liberal Democratic Party (LDP). Former Prime Minister Tsutomu Hata, and former party Presidents Yukio Hatoyama and Naoto Kan were amongst those instrumental in establishing the new party. Since then the DPJ has grown in size at successive elections, and the party was further strengthened by a merger with the Liberal Party, led by Ichiro Ozawa, in 2003. It is now the largest opposition party in Japan, with a total of 113 seats in the House of Representatives and 83 in the House of Councilors.

In contrast to the LDP, which is almost entirely dependent on the bureaucracy for policy-making, the DPJ is a party dominated by young professionals, including bureaucrats, lawyers, doctors, aid workers, bankers, and journalists, who are able to draw on a wide variety of experience in formulating policy proposals. As a result, DPJ politicians have introduced a large number of independent members' bills. The party places a strong emphasis on the speedy implementation of across-the-board reform and the creation of a fairer and more inclusive social environment in Japan. The DPJ was instrumental in introducing the manifesto (party platform) to Japanese politics, marking the initiation of genuine policy debate. Specific policy proposals include bolstering regional autonomy by moving from a system of tied subsidies to one of providing independent budgets to the regions; and making most of the highway network toll-free.

Following a strong showing in the 2003 general election and the 2004 House of Councillors election the DPJ suffered a setback in the general election of September 2005. The party has now regrouped under the leadership of political heavyweight Ozawa and intends to strengthen its position as the party of true reform, bringing about a change of government and enhancing the democratic process in Japan.

APPENDIX XIII

LOCATION OF KURIL ISLANDS (DISPUTED REGION FOR JAPAN AND RUSSIA)



Source: Wikimedia Commons,
http://en.wikipedia.org/wiki/File:Sea_of_Okhotsk_map.png.

Note: The disputed islands, which were occupied by the Soviet forces during the Manchurian Strategic Offensive Operation at the end of World War II, are currently under Russian administration as part of the Sakhalin Oblast, nevertheless, are claimed by Japan, as the Northern Territories or Southern Chishima.

APPENDIX XIV

THE PATTERN OF THE QUESTIONNAIRE USED BY THE RESEARCHER IN JAPAN (MARCH-APRIL 2008)

1990年以降の日本政治と政治改革についての現地調査 Field Survey on Japanese Politics and Political Reforms since 1990

- 本調査は私の学位論文のためにのみ行われるものです。
- お答えは英語あるいは日本語のいずれかで記入してください。
- 選択肢の場合は番号で選んで数字を記入してください。
- This question paper is used only for my Doctoral research work not for any other use.
- You can answer either in English or in Japanese.
- Please write a number you select if options are given according to questions.

Personal Details:

お名前 (任意のみ) :

Name (optional):

年齢 :

Age:

性別 :

Sex:

出身地 :

City:

現在の身分 :

Present Status:

職場のあるところ

Working Place:

質問 :

QUESTIONS:

1. あなたは政治改革についてどの程度に関心がありますか。
[1] 無関心、[2] 少し関心がある、[3] ほどほどに、[4] だいぶ関心がある、[5]
非 常に強く関心がある)

How much are you interested in political reforms in Japan?
([1] Nothing, [2] Little, [3] To some extent, [4] Considerably, [5] Very strongly)

2. あなたは以下の政治改革の問題事項についてどの程度知っていますか。
(それぞれの改革ごとに番号でお答え下さい：[1]全く知らない、[2]少し知っている、
([3]程々に知っている、[4]良く知っている、[5]とても良く知っている)
How much do you know any of these reforms? (Please select one for each reform:
[1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very well)

選挙制度改革

Electoral Reforms: _____

経済構造改革

Economic Structural Reforms: _____

政治資金規正法

Political Fund Control Law: _____

看護法案, 年金改革

Nursing Care Bill, Pension Reforms: _____

3. どの程度に上記の「改革」は日本の役に立ちましたか。
([1]
より悪くなった、[2]役立っていない、[3]良くも悪くもない、[4]良くな
った、[5]とても効果があった)
Have the above 'reforms' helped Japan for its political stability?
([1] Worse [2] Not useful [3] No impact, [4] Good [5] Very effective)
-

4. 選挙改革は日本の政治に影響をもたらしていますか。
(番号でお答え下さい：[1]全くない、[2]少しはある、[3]ほどほどに、[4]かな
りの影響がある、[5]非常に影響がある)
Have electoral reforms made any impact on Japanese Politics?
([1] Nothing, [2] A little bit, [3] To some extent, [4] Considerably, [5] Very much)
-

5. 経済構造改革は景気回復に役立っていますか。(橋本龍太郎大臣以後の政策)
番号でお答え下さい：([1]全く役立っていない、[2]少し役立っている、[3]
程々に役立っている、[4]だいぶ役立っている、[5]非常に役立っている)
After the recession of the Japanese economy, have the 'structural reforms' for
the economy helped it to get over? (After Prime Minister Ryutaro initiatives)

([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)

6. 「政治資金規正法」は日本政治における汚職の対処に役立ちましたか。
Has 'Political Fund Control Law' helped in decreasing corruption in Japanese Politics?
([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)
-
-

7. 「連立政権」はどの程度に経済安定のために役割を果たしていますか。
([1] 全く役立っていない、[2]少し役立っている、[3]程々に役立っている、[4]だいぶ役立っている、[5]非常に役立っている)
How far has 'Coalition Governments' in Japan fulfilled its objective of Economic Stability? ([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)
-
-

8. 自由民主党と連立の新公明党は日本政治を変容させましたか。(1993年8月いらいの変化について)
([1] 全く役立っていない、[2]少し役立っている、[3]程々に役立っている、[4]だいぶ役立っている、[5]非常に役立っている)
Have the Liberal Democratic Party (LDP) and its ally New *Komeito* transformed Japanese Politics? (Please mention in short the changes since August 1993)
([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)
-
-

9. 民主党は野党として議会でどの程度に良い働きをしていますか。
([1] 全く役立っていない、[2]少し役立っている、[3]程々に役立っている、[4]だいぶ役立っている、[5]非常に役立っている)
To what extent has the Democratic Party of Japan (DPJ) as an opposition party played an important role in the Diet?
([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)
-
-

-
10. 1990年いらい、どの首相がもっとも好きですか（番号でお答え下さい）。その理由は何故ですか。
- [1]海部俊樹、[2]宮沢喜一、[3]細川護熙、[4]羽田孜、[5]村山富市、[6]橋本龍太郎、[7]小淵恵三、[8]森嘉朗、[9]小泉純一郎、[10]安部晋三、[11]福田康夫
- Which prime minister you like the most in Japan since 1990 and why?
([1]Kaifu Toshiki, [2]Miyazawa Kiichi, [3]Hosokawa Morihiro, [4]Hata Tsutomu, [5]Murayama Tomiichi, [6]Hashimoto Ryutaro, [7]Keizo Obuchi, [8]Yoshiro Mori, [9]Jnuichiro Koizumi, [10]Shinzo Abe and [11]present Prime Minister Yasuo Fukuda)
-
11. 小泉首相による改革イニシアチブは効果がありましたか。
- ([1]全く役立っていない、[2]少し役立っている、[3]程々に役立っている、[4]だいぶ役立っている、[5]非常に役立っている)
- How much reform initiatives by Prime Minister Koizumi were effective?
([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)
-
12. 現職首相として福田康夫による自衛隊についての政策は日本政治に影響がありますか。
- ([1]とても悪影響、[2]悪影響、[3]影響なし、[4]だいぶ好影響、[5]非常に効果的)
- Do you think that the Prime Minister Yasuo Fukuda's policies on refuelling US warships to Afghanistan would affect the Japanese Politics?
([1] Very poor, [2] Worse, [3] Nothing, [4] Considerably good, [5] Very effective)
-
13. 第1野党の党首として小沢一郎の民主党は彼の政治構想によって日本に貢献できるとあなたは思いますか。
- ([1]とても悪影響、[2]悪影響、[3]影響なし、[4]だいぶ好影響、[5]非常に効果的)
- Ichiro Ozawa, the head of the main opposition party, DPJ, has helped Japan through his political ideas? Do you agree?

([1] Very poor, [2] Worse, [3] Nothing, [4] Considerably good, [5] Very effective)

14. どちらの政権が日本政治に変化をもたらしましたか。(番号でお答え下さい[1]「単独政権」、または[2]「連立政権」)
Which government has brought changes in Japanese politics? ([1] 'Single Party Governments' or [2] the 'Coalition Governments')
-
-

15. 高齢人口は日本で重要になりつつありますか。
([1] 全く、 [2] 少し問題、 [3] 問題である、 [4] だいぶ問題、 [5] 深刻な問題である)
Is Aging population becoming a serious issue of concern in Japan?
([1] Nothing, [2] Little, [3] More or less, [4] Considerably, [5] Very much)
-
-

16. 憲法9条を改正することにあなたは賛成ですか。
([1] 強く反対、[2]反対、[3]どちらとも言えない、[4]賛成、[5]強く賛成)
Article 9 of the Japanese Constitution should be revised. Do you agree?
([1] Strongly disagree [2] Disagree, [3] No preference, [4] Agree [5] Strongly Agree)
-
-

17. 何が日本で最も問題となっているとあなたは思いますか？
- [1]政治汚職、[2]失業、[3]景気後退、[4]高齢化、[5]安全保障。(選択してください。複数回答も可)
What is the most problematic in Japan; [1] Political Corruption, [2] Unemployment, [3] Economic Recession [4] Aging Society or [5] Security? (Select any of them)
-
-

18. もし上記の質問17でいずれかを選択したならば、その理由がなぜか2-3行で教えてください

If you have selected any of them of question no. 17, then please explain in 2-3 lines in support of your opinion?

19. 1993年以來の「連立政権」は日本の政治と社会に何らかの変化をもたらした
と思いますか。(できればその理由も簡潔に説明してください。)

([1]

とても悪影響、[2]悪影響、[3]影響なし、[4]だいぶ好影響、[5]非常に効果的)

Do you think that 'Coalition Governments' since 1993 has brought some changes in
Japanese politics and as well as in the Society? Please select one and write your
opinion.

([1] Very poor, [2] Worse, [3] Nothing, [4] Considerably good, [5] Very effective)

20. 政権による改革が続けられることにあなたは反対ですか賛成ですか。

([1] 強く反対、[2]反対、[3]どちらとも言えない、[4]賛成、[5]強く賛成)

Do you agree that reforms by the Japanese governments should continue?

([1] Strongly disagree [2] Disagree, [3] No preference, [4] Agree [5] Strongly Agree)

21. 日本の政治制度と政治は経済と人々の安定に役立っていますか

([1] はい、[2]いいえ)

Is Japanese Political system or Japanese politics providing stability for its economy
and society? ([1] Yes [2] No)

22. もし近いうちに選挙が行われるとしたならば、あなたはどの政党を支持しま
すか？(政党名を書いてください)

If election would take place in short period which political party do you prefer?
(Please write the name of political party)

23. もし民主党または自民党を選択したならば、その理由を簡潔に述べてください。

If you have selected DPJ or LDP, then give the reason in short.

24. 日本政治についてあなたの思うところを述べてください。(あなたが知っていること、あなたの考え、将来への期待や不安など何であれ書いてください)

Please write your opinion about Japanese Politics. (Whatever you know, you like or you expect or concern for future)

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