The Impact of Globalization on Japanese Politics under the Koizumi Government:

Leadership in the Process of Institutionalization*

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The previous coalition government came into power in April 2001 headed by the Liberal Democratic Party (LDP) leader Junichiro Koizumi. Koizumi has resigned as prime minister in September 2006, having served out his term as leader of the party. This paper simply attempts to trace some of the changes that have taken place in Japanese politics over the last five years under the Koizumi government. In its examination, it attempts to tentatively assess Koizumi's leadership in terms of the process of institutionalizing new values in the political system.

1. Globalization and Japanese politics

Since the end of the Cold War in 1991, marketization, democratization and humanization have become major agenda all around the globe except perhaps in the United States and some of the EU countries. These agenda have been associated with the process of nation rebuilding, that is, institutionalizing political, economic and social systems, and re-establishing a national identity, particularly in the case of former socialist countries. Many observers including myself have attempted to see how viable and stable these countries are in terms of how they seek to achieve these ends. It may be true to say that even in democratic countries we are confronted with the perpetual problem of combining effective democratic control with efficient government.[1] Given the nature of the political system we have, our interests extend to a consideration of a democratic polity's contribution to political integration; political education for political actors and the general public at large; and most importantly, the mobilization of the public in promoting globalization.

Officially, Japan has been engaged in these agenda ever since the end of the WWII. Yet, in the minds of the Japanese bureaucrats and businessmen, the idea of a mobilization system has been maintained so far by way of rejecting competition and maintaining the so-called "iron triangle structure" the ruling coalition has kept in store. Japan's bureaucracy-led policy-making process has made the country (as Mikhail Gorbachev once called it) "an example of a successful socialist state." Countless public works projects, free medical care for the elderly and pension benefits policies carried

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[1] Giovanni Sartori, *Comparative Constitutional Engineering*, London, Macmillan Press, 1991, p.vi.

out by the LDP-dominant government, for instance, have facilitated comfortable relations between bureaucrats, politicians and businesses, despite numerous incidents of corruption. Post-war Japanese governance structured in such a way aims at achieving "evenly balanced development throughout the nation." To accomplish this goal, the fruits of growth are distributed across Japan in the form of public works projects and government subsidies. The iron triangle structure supports the persistence of these policies in the vote-gathering and fund-raising systems as well. Bureaucrats expand their power and politicians are intent on securing votes through such means. As a result, industries in decline find themselves under the excessive care by the government while emerging ones have no room to grow. The triangular structure has started to fall apart, however, due largely to the bursting of the bubble economy; foreign pressure for deregulation; the intensification of global competition and the collapse of the LDP-dominant political system.

When the Cold War ended in 1991, the LDP, which had been in power since 1955, suffered an identity crisis of sorts when it lost its enemy - the communists - to fight against. Since 1993, political parties in Japan have been constantly in the process of realignment. LDP leader Ryutaro Hashimoto managed to maintain the party's grip on power through alliances with centrist parties and in January 1996 the LDP regained the premiership. Hashimoto was arguably the first to advocate the structural reform along the lines adhered to by the former prime minister Junichiro Koizumi. However, the Hashimoto-led government failed to make sufficient headway in domestic affairs, partly due to the initial coalition of the Liberal Democratic Party, the Social Democratic Party and the New Party Sakigake (Pioneers), which all championed different basic policies. The administration's poor performance in domestic politics might also be attributed to Hashimoto himself, who remained constrained by an old-fashioned style of politics. By that time, it was obvious that the political, economic and social systems created after the end of WW II, which had enabled Japan to become an economic superpower, were suffering from institutional fatigue and had to be drastically reformed.

2. The Koizumi government and its economic reforms

Since the collapse of the bubble economy in the mid-1990s, the Japanese LDP-led government boosted public works spending in an attempt to stimulate the economy, resulting in a staggering budget deficit. Since these efforts were unsuccessful, the public wholeheartedly supported (his public support reached 80% in 2001) Koizumi's call for "structural reform with no sacred cows."[2] His cabinet firmly refused to rely on public works projects as stopgap measures. By

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[2] "Structural reform" means changing various systems and mechanisms to adapt to environmental changes and levels of economic development. Instead of focusing on immediate gains, economic policy has to be judged with foresight into future economic conditions. *The Asahi Shimbun*, 27/7/2006

implementing reform programs that prioritized the settlement of huge debts, Koizumi has lived up to public expectations as a politician whose job is to revitalize the Japanese economy using global market forces.

As noted above, there were expectations right from the beginning that under Koizumi the government would carry out numerous economic reforms, specifically, the privatization of public highway corporations and the postal services that Koizumi has persistently advocated for years. Koizumi has strong convictions that public functions that private companies can handle should be transferred to the private sector, and has taken various steps to implement these reform policies and get rid of conventional party rules and practices, not only in the area of policy-making, political and legislative processes, but also in the selection of Cabinet ministers and party executives, and party-endorsed candidates in the elections. It has been noted, as well, that the party leadership has become more powerful with the introduction of the single-seat constituency system and government subsidies to political parties.

3. Instruments Koizumi has exploited to implement economic reforms
1) The election system

Pluralistic tendencies at the political level started with the introduction of the reformed Lower House election system (single-seat constituencies)[3] coupled with demands for transparency in political funding initiated under the non-LDP Hosokawa administration of 1993. Prior to that, when debate was raging in the LDP's General Council in 1991 over the proposed introduction of the single-seat constituency system, Koizumi appeared to say, "From now on, you cannot have your voice heard unless you are the leader. I'll shoot for it."[4] Koizumi accomplished his ambition 10 years later, winning the LDP presidency after two attempts. One must also bear in mind that Koizumi's candidacy in April 2001 coincided with changes in the LDP leadership electoral system.[5] Members of the LDP eligible to elect the party leader were limited to parliamentary members up to 1991. The change in these regulations contributed to Koizumi's victory in April 2001 as the LDP presidency was won largely on the basis of increased support from the rank and file members of the LDP across the

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[3] The total seats of the Lower House are 480, of which 300 are elected by single-seat constituency system. The remaining 180 seats are elected by proportional representative system. The term of a member of the Lower House is four years. However, it has been dissolved for elections on an average of about every two and a half years. The dissolution of the Lower House under the Koizumi government occurred in October 2003 and August 2005.
[4] *The Nikkei Weekly*, 21/11/2005
[5] Any candidate for the LDP presidency must secure the endorsements of a minimum of 20 LDP parliamentarians to run for the LDP's presidential election as well as winning a majority of the about 1.4 million party members. According to the current LDP regulations, LDP presidency is elected by the votes of LDP parliamentarians and 300 votes of electoral college that are distributed accordingly in each of the 47 prefectures.

nation, among whom Koizumi's plans for economic reforms proved popular, rather than on the size of his affiliated faction.[6] By and large, members of the LDP hoped to cash in on Koizumi's high public approval ratings in the following elections.

The single-seat constituency system was kept at arm's length by the ruling LDP government until around 1991. The abolition of the multi-seat constituency system carried out under the non-LDP government has greatly weakened the foundation of faction-led politics, setting the stage for the party. It means that candidates wishing to join LDP must follow the party line, and may have to compete with other members for a place on the party list or the nomination for an individual seat. Competition has opened up avenues for the public to express their views. As a political party, the LDP itself has taken over from the factions and become a supplier of goods and services that help candidates get elected.

2) Factionalism

Factionalism is as old as the LDP, which monopolized power for 38 years from 1955 to 1993, and factional power struggles can be considered a permanent feature of LDP politics. Factional strife was also encouraged in part by the electoral system of medium-size districts. The advent of a new election system has made the election revolve around the party rather than its factions. Factions can no longer raise large sums of money and expend the funds on the election of its legislative members. As a result, the party leadership has gained a little more influence over personnel and financial affairs, although the factions still have some say in the distribution of Cabinet and party posts.

The regulations concerning political donations to factions was tightened up by the establishment of subsidies provided by the government to political parties. Factional influence, however, coupled with the sluggish economy, was then declining at an accelerated pace. In July 2004, then prime minister Ryutaro Hashimoto resigned as head of a powerful faction when a scandal broke over a shady 100-million-yen political donation to his faction. The interesting aftermath of that episode is that since Hashimoto's resignation, no one has volunteered to assume leadership of the faction, at least up until November 2005. Formerly, any LDP politician who aspired to become prime minister would make a bid for factional leadership. Such a practice may now be a thing of the past. It is also doubtful that the LDP factions are still functioning as arenas for bargaining for political spoils, though factions exist persistently.

The case of the bill concerning the privatization of postal services may exemplify the politics of

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[6] At the presidential election held on April 2001, Koizumi gathered 298 votes, whereas Hashimoto received 155 votes. At the 2003 LDP presidential election, Koizumi received 399 votes (of which, 194 votes collected from LDP parliamentarians).

the Koizumi government. Although the bill was carried in the Lower House with a majority of a mere five votes, it was killed in the Upper House by anti-Koizumi LDP members, despite the fact that the coalition government enjoyed a good majority in both houses. On August 8, 2005, Koizumi decided instantly to dissolve the Lower House for a snap poll. "Destroy the LDP! All the forces opposing my Cabinet's policy are forces of resistance to change," he declared. Koizumi deliberately created enemies within his own party and, in a deft ploy to win public support, he cast himself as a reformist leader fighting against a hidebound old guard. Koizumi not only refused to give party support to LDP members who had voted against the postal bills, but even sent so-called "assassins" to their districts to defeat them in the general elections. It appeared that Koizumi was confident of reaping the benefits of such changes in the system as the introduction of the single-seat constituency and government subsidies to political parties, as long as his reform-bills enjoyed a high level of public support. After the big victory in the Lower House election in September 2005,[7] the Party executive introduced a new system to group LDP legislators according to the 11 blocs for Lower House elections so as to block factional activities. Most of the 83 LDP Lower House members who were elected for the first time in the September poll have not been affiliated with any faction.[8] The LDP is no longer the strained coalition of competing factions it once was.

3) The decision-making process

LDP's traditional policy-making mechanism has been a bottom-up process. Policy proposals are examined by the Policy Research Council's "policy divisions" and "research commissions," which usually work for the interests of related ministries and industries. The history of policy control by the subgroups of the LDP's Policy Research Council, which are composed of members well-versed in the specific policy areas (zoku-giin), dates back to the party's foundation in 1955. However, the foundation of the party's policy-making system was laid down in the 1960s, when the General Council began to check independently all the bills drafted by the government before they were submitted to the Diet. Proposals thus formulated are then approved as formal party policies by the General Council (the party's supreme decision-making organ). Such an LDP system could emasculate any radical policies initiated by an LDP elected prime minister, so since Koizumi came to power, he tried to install a top-down decision-making system. The Council on Economic and Fiscal Policy was launched in January 2001, when prime minister Yoshiro Mori was leading the nation. Koizumi used this Council as an instrument to reinforce his top-down approach to policy-making. Thus, the Council assumed real political importance only after Koizumi came into office in April 2001. The Council was

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[7] LDP has increased the seats from 212 to 296. The newly elected 83 LDP parliamentarians are called "Koizumi children." http://www.jimin.jp/jimin/jimin/chart/index.html.
[8] Of these 83, 70 Koizumi children were not affiliated. *The Asahi Shimbun*, 10/8/2006

totally different from conventional panels. Koizumi himself chaired the Council's meetings to hear the opinions of the members and to make policy decisions. The Council addressed a wide range of issues and thrashed out policies in front of the prime minister. In June every year, the Council developed a framework for drafting the next year's budget and designing necessary reforms. Heizo Takenaka, then Internal Affairs minister, who attended the meetings constantly as an architect of reform has said, "The Council has helped the Koizumi reform initiative succeed by facilitating the direct exercise of prime ministerial leadership. It has played the role of engine of the reform."[9]

For the LDP factions that have lost control over money and posts, their last meaningful function is schedule-related communication, handled mainly through such posts allocated to factions as deputy secretary general and deputy chairman of the Diet affairs committee. However, after having obtained a strong mandate from voters via a landslide victory in September 2005 elections, even these party posts have been occupied by Koizumi's trusted party men, by and large selected on the basis of the principle of the right man in the right place for the right job. Signs of changes in policy-making are easily observed. After the regular cabinet meeting on November 4, 2005, for instance, Koizumi told Minister of Land, Infrastructure and Transport Kazuo Kitagawa to work out by the end of that year an outline of a plan to free up tax revenues earmarked for road construction for general use. The action was Koizumi's response to a move to postpone the decision on this proposal that was emerging within the government and the ruling party despite Koizumi's clear instruction to push this idea issued after the September Lower House elections. Koizumi gave the same order again to the party through Hidenao Nakagawa, the newly appointed chief of the Policy Research Council. Nakagawa has lately appointed Nobuteru Ishihara, who has no close ties with the road construction industry, as the new chairman of the Research Commission on Highways. Ishihara who as Land Minister promoted the privatization of public road-building corporations, an anathema among "road tribe" legislators, was seen as "an enemy" of these pork-barrel politicians. As the minister in charge of administrative reform, Ishihara butted heads with politicians catering to road interests.[10] It appears certain that there has been a shift in the balance of power between the party and the Prime Minister's Office under Koizumi's leadership. Undoubtedly, the abolition of the multi-seat district system had greatly weakened the foundation of faction-led politics, setting the stage for the party executives to control policy-making. In addition, the powers of the Prime Minister's Office had been enhanced significantly under the name of giving the cabinet more control over policy initiatives. This top-down decision–making approach has been effective in wearing down the resistance of bureaucrats and special-interest politicians (*zoku-giin*).[11] Such LDP's traditional "wait-and-see" politics has now been

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[9] *The Nihon Keizai Shimbun*, 6/7/2006
[10] *The Nikkei Weekly*, 21/11/2005
[11] *The Asahi Shimbun*, 24/7/2006

almost replaced by an updated leaner and meaner decision-making process.

4. An assessment of Koizumi's political leadership from the viewpoint of institutionalization

Having made a somewhat limited survey of politics of globalization under the Koizumi government, some presumptuous assessments of Koizumi's leadership can be drawn from these findings. The paradigm of institutionalization process drafted below by this author can be used as an analytical frame for this assessment. (Those making a preliminary reading of this paper may prefer to proceed directly to page 10, where an analysis is summarily unfolded.)

1) The paradigm of institutionalization

Institutionalization means the process by which normative relationships and action patterns are established. In effect, it means that the existing or newly introduced political institutions produce a new set of norms and values that are accepted by themselves and others. When such a process leads to the stabilization of the political system, it can be said that institutionalization has been completed, at least for a while. The fact is that under the Koizumi government there has been dual institutionalization such as economic reforms and political reforms forming part of globalization. Koizumi has attempted to carry out economic reform policies by means of a re-institutionalized political system. The nature of institutionalization may also vary according to its location in the life cycle of the economic and political institution. Despite these complications, one must recognize the fact that economic reform policies are never be carried out in the absence of political institution. Focusing our attention on the political system, it is expedient to draw a chart of the institutionalization process. Admitting the existence of numerous contributing variables, it is the state of three in particular, (A) the environment, (B) the power structure of the leadership and (C) a set of ideas that can be seen to affect political institutions in their operations and organizational structure, and leading to the possible creation of new norms and values. The new norms and values are, however, established through political processes among the participants who are directly and indirectly associated with the operations of the political institutions. The effects of newly disposed norms and values may, in turn, affect the three variables (A), (B) and (C) mentioned above.

There will be some flow of feedback from the variables (D) organization and (E) politics. In this way, the process of institutionalization is repeated consecutively (see Chart 1).

Chart 1: Process of Institutionalization
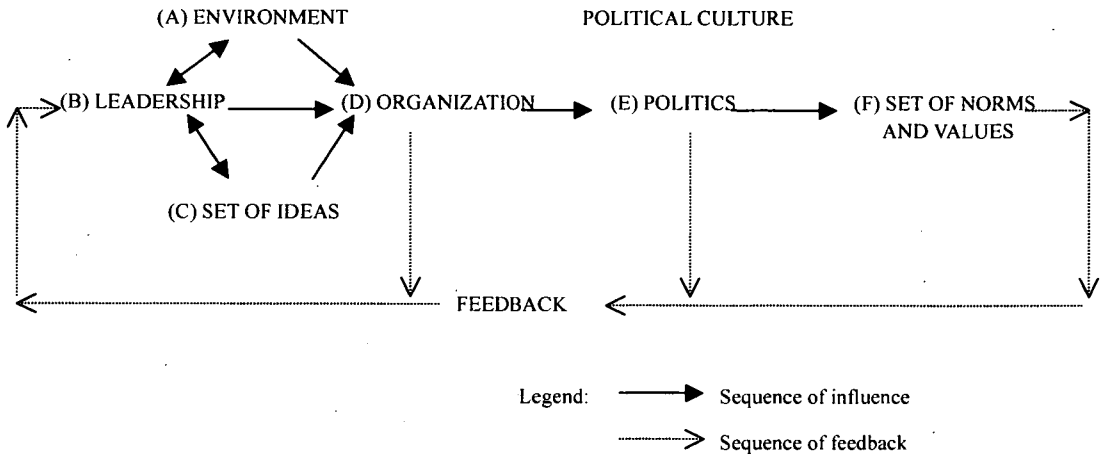
One could further break down Chart 1 into various types of the process of variable-interaction (interaction mainly between variables A, B and C). For example, a changing socio-economic environment (A) may impel the leaders (B) to adapt the political institutions (D) to the new situation. The leaders would take action of this kind by placing a set of ideas in *point d'appui* and by even revising the concept of the ideas so as to comply with their efforts. Within the framework of a reverse process, the leaders may consciously implement the ideas. The reality may lie in the mixture of all types, since the variables are more likely to interact in both ways – forward and backward. Whatever type it may be, the central factor in the process in all types is variable (B), which the chief power source for maintaining the flow of the institutionalization process.

If the leadership plays a central role in the institutionalization process, it must settle the viable structure of leadership. The leaders must have a strong will to change and to pay a higher price in terms of political reforms if they believe that such a price would assure substantial improvement in the management of social and political control as well as the national economy.

The participants in the political processes may vary markedly in their expectations, will to contribute or not to contribute, and in their access to available resources such as status, political influence, financial means and information. Further, the operations of political institutions may be regularized by laws and rules of procedures. Uniformities of behavior may be established, however, based on informally understood norms, which I call the "rules of the game." Without such uniformities of actions and behavior, I could neither comment on the functions of these organs nor treat them as an "institution."

A barometer of institutionalization can be seen in the extent of relations between (C) and (F). If (F) is bigger than (C), the feedback process will be accelerated. If (C) is bigger than (F), many

of the political institutions stipulated in the constitution are fictitious. On the other hand, even if the expectations of the participants for (F) are great, the feedback process will be hindered if the political processes are ill developed (e.g. the absence of "rules of the game"). The institutionalization process requires the presence of an organic political system.

One can assume that political culture has a certain influence upon the process from (A) to (F). Its influence may be viewed differently depending on one's treatment of it either as a dependent or independent variable, or as an active or passive variable. The extent of its influence may also vary depending on the speed of institutionalization. Although political culture is an elusive concept, I am referring here to what Parsons has called an 'action frame of reference,'[12] or what Wildavsky has defined as 'shared values legitimating social practices.'[13] It is upon the conventional social behavioral norms of a particular society, which political culture has a stabilizing and integrating effect on the society concerned. Values are thus not personal matters, but political culture arguments that tend to be ethnocentric and assume a culture's own continuity. One of the salient aspects of political culture that has been observed right through the Japanese modern history concerns network politics. The Japanese political culture – essentially derived from a traditional Confucian feudal setting – placed a high value upon a basic norm of individual and group loyalty, trust and reliability. If political culture has coped inadequately with political change,[14] it will be interesting to see how Japanese political and social behavior as political institutions have changed since the 1990s.

Institutionalization, in other words, is meant to readjust or to destroy existing political structure, political ideology, and political culture. Thus, the actors associated with political reforms participate in two processes, namely, the process of institutionalization and the process of de-institutionalization. There has been no case, it seems, where the country concerned has successfully implemented such processes with a non-coercive method within a short period of time, and, at the same time, the political leaders have managed to fulfill their political functions during these processes. Politically speaking, then, institutionalization is a very unstable process. The bolder the political reforms are, the less stable the process of institutionalization is, although such reforms will attract much attention from outside observers.

2) Lessons for Koizumi and his successor

Since 1993 up until April 2001, Japan had as many as 6 prime ministers. The LDP's

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[12] Talcott Parsons and Edward A. Shils, *Toward a General Theory of Action*, Cambridge, MA, Harvard University Press, 1951.
[13] David Laitin and Aaron Wildavsky, "Political Culture and Political Preferences,"*American Political Science Review*, Vol.82.2 (June 1988): p. 589.
[14] Harry Eckstein, "A Culturalist Theory of Political Change," *American Political Science Review*, Vol 82.3 (September 1988): p. 789.

political style is indeed so deeply ingrained in the system that the fate of the Koizumi government from the outset has without exception been unpredictable.

Chart 2: Koizumi's Institutionalization

Legend: ———▷　Sequence of influence

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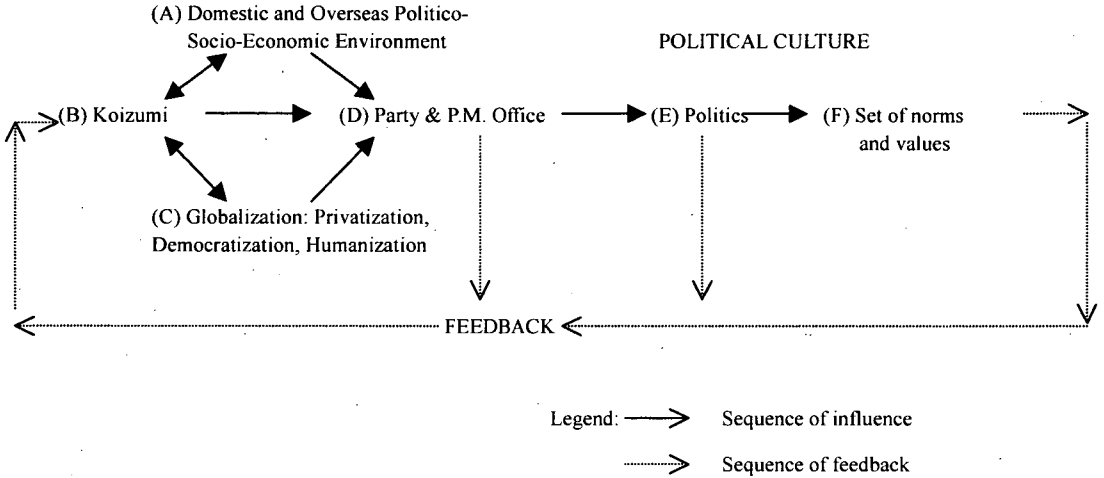
In the process of institutional development, changing environmental factors have affected the course of development. Koizumi's drive (B) for radical economic globalization at the time of economic recession (A) heightened popular expectations for economic recovery. His political message (C) resonated with the need to meet the winds of change (A). He was able to take power in a political environment that was favorable for him (A). His strongest power base has been the public. By and large, Koizumi has been able to maintain high public approval ratings for his attempts to settle the crisis caused by massive loans accrued by banks and to put the ailing economy back on track. In many ways, he has quite skillfully lived up to the public expectations of him.

We have observed that Koizumi (B) has tried, with a considerable degree of success, to break with many party traditions (D) – not just the way elections are held, but in personnel affairs, as well, and the way the party handles such matters. Koizumi laid the foundation for change in the LDP's style of politics characterized by rivalry among factions and pork-barreling. The party's traditional "wait-and-see" politics has been replaced by a modernized, quick decision-making process (D). Bottom-up is out and top-down is in. The new LDP appears to epitomize in many ways the new spirit now permeating into the fabric of Japanese society.

Koizumi has never headed a faction and has never been interested in raising funds. He had few loyal followers or confidants. He had nothing that could be called a political power base of his own within the party. The fact is that such a politician could become prime minister is itself extremely rare in Japan. Moreover, Koizumi had been in power for more than five years, surprisingly the

third-longest in post-war Japan. He is honest, faithful, straightforward and simple-minded. His character, coupled with his reform policies, has strong public appeal. Power founded on nation-wide popularity alone has proved to be politically vulnerable. Koizumi has had little alternative but to count on the LDP bureaucracy. He managed to reinstitute LDP (D) under his leadership particularly after September 2005 elections. It was interesting to observe a powerful edifice like the LDP remodeled with relative ease when its highest leader, enjoying popular support, initiates himself the sacrificing of the LDP's own many-sided monopoly (E) in the process of institutionalizing the new. Yet one could easily observe politicking activities among factions vying for the post of the LDP presidency in anticipation of Koizumi's retirement.

Policy-wise (C), Koizumi's overall track record is mixed at best, with unsatisfactory results for some important reform initiatives.[15] One could argue also that Japan's economic recovery (though not fully recovered) is due at least partially to Koizumi's privatization policies and numerous deregulation programs, but more to the private sector, which implemented painful corporate restructuring at the expense of workers' jobs, as well as economic prosperity of China and other Asian countries.[16] Besides, particularly before the September 2005 elections, Koizumi made lots of concessions concerning the privatization of public highway corporations and the postal services. For instance, the privatization of public highway corporations may slightly relieve the financial burden of the government through streamlining the successor entities. At the same time, however, costly highway construction projects remain basically unchanged. The success of postal service privatization will depend on future developments in the rationalization of the organizations and how they are privatized. Contrary to public expectations, therefore, the Koizumi-led LDP coalition government has succeeded partially in carrying out promised economic reforms.

The state of reforms is largely due to Koizumi's attempts to carry out reform policies by destroying old and introducing new "rules of the game." The anti-reform forces within the government and Koizumi's own party, which have ostensibly surrendered, in fact have continued their resistance more covertly, but set to seize any opportunity to block reform. Since Koizumi's departure in September 2006, moves toward rolling back part of the reforms he has pushed for are slowly emerging from within the party. If it does not follow through with the initiative to shift a certain amount of public services to the private sector, the succeeding Abe government will not be able to convince the public to accept a consumption tax hike, a step it seems inevitable to take in the near future. While he succeeded in purging the party of resistance forces on the issue of postal services privatization, Koizumi appeared to have no political agenda to pursue once his initiative had been accomplished.

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[15] *The Nihon Keizai Shimbun,* 10/11/2005
[16] *The Asahi Shimbun,* 27/7/2006

A change in administration could change the future direction, pace or priorities of the government's policy on structural reform. Regardless of reform content, the current administration has decision-making power over the plan, including the speed of implementation and the priority of measures. Koizumi's five years at the helm have broken many party traditions, and have been salient as well in personnel affairs. Yet, a growing number of LDP legislators are calling for a halt to the pruning of public works spending, just as unified local elections and the Upper House election in 2007 are looming on the political horizon. Rumors were then flying that the expelled rebels may be allowed to rejoin the party.[17]

One of drawbacks of Koizumi's economic reforms based on economic rationalism has been the "social gap." As companies downsize and trim their workforces, unskilled workers are deprived of the opportunities for stable employment. Many companies have discontinued the lifetime employment practice and the seniority principle in promotion that has been traditional cornerstones in business and industry. This is destroying an aspect of Japanese traditional culture – the priority of harmonious human relations. The introduction of a meritocracy in organizations has indeed caused uneasiness in everyday social life in Japan. The government is currently requested to present balanced policies that attach importance to fair distribution as well as to efficiency, and propose viable safety nets for losers.[18]

Globalization is a reform encompassing the whole of the Japanese political system, economy and society. Furthermore, it does not simply mean the introduction of a new system, but rather aims at changing public consciousness. It can be said that globalization without accompanying humanization does not last long. A state is composed of a triad of polity, economy and society. In order for a state to fulfill its functions, these three aspects must be balanced. In particular, society can act as the medium for political and economic development. If reform is carried out by the introduction of new political and economic structures alone, the new system will not function as expected if the social infrastructure of society remains unchanged.

One can well argue that Japanese society in general may well be in the midst of a transition from a *Gemeinschaft*-like society (informal alignments based on interpersonal commitments) to a *Gesellschaft*-like society (voluntary association). To take an example, clientelist activities were prevalent in Japanese government bureaucracy. Despite a generally held view of political clientelism as dysfunctional in a political system, patron-client networks expanded the bureaucracy's capacity for policy innovation, enhancing the bureaucracy's adaptability to a changing environment. The author has observed elsewhere[19] that the causation of clientelism operating within the Japanese government

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[17] *The Asahi Shimbun*, 24/7/2006
[18] *The Asahi Shimbun*, 27/7/2006
[19] Shugo Minagawa, "Political Clientelism in Japan: Policy-oriented Behaviour of Clientelism in Japanese

bureaucracy appears to be closely linked with political and functional motivations, as well as cultural factors. In Japan, especially, clientelism appears to be grounded in the culturally deep-rooted behavioral particularities of individuals. Clientelist activities in Japanese bureaucracy are, however, slowly subsiding due largely to the bureaucracy's loss of political clout as a result of the liberalization of the market, deregulation of government controls over trade and industry, and the removal of traditional trade practices.

Arguably the most vexed of many issues[20] that reveal the the dark side of Koizumi's five-year reform program are the prime minister's repeated visits to Yasukuni Shrine. The visits have infuriated China and South Korea to the point that the leaders of these countries refused to meet the prime minister. Koizumi has said, "I visit the shrine to pray for peace, make a fresh vow not to lead the nation into another war, and express respect and gratitude for Japanese soldiers killed in war. I cannot understand why China and South Korea have declined to hold summit meetings just because of a single issue."[21] No country is critical of Koizumi for praying for war victims. The Yasukuni controversy revolves around the issue of whether Japan's prime minister, as the nation's political leader, can visit the shrine, which honors people convicted as Class-A war criminals by the Tokyo war tribunal, without clouding the issue of responsibility for Japan's war of aggression or seriously damaging diplomatic relations with neighboring countries. Koizumi has never given a logical or convincing answer to this. If Koizumi wanted to counter China's criticism effectively and justify Yasukuni's enshrinement of the war criminals, he must have denied the legitimacy of the Tokyo tribunal and have called Japan's war a justifiable act of self-defense. Koizumi has never said such things because they would infuriate not only China and South Korea but also the US and the UK. However, he may have deliberately used the Yasukuni Shrine issue as an instrument for maintaining party support, within the LDP at first, and then with the public at large.[22]

Beyond the Yasukuni issue, there was effectively no diplomacy in Japan under the Koizumi leadership. This was particularly true in terms of Asian diplomacy. Much of Koizumi's diplomatic performance has revolved around the Japan-US alliance. He appeared to be convinced that the promotion of the Japan-US alliance based on mutual values and interests was the most important diplomacy for protecting national interests. On June 29, 2006, in a joint news conference in

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Bureaucracies," in *Political Leadership in a Changing Society*, Proceedings of the 2nd APSA Conference, Seoul, October 1986.

[20] For example, the Livedoor issue, faked quake-resistance reports for apartment buildings, collusive biding involving the Defence Facilities Administration Agency and the resumption of US beef imports.

[21] *The Nikkei Weekly*, 31/10/2005; *The Asahi Shimbun*, 1/7/2006

[22] At the time of LDP presidency election in April 2001, Koizumi made an election pledge to visit Yasukuni Shrine every year on August 15 while he held the office of LDP leader. Public opinion has been split over the prime minister's worship at Yasukuni, although the support rate is much higher among members of the LDP. *The Nihon Keizai Shimbun*, 7/11/2005.

Washington D.C., Koizumi said, "No country in the world has an important bilateral relationship that is equivalent to the Japan-US relationship." Certainly no one would deny its importance, but it would be absurd to neglect the relationship with China, which became Japan's largest trading partner in 2005. Indeed, Sino-Japanese relations may exert considerable influence directly or indirectly on the future outcomes of economic reforms carried out by Koizumi. Koizumi government never had any clear strategy for improving diplomatic relations.

Concluding remarks

The limited size of this paper does not permit a comprehensive examination of the impact of globalization on the Japanese political system. However, even sketchy observations of on-going changes in the Japanese political system indicate that globalization is not a unitary process or system. Its processes may falter as much as they advance. As the Japanese economy has matured and internationalized, pluralistic tendencies have appeared, growing slowly in every corner of society which is undergoing change amid advancing globalization, rapid aging and declining birthrates. For the moment, at least, one can observe that by and large Japanese system has become in appearance more transparent and versatile at political and societal levels. The stereotypical view of the contemporary Japanese political system as basically repressive, unresponsive, militaristic or technocratic system may now be considered one-sided, and hence distorted. A number of observers insist that decisions are not being made solely by bureaucrats or an anonymous system, but through multiple networks composed of bureaucrats, politicians, and sometimes even members or representatives of various pressure groups, including some oppositional ones.[23] In this process, the predominant part played by some bureaucratic sectors has now shifted or is starting to shift to various groups of politicians. The first wave signaling the breakdown of network relations within the LDP occurred in June 1993; the second wave have occurred under the Koizumi administration.

Koizumi was unable to finish everything he set out to do during his five-year reign as a reformist leader. Most probably he did hand over his policy direction and entrust his successor to finish the job. Perhaps the swift public response to Koizumi's message was because the structural reforms were perceived as panacea against unprecedented economic recession. He never explained to us what sort of society his structural reforms led to in future. At a time of emergency, the public needed a populist leader such as Koizumi. However, the Yasukuni Shrine issue might have been the indicative of the fate of a populist leader.

We have already witnessed that it is necessary to bolster political ideas, political resources and the structure of the leadership. A lack of this support results in a chaotic leadership. Yet,

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[23] See, for instance, M. Muramatsu and E. Krauss, "Bureaucrats and Politicians in Policymaking: the case of Japan," *American Political Science Review*, Vol 78.1 (March 1984).

leadership without the accompaniment of other variables such as organizational development, favorable general election results and popular support cannot bring about any substantial changes at its foundations. The evolution of the political system depends much upon not only the leadership but also the progress made on economic and social reforms.

There has been incessant debate in the past over how far it is possible to transplant the institutions and practices of one culture into the environment of another. The essence of the Japanese style of conflict management represents a strong desire to avoid direct confrontation. As long as globalization remains a volatile nature, and not a set of ideas that strongly influence the way people behave; and as long as globalization does not harm the crux of the system, it will be incorporated, albeit with resistance, into the central social and political frameworks in Japan.

Considering the distance already traversed in a brief time, globalization is no longer an empty word. Indeed, every sign points to the fact that the economic and political reforms are already organically operating, at least in part, within the Japanese economic and political systems. It must be kept in mind, however, that although the push for reforms has now progressed to the second stage of its development, it must face the question concerning its own validity within the contemporary social system.

If one regards globalization as a long-term process of diffusion across borders and boundaries, moving outward from multiple sources and centers, then, even while admitting the key role of Western sources of global change in recent centuries, the multifaceted nature of globalization processes has intensified over the past century. Among other things, it appears now to have aspirations for a single harmonious global order, paying increasing attention to such global issues as development, the economy, human rights, humanitarian concerns and the environment.