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Contemporary Japanese Society

Round Table: Tabata, Abo, Osawa and Fujiwara

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Personal Names

All personal names are given in the customary order in the native language of the person, unless otherwise requested. Hence in Japanese names the family name is given first, e.g., Miura Kazuyoshi, and in Western names the family name is given second, e.g., Paul Gascoigne.

Romanization

Due to software limitations circumflexes are used in place of macrons, and omitted on capital letters.

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From the Editors

The theme of this issue is contemporary Japanese society. Following a discussion of the series of that name published by the Institute of Social Science, the articles examine key aspects of today's Japan as it presents itself to social scientists. A complex picture emerges, of change at a furious pace, of no significant change at all, and all shades of change between.

The pace of change at the Institute of Social Science is accelerating. The Institute is expanding into new areas of research, focussing particularly on Japan in the context of global trends. It is increasing its collaboration with researchers at other institutions both in Japan and overseas, and strengthening its ties with its affiliated foreign researchers. The Contemporary Japan Group, created this year, is playing a key role in widening the Institute's worldwide network of contacts and raising its international profile (see page 22).

Equally as important, the Institute is developing its English language publishing activities: agreements have been reached this year with Oxford University Press and Macmillan for two studies by Institute researchers. The Institute is also venturing into electronic publishing, starting with an on-line edition of this issue of *Social Science Japan*. The Institute's Director, Banno Junji, who jokes that serious research became impossible with the advent of air-mail, will soon be communicating over the Internet.

We are very grateful to all who took the trouble to contact us with comments, criticism and encouragement after our first issue in July. Your feedback is entirely responsible for any improvements noticeable in this issue.

The next issue of Social Science Japan is planned for April 1995.

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"Contemporary Japanese Society"



Contemporary Japanese Society (Gendai Nihon Shakai) was an interdisciplinary joint research project carried out by the faculty of the Institute of Social Science (ISS) between 1986 and 1991. It was published by the University of Tokyo Press as a seven-volume series in 1991 and 1992, just as the "bubble economy" collapsed and a succession of short-lived governments started. The series enjoyed great success in Japan, and an updated English translation in two volumes of the outstanding chapters is now to be published by Oxford University Press, provisionally entitled *The Political Economy of Japanese Society*.

We asked four ISS researchers who took part in the project to discuss why the series received such acclaim in Japan, and to take a critical look at the strengths and weaknesses of its approach to Japan as a "corporate-centered" society. They also consider how Japanese society has changed since the publication of the series.

PARTICIPANTS:

TABATA Hiroshi

ABO Tetsuo

OSAWA Mari

FUJIWARA Kiichi

SSJ We would like to hear your personal opinions and criticisms of *Contemporary Japanese Society*. What, in your views, were the central ideas of the project, and what were its major achievements?

Tabata In the Institute's previous joint research project on the welfare state (*Fukushi Kokka*), the researchers had revised the hitherto dominant Marxist approach. The subject was quite clearly defined, and we were fairly successful in reassessing the nature of the welfare state. However, in my view instead of developing a new set of general hypotheses, The Welfare State was a rather diverse collection of empirical research. The idea for *Contemporary Japanese Society* started from an awareness of the many changes which had taken place in Japan since the oil crises.

There was a lot of debate – more than on any previous project – about how best to approach the subject, and the idea of the "corporate-centered" society emerged as the framework to accommodate all the researchers' perspectives and areas of interest. The "corporate-centered" idea itself wasn't new – the *Asahi Shimbun* had run a series on it some years before. The basic idea is that companies are the driving force behind Japanese society, while other social groups and the government are relatively weak. During the 1980s some scholars had argued that the Japanese economy had shown some characteristics of a free market, so the project's approach fell on fertile ground.



“Contemporary Japanese Society
broke with ISS tradition” – ABO

げんだいにほんしゃかい
現代日本社会

(Contemporary Japanese Society)

Tokyo University Press, 1991 - 1992

Vol. One 「課題と視角」

(Problems and Perspectives)

ISBN 4-13-034101-4

Vol. Two 「国際比較< 1 >」

(International Comparisons 1)

ISBN 4-13-034102-2

Vol. Three 「国際比較< 2 >」

(International Comparisons 2)

ISBN 4-13-034103-0

Vol. Four 「歴史的前提」

(The Historical Background)

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Vol. Five 「構造」

(Structures)

ISBN 4-13-034105-7

Vol. Six 「問題の諸相」

(Social Problems)

ISBN 4-13-034106-5

Vol. Seven 「国際化」

(Internationalization)

ISBN 4-13-034107-3

Abo

The background to *Contemporary Japanese Society* was Japan's changing position in the world and changing domestic economy, especially after the oil crises. And at the same time, within the Institute the Marxist approach and the "Japan as latecomer" approach were both being increasingly questioned.

As to why the series sold so well in Japan, one factor was probably timing: the series appeared at a time of tremendous interest in the Japanese economy – both amazement at its strength at the peak of the bubble and questions about its less desirable aspects when the Heisei recession began. People wanted to know what a place like the Institute of Social Science, with its reputation for criticism – generally left-wing criticism – of Japanese society, had to say about such phenomena.

Osawa

When I was asked to participate in the project, I felt rather awkward because gender issues had no place in the research plan. The extent to which women's issues are ignored in Japan, and in Japanese social science, is reflected by the fact that only one chapter in the 60-plus deals with gender problems.

There are other blind spots in the series. For example, in the "historical setting" volume there is no mention of Japan's colonial period. There's nothing about foreign workers or other problems related to Japan's colonial rule. And surely family problems should have been treated historically. Gender issues alone deserved an entire volume.

Abo

It seems to me that the "corporate-centered" idea has two interrelated aspects, positive and negative. The negative aspects such as family, women's issues, the environment and discrimination against foreigners did come out more strongly towards the end of the series. That seems to have attracted a lot of buyers.

Fujiwara

Yes, some bought the books to see how the "corporate-centered" idea explained Japan's success, others to see how it explained her failures. However, the "corporate-centered" idea is ambiguous; it could mean forms of company management, internal labor markets, government-business relations, social discipline or regulation, or anything. Both advocates and critics of the Japanese political economy were, in short, arguing that Japan is "special" without offering convincing evidence.

“Post-bubble pessimism
is in fashion”

ABO Tetsuo

Professor of Economics, Institute of Social Science



“social analysis which ignores gender is simply invalid”

OSAWA Mari

Associate Professor of Social Policy, Institute of Social Science



SSJ What direction has the Institute's research taken since *Contemporary Japanese Society*?

Fujiwara The Institute is currently pursuing a joint project called *The 20th Century System*, which has at least three tasks. First, to investigate the nature of the 20th century world order at large, which leads to the assessment of the role of the United States throughout this period. The Institute hasn't dealt with that question before. Second, to examine whether the corporate-centered society has been globalized. Third, to look more closely at the relationship between politics and the market in advanced industrial states. Women's issues will be integrated into our overall scheme rather than dealt with separately.

Osawa Yes, social analysis which ignores gender is simply invalid.

Fujiwara Feminism has progressed beyond mere ideology. We can now deal with changes in the family and in female behavior from various perspectives, such as social history. We can also start to debate the connection between postwar reforms related and "women's liberation".

Tabata Does the *20th Century System* project intend to go into social history? That would be another break with ISS tradition – after all, *Contemporary Japanese Society* adopted a structural approach, which admittedly made it difficult to include points of view such as gender. I wouldn't want to throw the structural approach away. On the other hand, the social history perspective is necessary.

Abo *Contemporary Japanese Society* broke with ISS tradition in espousing the "corporate-centered" society approach, and its major contribution is its analysis of the role of companies. However, I agree that ISS projects should also examine other aspects of society.

Fujiwara The *20th Century System* project hypothesizes that a global system of production, trade and so on has gradually emerged during the century. Meanwhile in politics, the basic institutions have lost credibility, politics has given way to administrative management, and stagnation rules.

When we were doing *Contemporary Japanese Society*, Japan was at the center of the world's attention, but now other Asian countries are playing an increasingly important role globally. So whereas our previous projects had to fight against "Japan first" chauvinism, the *20th Century System* project will be forced to confront "Asia first" propaganda.

Abo It's interesting that, although the differences in political situations and culture between Asian countries are often quite extreme, they share a



uniquely Asian productivity and also uniquely Asian production systems.

SSJ In what ways do you think Japanese society has changed since the collapse of the bubble economy?

Abo With the onset of this long and deep recession – which nobody predicted – there seems to be a turning back to praising Western models, as if to say that every aspect of the Japanese political economy needs to be changed. Post-bubble pessimism is in fashion. But the fact is that Japanese companies have changed very little since the bubble burst. Japan's position in the world is changing decisively: the globalization of the Japanese production system will continue, and Japanese companies will have to adjust accordingly.

Tabata You're right that the basic structures haven't changed. On the other hand, the recession and the rise of service industries have caused part-time employment to expand rapidly. Ideas such as equality among company employees, which motivated workers according to the "corporate-centered society" model, are losing their validity. As temporary staff transfers and part-time jobs increase, the centripetal force companies gained by lifetime employment and promotion systems might be reduced. Japan seems to be becoming gradually less corporate- and more society-oriented. Grass-roots movements are on the increase, and company life is intruding less and less into private life. Of course, what happens in the future depends on many factors.

Abo Yes, but most of the people who now have more private life regard it as precisely that, and don't get involved in public activities.

Fujiwara The collapse of the bubble economy wasn't just a cyclical downturn in the economy, but the end of a whole political and economic system.

Tabata The bubble was largely attributable to non-economic causes, principally policy failures in the 1980s.

Abo The economic environment is different since the bubble, but I wonder if the underlying economic structure has really changed.

*“ the project will be forced to confront
“Asia first” propaganda ”*

FUJIWARA Kiichi

Assoc. Prof. International & SE Asian Politics, Institute of Social Science



“ Ideas such as equality among company employees... are losing their validity ”

TABATA Hirokuni

Professor of Labor Law, Institute of Social Science

Osawa The current situation of women, for example at work, is disastrous. Diversification and growing flexibility in employment are not in themselves a backlash against women, but one cannot ignore the fact that wages, working conditions and benefits for part-time workers in Japan compare far worse with those of full-time workers than in other countries – and of course, women form a large proportion of the part-time workforce. If Japan tries to export that aspect of its production system to Asia there is bound to be friction, because the Japanese part-time/full-time divide doesn't exist in most Asian countries.

Tabata Although people seem to be addressing gender problems more seriously, the situation isn't improving for women.

SSJ What have been the key developments in Japanese politics since the publication of *Contemporary Japanese Society*?

Fujiwara We see informal dealings gradually becoming more transparent, and the system losing its legitimacy as a result. In recent developments, the Murayama cabinet has exposed the *kokkai taisaku* nature of Japanese politics – the backstage deals between ostensible adversaries.

Tabata But since the Murayama government came to power things are really changing – unlike at the time of the Hosokawa cabinet. For one thing, the Socialist Party has changed its policies. The previous conservative/progressive cleavage has gone, and now we have parties within the system opposing each other on policies. That's a big change.

Fujiwara I disagree. The recent realignments have not been brought about by the electorate, but by the sclerosis of party organizations, such as the breakdown of the LDP's promotion system. Dietmembers are grouping and regrouping in order to enhance their reelection prospects. There's no real competition over policies.

Abo Surely the Murayama government is a challenge to political scientists. They have to explain what has changed from the 1955 system.

SSJ Even where there are differences over policies they don't create a competitive party system. We also have to look at who is actually making policies, and especially we have to ask whether the role of bureaucrats has changed.

Although *Contemporary Japanese Society* broke with many of the Institute of Social Science's established methods, your discussion of the project today has certainly followed one of our traditions – that of lively debate unencumbered by respect for status or reputation. Thank you.

Many thanks to TSUCHIDA Tomoko for her help in producing this article.



Yen Internationalization

Masahiro KAWAI

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Table 1. Use of the yen, US dollar and DM in international transactions (% shares).

	Yen	US \$	DM
Foreign exchange market activity (1992) *	23	82	41
Eurocurrency deposits (1993)	3	63	12
Bond issues in international bond markets (1993)	12	38	11
Crossborder bank loans (1993)	1	81	3
Official reserves held			
by all countries (1992)	8	64	13
by Asian countries (1990)	17	63	14
Lending to selected East Asian countries (1989)	36	28	5

NOTE: * Shares add up to 200%.

Table 2. Invoicing in yen and US dollars of Japan's exports and imports (% shares).

(March 1994)	Yen	US \$
EXPORTS TO:		
World	41 (44)	49 (44)
USA	19 (20)	81 (80)
EC	41 (39)	9 (7)
South East Asia	52 (67)	45 (30)
IMPORTS FROM:		
World	22 (34)	72 (55)
USA	12 (13)	88 (87)
EC	44 (45)	19 (6)
South East Asia	30 (48)	67 (47)

NOTE: Numbers in parentheses are the shares in machinery and equipment exports and imports.

Japan's weight in the world economy has increased massively since the end of World War II. In the 1980s Japan emerged as the world's largest net creditor country, and the Japanese yen has appreciated dramatically as a result. However, use of the yen as an international currency remains small both in comparison to other major currencies such as the US dollar and the deutsche mark and relative to the size of the Japanese economy. In other words, "yen internationalization" has been limited both in speed and scope.

Yen internationalization means a heightened role for the yen as an international currency, functioning as an international unit of account, medium of exchange, and store of value, and also as a nominal anchor currency to which other countries may peg, or stabilize the value of, their own currencies. As table 1 demonstrates, use of the yen in world foreign exchange trading, capital transactions, and official reserve holdings is very low, with the exception of lending to certain East Asian countries. Table 2, meanwhile, shows that Japan's exports and imports tend to be denominated in the US dollar rather than in the yen, again with the exception of trade with East Asian countries in machinery and equipment. Four reasons can be given for this relatively low level of yen internationalization.

First, Japan's trade structure and the behavior of Japanese firms are such that traders have neither the market power nor any particular incentive to denominate their trade in yen. Specifically, (a) Japan's major export market is the United States, where the US dollar is the dominant invoicing currency; (b) A large part of Japan's imports consists of minerals, fuels, other raw materials, and basic commodities, in which global trade is generally dollar-denominated; (c) The bulk of Japan's exports and imports are handled by large trading companies (*sôgôshôsha*), which can manage exchange risks efficiently by pooling risks and marrying claims and liabilities in a foreign currency.

Second, money and capital markets, particularly those for treasury bills (TBs) and other short-term instruments, are not as well-developed in Japan as in New York or London. For example, the outstanding value of bankers' acceptances, introduced in June 1985 as a result of the bilateral Yen/Dollar agreement, has been zero since November 1989 due to high fees, high stamp duties and cumbersome procedures. The market for TBs lacks depth and liquidity, and many other financial transactions are taxed and subject to high fees. In addition, the Japanese financial system is governed by the nontransparent moral suasion and administrative guidance of the Ministry of Finance.

Third, postwar Japan developed, like other East Asian economies, within the domain of the US dollar's dominance. Japan received US aid during reconstruction, depended on the US market for its exports, and relied on US dollar short-term money markets to finance her trade and balance of payments. All these factors, plus Japan's postwar status as the only developed economy in East Asia, meant that her trade with



“ it is difficult for a newly emerging currency to replace the dominant one ”

the developing East Asian economies tended to be invoiced in US dollars.

Finally, the US dollar has continued to play a dominant role as an international currency, even though the shrinkage in the relative size of the US economy and the persistence of the American current account deficits have caused the value of the currency to fall. The US dollar's continued dominance can be attributed to economies of scale, hysteresis, and the public goods nature of the dollar. This suggests that it is difficult for a newly emerging currency to replace the dominant one without some fundamental change in the world economy. This may perhaps account for the limited role of the yen.

However, yen internationalization will proceed, albeit gradually, for the following reasons. First, Japanese money and capital markets are becoming more liberalized and accessible to both residents and non-residents. Second, Japan's current account surpluses will continue to transfer large amounts of savings to the rest of the world. Japan's economic growth and net external asset position will inevitably increase international use of the yen. Third, Japan's economic interdependence with East Asia will deepen via government and commercial loans, foreign direct investment, and intra-industry trade in manufactured products. This process will gradually increase the use of the yen as a lending and trade invoicing currency. Fourth, use of the yen as a nominal anchor will strengthen, due both to Japan's low and stable inflation and to the growing similarities in economic structure between the East Asian economies and Japan. The latter makes East Asian governments more willing to expand the role of the yen in their exchange rate policies. Finally, use of the US dollar as an international currency is bound to decline as US current account deficits continue and the value of the dollar plummets.

Hence the relative importance of the dollar as an international currency will erode and the yen's role will increase. This does not mean, however, that the yen will eventually replace the dollar in international, or even East Asian, trade and finance. Although the US dollar and the yen will likely come to share the role of international currency in East Asia, the yen's role in East Asia will not be as distinct as that played by the deutsche mark in the European Monetary System. Nevertheless, the world is clearly headed towards a multiple-currency system in which the yen will play a significant part.



Further reading:

Masahiro KAWAI, "The Japanese Yen as an International Currency: Performance and Prospects," *Discussion Paper No.40*, Institute of Social Science, University of Tokyo, 1994.

Masahiro KAWAI, "Interactions of Japan's Trade and Investment: A Special Emphasis on East Asia," *Discussion Paper No.39*, Institute of Social Science, University of Tokyo, 1994.

Masahiro KAWAI, "Accumulation of Net External Assets in Japan", in Ryūzō SATO, Richard LEVICH and Rama RAMACHANDRAN, eds., *Japan, Europe, and International Financial Markets : Analytical and Empirical Perspectives*, Cambridge University Press, Cambridge and New York, 1994, ISBN 0521452287, pp.73-123.

Industrial Relations and Corporate Governance in Japan

NITTA Michio

**NITTA Michio is Professor of
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Institute of Social Science,
University of Tokyo.**

Juristo, the widely read law magazine, recently published a special issue on corporate governance in Japan, clear evidence of a growing interest in the effects of changes in corporate governance on Japanese society.¹ Underlying this interest is a realization that the relationship between Japan's shareholders and company managers is changing, due (among other things) to the long-term decline in share prices following the collapse of the bubble economy, and revisions in company law which make it easier for shareholders to sue executives. If the relationship between shareholders and management is indeed changing, then we can also expect far-reaching changes in industrial relations.

Nishiyama Tadanori analyzes corporate governance and industrial relations from the point of view of law and accounting.^{2,3} His study of the shareholding patterns of large Japanese companies leads him to conclude that companies are controlled by managers and not by shareholders. Special features of Japanese corporate shareholding – cross-shareholding by companies and the stable, long-term holding of large numbers of shares by banks and life insurance companies – result in shareholding's *not* being a basis for controlling companies. The controlling power exercised by managers derives from their status as managers, and unless the company runs into severe difficulties the managers are not subject to outside interference in the running of the company. In addition, managers are chosen from the company staff. They are thus essentially "managing workers" rather than "capitalists", and have no fundamental conflict of interest (i.e. class conflicts) with the workforce in general. This is the root cause of many of the unique facets of Japanese industrial relations, such as relatively small pay differentials between senior managers and the lowest-paid workers, and non-confrontational unions.

Meanwhile, the economist Aoki Masahiko refutes the generally accepted economic model of corporate governance, in which managers are chosen by shareholders and pursue the sole function of furthering the shareholders' interests.⁴ In Japanese companies, Aoki argues, managers are relatively independent of the shareholders, and play the role of arbiter between the interests of the shareholders and the interests of the employees when major decisions are being made regarding investments or the distribution of profits.

In companies such as those Aoki describes, it is possible that the shareholders' profits will not be maximized in the short-term. However, the workforce, in return for having its interests accommodated by the management through the equitable distribution of profits and stable employment, will voluntarily increase its output and its commitment to the company, resulting in higher productivity and higher dividends to shareholders in the long run. History supports Aoki's argument: Japanese shareholders have made similar profits (including capital gains) to those of shareholders in major companies elsewhere.

1 「ジュリスト」, No. 1050, 1 August 1994.

2 NISHIYAMA Tadanori, 『支配構造論』 (Structures of Control), Bunshindô, 1980.

3 NISHIYAMA Tadanori, 『脱資本主義分析』 (The Analysis of Post-Capitalism), Bunshindô, 1983.

4 AOKI Masahiko, *Information, Incentives, and Bargaining in the Japanese Economy*, Cambridge University Press, 1988.

“ If Aoki is correct then we can expect major changes in corporate governance and industrial relations in post-Bubble Japan ”



Two conditions are needed for this system to function:

1. In corporate governance issues, managers maintain their autonomy from the shareholders, but only on the condition that they consider the shareholders' interests (in practice this means that main banks keep a vigilant eye on the activities of managers).
2. Company employees (and their representatives, the unions) have a strong interest in the survival and growth of their company, and agree in principle with the managers on such matters as distribution of profits, levels of output, and employment.

If Aoki's model of the Japanese company is accurate, then we can expect major changes to occur in corporate governance and industrial relations in post-Bubble Japan. As the trend of ever-increasing share prices peters out, shareholders, and in particular financial institutions such as life insurance companies, may start to seek short-term profits. They may also begin to trade the shares they have hitherto held onto, as well as demand higher dividends from company managements. Such developments would probably strain industrial relations.

On the other hand, Nishiyama's conclusion that corporations' ownership of large blocks of shares is primarily attributable to the motivation of managers to control companies, would suggest a very different post-Bubble scenario. Even if the prospects for rising share prices are poor and those for capital gains non-existent, companies will nevertheless continue to hold onto each other's shares. Thus, stable shareholding patterns will not collapse, shareholders will not demand higher dividends, and there will be no noticeable change in the way companies are run.

Which analysis is correct? Only further research will tell us the answer to a question of great importance for Japanese industrial relations over the coming decades. □

ANNOUNCEMENT

1995 Research Conference on Industrial Relations

Japan Industrial Relations Research Association
16-17 March, 1995, Tokyo.

Sessions on the relationship between Japanese employment practices and public policy, the economic environment and corporate governance.

(Conference held in Japanese)

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In a Dark Corner

Care for the Mentally Ill in Japan

Stephan SALZBERG

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As in any country, there are some very dark corners in modern Japan. One of the darkest is the medical and legal regime encompassing those deemed mentally ill. More than 350,000 psychiatric inpatients are caught in a system based on isolation and confinement and lacking basic legal protections and outside monitoring. Japan currently faces critical choices on the future direction of its social welfare policy; but its mental health care system, policy and law are telling examples of a massive and tragic failure of public responsibility.

Nearly all of the decisions affecting the lives of individuals with mental illness are made in the shadows of the private realm, without review or scrutiny. In a phenomenon unique among developed countries, where facilities for the mentally ill are overwhelmingly public, about 90% of Japan's psychiatric beds are in privately owned mental hospitals. Although technically owned and operated by legal entities known as *iryô hôjin*, not-for-profit corporations providing medical services, these hospitals are essentially businesses, with income and profits paid out in part in the form of compensation to hospital owners (generally physicians) and their families who serve as employees and directors.

Almost all of the income of these hospitals derives from payments made under the national health insurance scheme, a system which provides too great an incentive for human warehousing. Hospitals receive the bulk of their compensation on a per diem, per patient basis, together with sums paid for the provision of general medical services, such as the administration of medicine. Hospital owners are thus tempted to maximize patient numbers and the duration of hospitalization, while reducing the number and proportion of skilled personnel; to over-medicate in order to enhance income and as a behavioral control measure; and to overuse physical restraints, isolation rooms and locked wards.

These are ingredients for disaster and, in all too many instances, that is what has occurred. Despite the valiant efforts of some hospital owners and superintendents, and of dedicated health professionals, volunteers, family members and patients, Japan's mental health care system reflects the institutional forces which shape it. More than 60% of all patients are kept behind barred metal doors and windows in wards locked 24 hours a day, a figure which has not changed for decades and is contrary to established trends everywhere else in the world. Duration of hospitalization is also among the longest in the world, with more than half of all patients having been confined in hospital for more than five years, and the average length of a single hospitalization, according to the latest official statistics, now standing at 485 days. There is little rehabilitation activity in the hospitals, nor personnel associated with social rehabilitation, such as occupational therapists and psychiatric social workers. Similarly, there are few separate rehabilitation facilities or community-based residential facilities. There are no enforced standards for mental hospitals, no systems of inspections or reporting,

*“ the national health insurance scheme provides
an incentive for human warehousing ”*

and no effective means of monitoring the treatment of patients or reviewing the necessity of their continued hospitalization.

Individual abuses have also occurred, to an extent that can be neither known nor fully documented since many patients, especially in the worst hospitals, were denied unmonitored communications with the outside world. (Patients' communication rights were only defined and protected by law beginning in 1988). Dozens of incidents have come to light over the years.

The so-called Utsunomiya Incident, which became public in March, 1984, finally brought the situation in Japan to international attention. It was revealed that in 1983, at the private Utsunomiya Hospital north of Tokyo, two patients had been bludgeoned to death by hospital orderlies in full view of other patients and staff. The surviving families were told that the deaths were the result of epileptic seizures. Subsequent investigation revealed that, at the time of the deaths, there were only three doctors on staff for nine hundred forty-four patients, seriously below minimum standards, while qualified nursing levels stood at only 40% of legal requirements. Hospital staff intercepted and read every piece of patient correspondence, destroying much of it, and required that a staff member be present at every patient meeting with visitors. Locked wards and isolation rooms were so cramped and filthy as to be virtually uninhabitable. The list of revelations was so long and shocking that Utsunomiya's impact could not be contained within Japan's borders, unlike previous incidents.

The Utsunomiya Incident became the impetus for an investigation by the International Commission of Jurists (ICJ), invited to intervene by Japanese human rights groups, and of hearings before the United Nations Sub-Commission on the Prevention of Discrimination and Protection of Minorities. The ICJ report, released in July 1985, concluded that "the present structure and function of the Japanese mental health services create conditions which are conducive to inappropriate forms of care and serious human rights violations on a significant scale".

Under domestic and international pressure, the government made major changes to the Mental Health Law in 1987, effective July 1988. Six years later, it is clear that aside from some improvement in the communication rights of psychiatric patients, little, if anything, has changed for the better.

One example is the mechanism put into place to monitor the need for continued hospitalization and the treatment of patients involuntarily committed to hospital. The Psychiatric Review Boards (*seishin iryô shinsakai*) (PRB), established in each prefecture for that purpose, have proved almost wholly ineffective. Meeting in panels of five persons, three of whom are psychiatrists, PRB deliberations generally consist of the review of documents prepared by the hospitals holding the patients under review. The results have been predictable, although the actual statistics may surprise even the most cynical of observers. In 1991, the PRBs performed the sole outside review of 101,533 cases of patients involuntarily hospitalized. (The predominant form of invol-



- 1 OSHIMA et al., 長期入院精神障害者の退院可能性と退院に必要な社会資源及びその数の推計 (The long-term mentally ill: their chances of release, the social resources necessary for their release, and estimates of their number), 『精神神経学雑誌』, vol.93, no.7, pp.582-602.

untary hospitalization requires the "consent" of a designated relative and a finding by one doctor, almost always employed by or superintendent of the admitting hospital, that the person is "mentally disordered" and "requires hospitalization for treatment and protection"—there are no objective or precise medical or behavioral criteria for either determination under the law). Out of those 101,533 cases, PRBs nationwide issued a discharge recommendation, indicating that hospitalization was no longer necessary, in only one instance. This despite a well-known and generally accepted 1991 study of 41,000 such patients who had been hospitalized for two years or longer, which found that, in the opinion of their treating psychiatrists, there was no medical necessity for hospitalization in fully one-third of all cases.¹

Up until 1987, more than 90% of all psychiatric in-patients had been hospitalized involuntarily under the above-described form of admission called, without a hint of irony, "consent admission", the consent being not that of the person concerned, but of a designated relative or municipal official. (The name of this form of involuntary admission, but not the substance, was changed in the 1987 law reform). One of the most heralded of the 1987 reforms was the introduction, for the first time, of a legal form of voluntary admission. Currently more than 60% of all psychiatric in-patients (most of whom would have been deemed involuntary "consent" admittees under the old laws) have been processed as voluntary admittees. Because they are now deemed to be "voluntary", this means that the great majority of psychiatric patients have now been deprived of the benefit of the other great 1987 reform, periodic outside review and monitoring by the PRBs, a benefit admittedly of dubious value, as seen above, but the only substantive legal protection that psychiatric patients have. So much for the substantive effects of the 1987 legal reforms.

The response of the Japanese government to domestic and international pressure following the revelations of the mid-1980s followed an all too familiar pattern: institute "reforms" to ease immediate criticism, and hope that no one will notice that the reforms mask the lack of fundamental change in government policy or commitment. Seven years after reform of Japan's mental health law, things appear even bleaker for Japan's psychiatric patients and their families. There has been next to no progress in the provision of community-based rehabilitation or residential facilities, and the health insurance compensation scheme is still based on per diem payments per patient.

In all too many cases, having or being deemed to have mental illness in Japan still entails the prospect of long-term in-patient confinement, predominantly behind the bars of locked wards, with little or no rehabilitative treatment and no effective legal protection. It would appear that without renewed and sustained international criticism and pressure, the chances of real reform in the near future are slight.

Further Reading

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AIDS in Japan: Politics, Policy and Law

Eric A. FELDMAN

AIDS policy worldwide is characterized by conflicts between the rights of individuals and the responsibilities of the state. How these conflicts are expressed and resolved in a particular country is shaped by its institutions, organizations, legal systems, culture, politics, and the nature of the conflicts themselves.

In Japan, the tension between the personal and the social, between respect for individual rights and the protection of public health, has been a major factor in the process of formulating AIDS policy. This is to some extent a consequence of the growth of the patients' rights movement, which has made informed consent, confidentiality, and the right to treatment salient and contentious issues in discussions of health policy.

The stark choices presented by AIDS make it particularly controversial. A Japanese politician advocating coercive public health measures expressed his views as follows:

It is more important to prevent the spread of AIDS than to protect the privacy of high-risk groups. If we respect the human rights of one person, we are depriving ninety-nine people of their right to life.¹

Similar thinking strongly influenced the provisions of the first half of the AIDS Prevention Law in early 1987. During the mid-1980s, when the HIV virus was first identified and AIDS came to be recognized as a serious public health threat abroad, it received little attention in Japan. But reports within several months of each other in 1986/87 of an HIV-positive Filipino prostitute in Nagano, a Japanese prostitute dying of AIDS in Kobe, and a pregnant HIV-positive woman said to have been infected by a hemophiliac made government action inevitable. Legislation drafted by the Ministry of Health and Welfare included severe penalties for physicians who failed to report an HIV diagnosis to prefectural authorities, or did not report the names of AIDS patients.

The draft legislation was quickly and forcefully criticised, particularly by the hemophiliac community. Of the estimated five thousand hemophiliacs in Japan, about half are believed to be HIV-positive, representing a disproportionate share of Japan's 764 AIDS patients and 3075 HIV carriers. Effectively organized and bitter about the distribution of tainted blood products that caused their infection, hemophiliacs attacked the legislation as a "threat to our basic human rights."² These and other criticisms forced its reconsideration, provisions most offensive to hemophilia groups were dropped, and after a long dormancy while the controversial sales tax proposal was debated, the AIDS Prevention Law was enacted in November 1988.³ As in many other nations, it closely resembled laws already enacted aimed at controlling other sexually transmitted diseases, in this case the 1948 Venereal Disease Prevention Law.

As the prevalence of AIDS in Japan increased, so did the number of those vying for a voice in AIDS policy; the issues and tensions they

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- 1 OHAMA Hoei, spokesperson for the Liberal Democratic Party's AIDS Committee, quoted in Jocelyn FORD, "Innocent Victims of AIDS Worry that Government Ignores Their Rights," *Daily Yomiuri*, 1 March 1987, p.5.
- 2 ISHIDA Yoshiaki, Hemophiliacs Association of Japan, *Objection to the Legalization of AIDS Countermeasures*, unpublished, Kyoto Branch, Hemophilia Fraternal Association of Japan, 1987.
- 3 For a more detailed discussion of the background and substance of the AIDS Prevention Law, and a general discussion of AIDS in Japan, see Eric A. FELDMAN and YONEMOTO Shohei, "Japan: AIDS as a Non-issue", in David L. KIPP and Ronald BAYER, eds., *AIDS in the Industrialized Democracies: Passions, Politics, and Policies*, Rutgers University Press, New Brunswick, NJ, 1992, pp.339-360.

“ those most affected by HIV have
united to speak out ”

raise have grown apace. In the late 1980s, well-organized hemophilia groups were able to gain exemptions for hemophiliacs from many of the reporting provisions of the AIDS Prevention Law. They also secured a compensation scheme for anyone infected by tainted blood products.

After their initial silence, homosexual groups like OCCUR, the HIV-Human Rights Information Center, and AIDS Action have come forward and are aggressively seeking various forms of redress. Among the demands they have made on the Ministry of Health and Welfare and on the Diet are improved access to medical treatment, free and anonymous HIV testing, HIV education programs, a larger budget for HIV-related research, and the elimination of discrimination against HIV patients and carriers. At the same time, segments of the Japanese homosexual community are fostering discrimination similar to that which they seek to avoid. They are, for example, defining high-risk sexual behavior as sex with foreign men, thereby excluding non-Japanese from clubs and bathhouses where unprotected sex is practised.

It is not yet clear how much can be done to counter the stigmatization of those with HIV and the abuse of their rights. Government action would help, but whether and to what extent government policy changes will likely depend on the future spread of AIDS in Japan and on public pressure. It is evident that those most affected by HIV have united to speak out on the needs of HIV-positive people, the shortcomings of government policy, and the failures of the medical system. As never before, they are using the language of rights to press their claims, directly criticizing political and bureaucratic elites, and becoming actively involved in the policymaking process. Contrary to the widespread notion that rights are irrelevant in Japan, what is striking about the AIDS controversy is the frequency with which rights issues are central to the debate. While not yet the force they are in American life, rights are having a significant impact on AIDS policy in contemporary Japan.



ANNOUNCEMENT

6th Institute of Social Science Symposium

10 December 1994, Sanjō Kaikan, Hongō Campus, University of Tokyo.
10.00-17.00

KIKKAWA Takeo: *Historical Perspectives on Company-Company
and Government-Industry Relations.*
NITTA Michio: *Companies and Industrial Relations Systems*
HIWATARI Nobuhiro: *Recent Changes in Party Politics*
EGAWA Yumiko: *Changes in the Political Economic System*

Conference held in Japanese. Pre-registration essential.

Contact:

Jonathan LEWIS, Institute of Social Science Fax 03-3816-6864
jonathan@iss.u-tokyo.ac.jp

Empty Exhortation: Japan's Equal Employment Legislation

KIM MiSook

The Japanese Equal Employment Opportunity Law (EEO), aimed at securing equal treatment of working women, took effect in April 1986. The law has two parts: the "prohibition" clause (*kinshi kitei*), which forbids discrimination against women in vocational training, fringe benefits, recruitment or dismissals; and the "exhortation" clause (*doryoku gimu kitei*), which asks employers to treat women equally with men in recruitment, job assignment or promotion. While the prohibition clause has the force of law, the exhortation clause contains no legally enforceable provisions. Under the exhortation clause, the Ministry of Labor issues guidelines on desirable corporate conduct, relying on the voluntary co-operation of employers as well as on informal mediation procedures. The first such mediation procedure was officially started on October 13 of this year, by female employees of Sumitomo Metal Industries Ltd. They charge that their employer discriminates against women on pay and promotions.¹

Initial optimism concerning the effectiveness of the EEO law was supported by moves toward affirmative action in the consumer electronics industry, department stores and supermarkets, and by the introduction of a two-track employment system of OL ("office lady") jobs - *sôgôshoku* vs *ippanshoku*. However, with hindsight it is clear that these developments were largely attributable to the protracted economic "bubble" of December 1986-1990, which created a wide range of job opportunities for women graduates.

The inadequacies of the EEO Law were demonstrated by the Heisei recession, which began in 1991. Many companies hurriedly implemented various forms of workforce rationalization in order to survive the recession. But the reductions have been most severe in larger enterprises and in *ippanshoku* jobs where most ordinary women graduates are employed.

The fact that the burden of workforce rationalization falls on women provides grounds for a critique of the non-mandatory measures contained within the EEO Law. The lack of adequate protection for female workers has also given rise to recent well-publicized episodes during job interviews. In one case, a young female interviewee was asked "You say you don't have a boyfriend? You must be a lesbian..."²

Such incidents, plus the worsening of the male-female wage gap, suggest that the EEO Law has so far failed even to dent Japanese enterprises' sexism. Companies have exploited females as cheap labor or for corporate image-making while strengthening lifetime employment practices for men. In order for the EEO Law to become a significant force for equity, all its provisions must be made mandatory.



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She is currently a Foreign Researcher at the Institute of Social Science, University of Tokyo.

1 Japan Times, October 14, 1994 p. 2.

2 Time, 15 August 1994, p.25.

3 Alice LAM, *Women and Japanese Management: Discrimination and Reform*, Routledge, London, 1992.

Reforming Japanese Politics

Arthur STOCKWIN

Arthur STOCKWIN is Director of the Nissan Institute of Japanese Studies, University of Oxford. He has been visiting the Institute of Social Science since 1963.

For those of us who have spent several years studying the politics of Japan, the years 1993 and 1994 will forever be etched into the memory. In these last two years the eternal verities of our subject have been turned upside down. Instead of a single political party, guiding Japan with boring predictability to the far horizons of time, we now observe a quicksand of fickle alliances between unstable party groupings, with frequent changes of government. Long overdue reforms, such as a radical overhaul of the electoral system and the laws controlling political corruption, have suddenly come onto the real agenda. Japan has a socialist Prime Minister, something wildly unthinkable only a few months ago. Former ideological enemies find themselves in government together, while long-established parties dissolve themselves so as to merge into "new new parties". Truly, Japan is passing through interesting times.

Yet beneath the excitement, there is a strong feeling of *plus ça change, plus c'est la même chose*. It is difficult to discover convincing evidence that the method of governing has fundamentally changed. Bureaucratic power has hardly been dented by the ending of the Liberal Democrats' one-party dominance. Indeed the power of the ministries may even have been enhanced by the decline of the *zoku* system of control over policy by tight grouping of Liberal Democratic parliamentarians. Deregulation is on the government agenda, but proceeds at a pace hardly faster than it did before 1993. Corruption cases continue to receive prominence in the media. Political groupings and politicians jockey for influence, but within the context of a political spectrum narrower than ever before. Prime Minister Murayama's abandonment of many Socialist Party shibboleths of the past makes his party look like part of the Establishment rather than a radical alternative. Mr. Ozawa, the most radical proponent of reform, is out of office and his return looks uncertain. Even if he does make a political comeback, who can say that he will be able to realise his reformist policies?

What, we may ask, is really going on? Are the politics of Japan undergoing a transformation of substance or merely of form? It may be easier to answer these questions if we make a brief comparison between the politics of Japan and Italy. There are some curious parallels between the political histories of the two countries since 1945. Both have experienced long periods of one-party dominance; Japan by the Liberal Democrats, and Italy by the Christian Democrats, though arguably the dominance has been more complete in the Japanese case. The dominant parties in both countries have institutionalised internal factionalism, which became the crucial mechanism for power-broking in the absence of alternation in office. In both, political corruption became endemic and "structural", even if the mechanisms of corruption were rather different in the two cases. Italy and Japan have both seen major Opposition parties regarded by the Establishment as essentially "anti-system": the Communists in the case of Italy, the Socialists and Communists in the case of Japan. In both countries the system started to break down in

“ the new politics is far from solving the problems that need remedy ”

the early 1990s, with somewhat parallel causality: the end of the Cold War removed certain constraints that had bound the old system together.

The differences between the Japanese and Italian cases are equally instructive. First, Italy is much more regionally diverse than Japan. A major feature of Italian politics in the 1990s is the emergence of the Lombard League as a key political actor, and this is a purely regional party. It is difficult to imagine a specifically regional party becoming prominent in contemporary Japan. Second, political change in 1990s Italy involved replacing the political class to an extent unimaginable in Japan. Third, whereas in Japan the bureaucracy was able to hold the system together when one-party dominance collapsed, the Italian bureaucracy was far less efficacious in all fields, and far more prone to corruption.

It seems possible to conclude that political change in Italy has already gone much further than in Japan, though in Italy as well the new politics is far from solving the problems that need remedy, including those of corruption. In Italy, as in Japan, there is massive disillusionment with politics and politicians, and a feeling that solutions are not likely to come from politicians.

In the Japanese case, the most important task in the medium term may well prove to be that of decentralisation. By comparison not only with Italy, but also with many other states, the political and governmental system of Japan has been extremely centralised, with all roads leading to Tokyo. The costs and distortions which this has brought about have been great, and a more dispersed distribution of political and economic power to the regions would bring great benefit. There are signs of progress towards such a goal, but much more needs to be done. This is not only a Japanese problem, since it can be observed in France, Britain, South Korea and elsewhere. For Japan, however, the need for a geographic dispersal of power is at the root of the problem of consolidating a fully working and reasonably participatory democracy.



Professor Stockwin (right) and Professor Banno, Director of the Institute of Social Science, during Professor Stockwin's recent visit to the Institute.

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The Politics of Tax Reform and Fiscal Decentralization

Andrew DEWIT



Andrew DEWIT is a doctoral candidate at the University of British Columbia, Canada. He is currently a Foreign Researcher at the Institute of Social Science, University of Tokyo. Electronic mail to: dewit@iss.u-tokyo.ac.jp

The late 1980s saw a tendency to downplay the role of bureaucratic power in the Japanese political economy, and assert instead a variety of hyphenated pluralisms. More recently, rational choice works have depicted the bureaucracy as dutifully trotting at the heels of the political class. By contrast, I argue that a more nuanced institutional analysis is required for analyzing bureaucratic power.

The Socialist-LDP-Sakigake coalition government ratified a tax reform package on 22 September, an objective that had eluded the previous coalitions. The reform includes a two-stage income-tax cut compromising a ¥3.5 trillion broadening of tax brackets as well as a ¥2 trillion fixed cut that may be curtailed two years hence. The trade-off for the permanent cut is an April 1997 increase in the consumption tax to 5%, which is a compromise between the 7% rate that MOF had been aiming for and the current 3% levy. Moreover, 1/5 of the revenues of the 5% consumption tax will be transferred directly to the coffers of the local states, in the form of a Local Consumption Tax (LCT).

The tax reform bill seeks to offend the fewest possible interests among the governing coalition's supporters. Hence it does little or nothing to close loopholes opened on behalf of corporate and small business interests.

For many observers, this continuation of an untidy tax regime represents a loss for the Ministry of Finance (MOF). But they forget that MOF has always shown a willingness to compromise on elements outside the core of its agenda. This bill advances the ministry's long-range goal of reducing both corporate and personal income taxes and filling in the revenue gap with a higher consumption tax.

The Sleeper Issue: The Local Consumption Tax

The focus on the income-tax reform obscured a decision of potentially greater fiscal and political significance, one that involved considerable bureaucratic infighting but limited attention from political actors. This was the Ministry of Home Affairs' (MOHA's) struggle for the LCT.

An independent revenue base for the local authorities has long been proposed as an important means to decentralize power in Japan. The issue became salient again last fall when prefectural governors pushed MOHA to act, because of the precipitous drop in their revenues from the Heisei recession.

Local authorities account for 2/3 of government sector spending in Japan but collect only 1/3 of total revenues. The revenue gap is mostly filled by central state transfers of much of the proceeds of the consumption tax and portions of other taxes. But prefectural governors and their allies argue that this system gives MOF excessive control over local affairs. These local authorities thus desire an LCT in order to reduce their reliance on MOF as they cope with the increasing fiscal burdens of the ageing society.

“The Ministry of Home Affairs is hardly the white knight of local autonomy”

But MOHA is hardly the white knight of local autonomy; its primary goal is to expand its bureaucratic authority. MOHA controls prefectural governors and mayors through supplying their secretariats and via its OB networks, but its power is constrained by the system of *tatewari gyōsei* (vertical administration). In this system, central state ministries control their respective administrative areas at the local level: e.g. the Construction Ministry has the determining influence over public works at the local level.

MOHA's real aim for the LCT was evident last spring in the ministry's proposal to the Government Tax Reform Commission. MOHA sought a rigid model of fiscal control over the local authorities, a plan that sharply contrasted with its ostensible goal of decentralization.

Further complicating the issue are intra-ministerial splits over the LCT. MOHA's Tax Bureau strongly favours the LCT as a means of expanding its authority. On the other hand, the Finance Bureau controls revenues from the Consumption Transfer Tax, which will be eliminated after the enactment of the LCT.

MOF is also split. Though the press suggests that MOF as a whole opposes the LCT, the Budget Bureau does not. The Budget Bureau wants to cut central state expenditures, including subsidies and transfers to local governments. The MOF Tax Bureau, on the other hand, opposes the LCT because it does not want to lose control over part of its bureaucratic turf.

The internal split in MOF helped produce a compromise on the LCT. So did MOHA's ability to organize an impressive coalition including ranking politicians and the most powerful interest group in the Socialist Party, the Local Employees' Union. Moreover, the current Minister of Finance, Takemura, as a former principle of MOHA, had the contacts and capacity to encourage a compromise on both sides.

The compromise addresses the institutional interests within both ministries. While the MOF Tax Bureau loses some control in the consumption tax field, collection remains in the central state. The Budget Bureau, meanwhile, sees some advance in the local authorities' capacity to fund themselves. Within MOHA, the Finance Bureau loses the Consumption Transfer Tax, but obtains in return an increase in the consumption tax element of the Allocation Tax. MOHA's Tax Bureau does not get the completely independent revenue base for local governments that it sought. But the new tax will enhance local authorities' capacity to plan their development, and this in turn will expand the powers of the Tax Bureau.

Of major significance for political studies of Japan is the fact that an important structural change in the tax regime came about because of bureaucratic initiative. The precise character of the shift owes far more to the interests of the bureaucratic agencies involved than to those of outside economic or political actors. Indeed, only the bureaucrats appear to understand the implications of the LCT for the future structure of the Japanese state. □

FURTHER READING:

KISHI Nobuhito, 『大蔵 v 武村 :
税制 300 日戦争』 (MOF vs

Takemura: The 300 Day Tax War),

Bungei Shunjū, November 1994.

JINNO Naohiko, 『「日本型」税・
財政システム』 (The Japanese-

style Fiscal System), in OKAZAKI

Tetsuji and OKUNO Masahiro, eds.,

『現代日本経済システムの
源流』 (The Roots of the Contempo-

rary Japanese Economic System),

Nihon Keizai Shimbunsha, 1993.

The Contemporary Japan Group

In June 1994 the Contemporary Japan Group (Kokusai Gendai Nihon Kenkyūkai) was launched as a research group of the Institute of Social Science. Its aim is to promote international research cooperation by becoming the nucleus of a new network of social scientists with an interest in Japan. By this means the Institute is better able to maintain its relations with its alumni and to increase its contacts with overseas scholars.

The Group serves as a forum to provide foreign researchers at the Institute with critical feedback on their work. It also often invites non-affiliated scholars to present their research. The Group's meetings are attended by ISS faculty and foreign researchers, and Japanese and overseas researchers affiliated to other institutions in the Tokyo area.

Information about forthcoming Group activities can be obtained by electronic mail from the coordinator Andrew DeWit (dewit@iss.u-tokyo.ac.jp), and from the Institute's WWW server (<http://www.iss.u-tokyo.ac.jp>). Researchers visiting Tokyo are most welcome to attend Group meetings.

Cornelia Hedwig KRIESEL

Free University of Berlin
21 June

Gender Issues in Japanese ODA

Stephan KUNZE

Free University of Berlin
26 July

Stock Market Intervention by the Ministry of Finance

Mark TILTON

Purdue University
9 August

Professor Tilton challenged the ostensible new reality of a deregulated and decartelized Japan. Tilton came for a several-month research stay at the Institute, thinking he would find evidence of the market-opening everyone speaks of. Instead, he interviewed numerous people in basic industries such as steel and cement who revealed that cartelization remains the case. Tilton emphasized the gap between American and Japanese views of the proper construction of a capitalistic marketplace. Look for his article in the Fall 1994 issue of *International Organization*.



Sven STEINMO

University of Colorado

Culture, Interests, or Institutions?

27 September

Professor Steinmo's talk was based on his award-winning book *Taxation and Democracy*. He outlined the historical institutionalist methodology he used in analyzing the surprisingly counter-intuitive tax structures found in the United States and Sweden. His talk also went into some of his more recent work, which employs institutionalist models to study industrialization, internationalization and the rise and decline of the income-tax-based tax state.

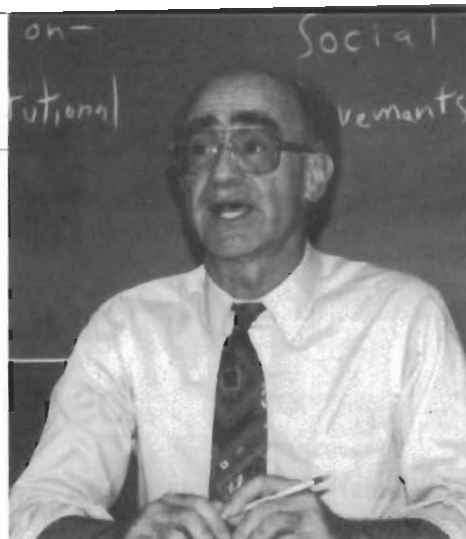
Sidney TARROW

Cornell University

The Europeanization of Conflict

6 October

Professor Tarrow's presentation was an overview of his recently initiated work on "contentious collective action." The background to this work is Tarrow's long interest in the relationship between social movements and the state. The new question concerns the character of political action by domestic interests whose state is constrained by the forces and structures of globalization; in this case, the network of obligations and regulations of the European Union. As Tarrow's research on the underlying politics of the recent "Tuna War" involving Spanish fishermen indicates, domestic interests are adapting their modes of action to deal with a larger sphere of politics. See Tarrow's article in the February 1995 edition of *West European Politics*.



Simon REICH

University of Pittsburgh

Comparative Political Economy of Multinational Corporations - Convergence in the 1990s?

21 October

Professor Reich's talk addressed the question of what "globalization" means through asking whether there is convergence in the behaviour of multinational companies. The talk was based on a report, published three days earlier, that he and Louis Pauly wrote for the US Congress Office of Technology Assessment, titled *Multinationals and the U.S. Technology Base*. They concluded that multinationals exhibit significant variations in their purchasing and production activities, and that these differences are rooted in their national political economies. Reich noted that the report offers a variety of possible policy responses for enhancing America's technological base, including a nationality-blind test of corporate contribution to the US. The report itself attracted considerable media attention in the US and Japan, along with the usual charges of "Japan-bashing."

FORTHCOMING

2 Nov Professor Alexander SCHULLER
Free University of Berlin

16 Nov Professor Martin KENNEY
Univ. of California at Davis

Rikki KERSTEN

Sydney University

War Guilt and War Responsibility

27 October

Dr. Kersten looked at how Japanese intellectuals have treated Japan's role in WWII. She finds that even progressive intellectuals avoid inquiring into society's responsibility for the war and its atrocities. Generally they blame the state, and especially its military arm, for the war, and define war responsibility as preventing Japan's entry into or initiation of future conflicts.



Tim GEORGE

Harvard University

Minamata to 1955: Sickness before the Disease

18 October

The Gender Revolution in Social Science

OSAWA Mari

OSAWA Mari is Associate
Professor at the Institute of
Social Science, University of
Tokyo

Six or seven years ago I would never have thought that I would become a researcher in women's studies. But now I am a feminist researcher concentrating on women's issues. And precisely because of that I'm not content to stick to "women's history" or "female labour studies". Instead, I am pursuing the goal of reconstructing Japanese social science, giving it a new dimension - "gender analysis". If you want a slogan, it goes something like "forward with the gender revolution in Japanese social science".

Last February I gave a paper at Duke University's *Conference on Labor and Labor Movements in the Postwar World: Settlements and Insurgencies*. What struck me at the conference was the almost universal recognition - even among elderly male researchers - that research on labor movements and labor history must take gender into account. I realized anew that Japanese labor researchers and social scientists must be constantly reminded not to ignore women workers and citizens in their areas. The word gender is still not part of the Japanese social scientist's vocabulary.

At the same conference, I was told that the broad recognition of gender in labor research in the US is only five or six years old. Before that, despite the vigor of the US women's movement and the burgeoning of women's studies, research on women's labor issues was confined to an academic ghetto of "specialist areas". "General" labor research was blind to all but male, and in particular white male, workers.¹

Japanese researchers on women's issues currently find themselves in a similar ghetto. Areas like women's studies are on the outer fringes of Japanese academe, where the quality of research is low. Young researchers are under constant pressure to address "fundamental" aspects of Japanese society. The fact that "fundamental" research on Japan concerns itself exclusively with men rarely crosses the minds of those advising junior academics on their careers. Tokyo University, where I have spent my academic career so far, is one of the strongest bastions of this attitude. That perhaps explains why I earlier had little interest in women's studies.

A turning point in my research came when I wrote a chapter in the Institute of Social Science's *Contemporary Japanese Society* series entitled "Women in Contemporary Japanese Society: Work, Family and Regional Issues". My chapter is the only one of nearly sixty to take women as its subject. If I hadn't written that chapter I doubt I would ever even have read about women's labor issues.

The problem was the central hypothesis of the *Contemporary Japanese Society* project, that contemporary Japanese society is "corporate-centered". In keeping with the Institute's tradition of Japanese Marxist economics and social analysis, the project ignored the gender issues of the workplace, the home, and society as a whole. (I was only to discover later that ignoring gender issues is not peculiar to Japanese researchers nor to Marxist methodologies).

1 Joan W. SCOTT, *Gender and the Politics of History*, Columbia University Press, 1988, was one of the works instrumental in bringing about the change in US research.

2 OSAWA Mari, 『現代日本社会と女性・労働・家族・地域』, Institute of Social Science, ed., 『現代日本社会』, University of Tokyo Press, Tokyo, 1991-92, vol., pp.. For an English translation of the main points of this chapter, see OSAWA Mari, "Corporate-Centered Society and Women's Labor in Japan Today," *US-Japan Women's Journal*, English Supplement, No.3, September 1992.

“patriarchal gendered relationships are at the core of Japan's productivity”

When I read the "mainstream" literature, I found nothing about the role of women, but when I read the literature on "female labor" I missed the overall picture. For example, the wage gap in Japan is huge compared to other advanced economies (the average Japanese man earns twice as much as the average Japanese woman). The fact that this gap has actually been increasing since the end of the 1970s is thought to be a uniquely Japanese phenomenon, but insufficient research has been done on the subject. In addition there is the problem of the difference in wages between large and small companies, which is intimately related to the "uniquely Japanese" *keiretsu* and sub-contracting structures. However, the Japanese Ministry of Labor's white papers only provide data on the wages of male workers in manufacturing industry, while the same ministry's *Annual Reports on Female Labor* make no mention of the wage gap between companies on different rungs of the *keiretsu* ladder.

In "Women in Contemporary Japanese Society", therefore, after pointing out the weaknesses of the "corporate-centered" approach, I attempted to clarify the problems of the male-female wage gap and of job segregation, and to outline the gendered polarization of family roles. My point was that the role of women is not a minor, fringe problem in Japanese society, but that patriarchal gendered relationships are at the core of Japan's productivity.

After finishing "Women in Contemporary Japanese Society", I set about writing a paper for the 84th Meeting of the Society for the Study of Social Research. The paper, called "Contemporary Female Labor and Social Policy", was to take stock of the Society's research on women's labor.³ Working on this project convinced me that conventional labor research, with its ghettoization of women's issues, needs to be questioned. The conference paper reviewed earlier work on women's labor and concluded by calling for an end to research on women's labor *per se* in favour of gender-aware research on labor.

Towards this end, I wrote a book called *Beyond the Corporate-Centered Society: A Gender Analysis of Contemporary Japan*, in which I was able to develop more fully the arguments touched on in "Women in Contemporary Japanese Society".⁴

The book also went further, arguing that postwar Japanese social policies all assumed, and reinforced, a basic division of labor between the sexes. Moreover the so-called reforms of the 1980s (aimed at establishing Japan as a new type of "welfare society"), increased the gender bias and further strengthened the corporate-centered society.

Soon after returning from the Duke Conference, I was awarded the Yamakawa Kikue Prize for Research on Women's Issues for "Beyond the Company-Centered Society". Was it chutzpah, or mere chance, to be awarded this prize, as I had called for an end to research on women's labor and made no secret of my lack of intention to stick to women's studies? Whichever, I accepted the prize with gratitude on behalf of all those engaged in the great task of bringing about the gender revolution in Japanese social science.



- 3 For an outline of the papers given at the Society's 84th Meeting, see
『社会政策学会年報第37集』
「現代の女性労働と社会政策」
("Contemporary Female Labor and Social Policy"; *Annals of the Society for the Study of Social Policy*, No.37), Ochanomizu Shobô, 1993.
- 4 OSAWA Mari, 『企業中心社会を超えて—現代日本をくジェンダー—で読む』 (Beyond the Corporate-Centered Society: A Gender Analysis of Contemporary Japan), Jiji Tsûshinsha, 1993, ISBN 4788793245. The paper I gave at the Duke University Conference was a summation of this book. The Duke paper has been published as OSAWA Mari, "Bye-bye Corporate Warriors: The Formation of a Corporate-Centered Society and Gender-Biased Social Policies in Japan", *Annals of the Institute of Social Science*, No.35, March 1993.

Reductionism in Institutional Studies of Japan

E.B. KEEHN

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Political science has never been a particularly tidy field. In the postwar world it has tended more toward "shared intellectual habits"¹ than a coherent academic discipline. Differing research methods and theories have coexisted in a state of useful tolerance, providing a varied set of tools to fit the peculiarities of almost any research problem.

Recently, however, political science has begun to favour a rather austere reductionism in its methods. Reductionism has always been necessary in the social sciences, but taken to extremes it can place an unnecessary intellectual distance between researchers and their subjects.

Assumptions about LDP stability led rational choice analysts to ignore the strains within the LDP since the Recruit scandal of the late 1980s. Even as the LDP was in the final stages of losing its one-party hegemony, specialists were explaining the mechanisms that would keep the LDP in power.

A better understanding of Japan's political institutions could have prevented this error, but it would have required dispensing with the intellectual distance imposed by rational choice models. For example, quasi-permanent political institutions with a history of successful insulation from disruptive external forces behave in predictable ways. Experience shows that the less vulnerable they believe themselves to be, the less likely they are to monitor and learn from their environment. This situation stems from routines and attitudes which produce an active disinterest in new information. In essence it is an organized failure of rationality and, as the LDP has discovered, it has potentially serious consequences for institutional continuity.

Theories of choice which assume that institutions are straightforward collectivities of rules, inherently capable of change in response to new strategic challenges, impose yet other constraints on institutional analysis. Assumptions of relatively unrestricted choice often overlook limitations created by informal rules and norms. Some of these practices and beliefs take on the status of legitimizing ideologies. The result can be a set of inherited institutional limitations that impedes self-directed change.

Research agendas based on concepts of choice, bounded or otherwise, also risk imputing choice where it does not exist. As March and Olsen point out, one of the basic tasks of any political system is to convince itself and others that its leadership controls, or at least manages, policy. While this is "difficult to confirm using the kinds of data routinely generated in a confusing world....the belief is important to a political system."² This sets up the problem of separating imagery and symbolism from substantive action. Models which conflate political action with strategic choice are incapable of distinguishing between symbolic processes and substantive decisionmaking.

In governmental systems where even the question of who exercises power remains contentious, it can be particularly difficult to know

¹ This phrase is borrowed from John DUNN, *How Politics Limits Markets: Power, Legitimacy, Choice*, typescript, King's College, Cambridge University.



“ *Political science is increasingly biased against research without a preordained set of theoretical conditions* ”

when symbolism is masquerading as political "choice." The inability to differentiate between the two is one reason there is still no scholarly consensus on whether politicians, bureaucrats, or some other group leads in Japan – or indeed, whether there is any leadership at all (as traditionally defined).

There are several under-researched areas where new work may create fresh approaches to the study of the Japanese governmental system. One reason these areas have generally not been mainstream research topics might be the increasing bias political science has against research without a preordained set of theoretical conditions.

We still know far too little about the systematic methods bureaucrats use to create public policy space for themselves and their clients. Incredibly, even the implications of that most hackneyed of all models – *Japan, Inc.* – have never been adequately explored. Research is needed that analyses the inner workings of relations between politicians and bureaucrats, between bureaucrats and their clients, and between industrial associations and politicians. Empirically derived models which link these relationships together and function across a range of issues are few, even though debates on industrial policy have been at the centre of heavily funded research on the Japanese governmental system for the past decade.

Similarly lacking is in-depth research on Japan's most widely discussed bureaucratic office, the Ministry of Finance. There has been a bias against examining this ministry as an institution with a coherent organizational life. MOF, the old saying goes, is not a ministry at all. It is just a collection of autonomous bureaus. Yet observers have noted for years that MOF's internal coordination is one of the most important undeveloped subjects in Japanese politics.

There is also a dearth of research on the internal workings, norms, and inter-institutional relations of the Ministry of Justice and the National Policy Agency. This despite the influence these offices have over the rest of the governmental system and the health of civic society.

There is surprisingly little theoretical interest in the institutional weakness of Japan's prime ministership and the cabinet system in general. The importance of this subject can no longer be in doubt since it is clearly a problem which cuts across all party and coalitional lines. Japan's weak prime ministership remains one of the basic conceptual stumbling blocks for comparativists, students, and policy makers in foreign governments.

We still need a model which convincingly explains the prevalence of political corruption. Corruption has been part of Japan's political system for generations, yet few political scientists have researched it in depth despite rich comparative possibilities with Europe, the United States and industrialized Asia.

These are a few areas where contributions are needed towards increasing our understanding of the organizational factors which determine the internal operations of Japan's political institutions. However, we must avoid assumptions that, *a priori*, close off critical lines of enquiry.



- 2 James G. MARCH and Johan P. OLSEN, *Rediscovering Institutions: The Organizational Basis of Politics*, The Free Press, New York, 1989.

Beyond Exceptionalism

In the Study of Japanese Political Economy

Yul SOHN



Yul SOHN is a Japan Foundation fellow, and currently a Foreign Researcher at the Institute of Social Science, University of Tokyo.

An important question in comparative study is whether the qualities that make countries unique are unique. This research note examines exceptionalism in studies of the political economy of Japan, and goes on to suggest an alternative approach to the interpretation of the Japanese state-firm relationship.

Mainstream work on Japanese political economy generally starts with William Lockwood's Gerschenkronian account, which claims that countries can dramatically improve their position in the international division of labor by making political and institutional adaptations. The Japanese case illustrates this extremely well: analysts such as Lockwood, Johnson, Murakami and E.H. Norman point to Japan's exceptionally successful form of continuous adaptation.¹ This view paints Japan as having developed a highly centralized system of interaction between state and firm, the common metaphor for which is the "seamless web" rather than "a steamlined pyramid of authoritarian control."

These accounts hold that this state-firm system, by means of which Japan was able to exploit Gerschenkronian advantages to an extent that few others could, is what makes Japan unique. The question is: what are the sources of these institutions? For Johnson, the "smart state" elicits private support and produces the web whereas Lockwood and Murakami eschew orthodox statism and point to the uniqueness of Japanese human resources, aptitudes, and group-oriented values (*shûdan shugi*). If *shûdan shugi* is understood as declaring that the pursuit of the group's maximum utility is the same as for the individual, this argument faces the problem of how new groups break away from pre-existent group commitments to pursue different goals. The answer implicit in all these accounts is that exceptional leaders emerged. When the existing ruling blocs failed to resolve domestic and external problems, men of exceptional qualities (such as MITI men Yoshino Shinji, Kishi Nobusuke and Sahashi Shigeru) emerged at the critical moment to form new groups, and pursue their longer-term goals with great efficiency and minimal friction.

In summary, the Gerschenkronian generality lying behind the prevailing accounts of Japanese political economy betrays a powerful exceptionalism. This exceptionalism stresses the roles of outstanding leadership qualities and/or cultural values in forming Japan's unique state-firm relations. All the proponents of this view treat the state-firm relationship as a fixed set of relations and structures (i.e., a stable power equilibrium among ruling elites). In so doing, this view unwittingly fuses state and firm, and thereby gives the false impression that certain institutional forms of the state-firm package are necessary for industrial growth.

My alternative explanation dispenses with exceptionalist explanations of the Japanese political economy. In contrast to the seamless-web, my argument emphasizes the conflicts which arise from the modern state's political and institutional expansion into areas of economic activity.

1 William LOCKWOOD, *The Economic Development of Japan*, Princeton University Press, Princeton, 1954.

Chalmers JOHNSON, *MITI & The Japanese Miracle: The Growth of Industrial Policy, 1925-1975*, Stanford University Press, 1982.

MURAKAMI Yasusuke, 『新中間大衆の時代』 (The Age of the New Middle Mass), Chûô Kôronsha, Tokyo, 1984.

E.H. Norman, *Japan's Emergence as a Modern State*, Institute of Pacific Relations, New York, 1940.

“ my argument emphasizes the conflicts which arise from the modern state's expansion into areas of economic activity ”

The state organizes these areas, mobilizing private resources in order to secure political authority, and thereby provides new opportunities for and constraints upon private market actors (à la Polanyi).² In these new markets we observe tension between the pursuit of political efficiency (that is, the state's capacity to reduce uncertainty about the political future) and economic efficiency (that is, the state's capacity to reduce transaction costs arising from market inefficiency or failure.)

My current research analyzes the petroleum market from this perspective. In the case of petroleum, the state's pursuit of political efficiency has included artarkic industrial development, while the private sector has sought stable business conditions less vulnerable to the vagaries of the world system. The process of institutionalizing the power-sharing relationship between state and market, I hypothesize, has been consistently shaped by the state's efforts to take politically important (or sensitive) issues out of the political arena and into the administrative arena. By this means institutional frameworks have been created which give free rein to competing private firms within confined agendas.

State and firms, therefore, seek different kinds of efficiencies in market intervention, and the political processes through which they interact are complex, presenting a picture of seams and cracks rather than of coherence and unity. Tracing these processes in particular Japanese markets is a potentially useful approach to the Japanese political economy, and may help to raise the currently trivial level of debate over supposed Japanese uniqueness.

2 Karl POLANYI, *The Great Transformation*, Beacon, Boston, 1947



ANNOUNCEMENT

Association for Asian Studies Annual Meeting 1995

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| Mark TILTON: | "Has Stricter Anti-Monopoly Law Made Japan a
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| Robert BULLOCK: | "Explaining Rice Market Liberalization in Japan" |
| KATO Junko: | "What Went Wrong with the LDP?: A Critical Appraisal
of the Party's Organizational Adjustments" |
| HIWATARI Nobuhiro: | "Socio-economic Reforms and the Waning of
Opposition in Japan" |
| E.Barry KEEHN | Discussant |

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Researching Asia from Japan

Malcolm FALKUS

The opportunity to visit the Institute of Social Science for the five month period April-August 1994 was, for me, most welcome. I was well aware of the Institute's fine reputation and the breadth and depth of research undertaken, and I had previously established contact with the Institute during an earlier position at the Department of Economics in 1981. I was on friendly terms with several faculty members and, above all, was well acquainted with Associate Professor Suehiro Akira, one of the foremost specialists in Thai economic history, and a scholar whose work is well-known to Southeast Asian specialists all over the world. Professor Suehiro's interests very much coincide with my own, and it was on his initiative and with his support that I received the invitation to become a Visiting Professor. The major purpose was to continue work I have been doing towards a book on the general economic history of Thailand since the early 19th century and to study more particularly the economic development of Bangkok.

Not until I arrived at the Institute did I realise there was something unusual about a visiting scholar researching a non-Japanese subject. All other of my fellow visitors at the time were Japanese specialists and had (it seemed to me) mastery of the Japanese language. Most seemed surprised to find a colleague from overseas working on a non-Japanese topic from non-Japanese sources. The editor of *Social Science Japan* has even invited me to contribute these notes, to show the rationale for such research at the Institute.

Let me begin with a very general point. No-one should be surprised that Japanese scholarship has an extensive and increasing interest in Thailand. Relations between the two countries have been long and friendly, while economic links between them have also evolved over a long period. During the recent period of Thai industrial expansion Japan's economic interests have become strong indeed. Thailand takes more Japanese foreign investment than any other Southeast Asian country, and in the late 1980's nearly half of all Thailand's soaring imports of foreign capital came from Japan. At the same time, Thailand's extraordinarily high rate of economic growth from 1986 attracted intense interest and analysis from Japanese economists. Thailand's proximity to Japan, its rice culture, and Buddhist traditions have all been positive factors encouraging Japanese interest in the country.

Moreover, in the general discipline of economic and social history, Institute scholars have contributed in diverse international areas, including Soviet and East European studies, West European development, and Britain's industrial revolution. There has also been a distinguished record of work in comparative economic history. It seems to me self-evident that foreign scholars can do fruitful research into such non-Japanese fields at the Institute.

As far as Thai economic history is concerned, Professor Suehiro Akira himself, along with his postgraduate students, and the library materials he has been collecting (which include microfilm collections of early

“ some of the most original and ambitious work on Thailand is being undertaken in Japanese universities ”

newspapers and journals, as well as nineteenth and early twentieth century directories and other material) provide a most invigorating climate for work on Thai economic history. Second, library collections elsewhere in Tokyo have valuable material available to visiting researchers. These include the Institute of Oriental Culture at the University of Tokyo and the Institute of Developing Economies. Third, some of the most original and ambitious work on the economic history of Thailand is being undertaken in Japanese universities. Professor Suehiro is not alone. Professor Ishii Yoneo at Sophia University is another scholar with significant contributions to the subject, while a cluster of other Japanese academics in various institutions ensure that interest in Thailand's historical development continues to flourish.

Such a research environment in Japan, and general interest in the subject, has two more consequences. First, leading Thai scholars are attracted to Japan to research and to teach, and I was privileged to meet a number of them during my visit. Also, widespread interest in Thai economic history (and Southeast Asia generally) results in regular seminars and conferences attended by Japanese and Thai academics and other visitors. These forums bring together scholars working in similar fields and I am sure such co-operation will increase in future years.

In short, the research environment provided by the Institute for work in Thai economic history is intellectually stimulating and rewarding. Library facilities and the opportunities to meet others working in similar areas help make the Institute an ideal place for a research visit, as are the general academic interests and enthusiasms of the Institute's faculty. The common interest in the social sciences shared by us all made for easy communication, and I learned much from my colleagues both in informal contact and at faculty seminars. The Institute is a most receptive place for researchers even in non-Japanese topics and I am convinced that many other researchers in such subjects will discover, as I have done, how much the Institute has to offer.



ANNOUNCEMENT

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Using In-Depth Interviews

to Find Out How the Japanese Economy Really Works

Mark TILTON

Among the most important questions for researchers of contemporary Japanese society are how much the economy is changing and whether Japanese markets have become truly competitive and open. The evidence is mixed. On the one hand one can point to a certain strengthening of the Anti-Monopoly Law, the opening of a significant number of discount stores and a decline in prices of many consumer goods. At the same time, however, informal practices still maintain cartels and block access to Japanese markets.

It is difficult to get honest information about informal barriers to trade and restraints on competition, but not impossible. Official sources are cautious about the information they will divulge. And it is difficult to imagine that an anonymous survey sent out to randomly selected companies with questions like:

Does your firm discriminate against imports or participate in price cartels?

would produce honest results. But with careful preparation, in-depth interviews with business people can give you the data you need to understand how the Japanese economy really works.

Preparing for the Interview

First you need to prepare for interviews by gathering enough information from official sources to know what to ask and to give you some authority in the interview situation. A few good sources:

- **Nikkei Telecom**, a newspaper article database (in Japanese) is a fast way to zero in on articles on a narrow topic. Although this service covers a wide variety of periodicals, the four *Nikkei* papers offer the most information on the Japanese

economy. The *Nikkei Shinbun* newspapers are generally careful not to report blatantly illegal price-fixing or import restricting practices because (according to one newspaper reporter I spoke with) they are afraid their sources will dry up. Nevertheless, they often hint at the open secrets of informally controlled markets in Japan and provide a good basis for further questions. *Nikkei Tele-*



com is rather expensive to use, but many research institutes have it and may make it available to you.

- **Nenkan** (annuals) usually are not as hard-hitting even as the *Nikkei* newspapers, because their editors are even more dependent on the industries they cover. But they do offer a focused look at particular industries or sectors of the economy and can fill you in on the general knowledge you need.

- **Shashi** (company histories) or trade association histories can provide this kind of general background in more historical depth.

- **Bureaucrats**. In my experience, bureaucrats (especially those in strongly internationally oriented bureaus) are far too aware of legal niceties to ever tell you much of what is really going on; however, they turn out reports and statistics in prodigious quantities and are often very helpful at explaining formal policy.

- **On Price Statistics**. If you're trying to find out about whether markets are competitive, you may want price data, which are often hard to get. A quick suggestion: go to your trade association first. They often (even officially) keep good track of price data.

The Interviews

Now, having read about your markets and thought of some questions, you're ready for your interviews. How to approach them and get people to tell you about informal (and perhaps illegal) market governing practices?

There is a strong sense of the importance of maintaining *tatemae* (the official story) and obscuring *honne* (the actual truth) in Japanese markets. Some people will tell you the truth, though. If you've done your homework, by the time you get to the interviews, you often will just need to have people confirm or embellish what you've surmised from reading published sources. Advance preparation will also convince your interviewers that there's no point in going through the *tatemae* litany. Also, people will tell you about informal practices because many people in business believe they're morally valid. They don't see anything fundamentally wrong with arrangements that raise prices or block imports because they see these measures as protecting Japanese employment and economic vitality. For example, I recently spoke with someone whom one would suppose to embody the quintessence of international Japanese business, a top executive in charge of exports for a major Japanese shipbuilding firm, who had spent many years selling ships in the West. He told me his company didn't buy Korean steel, even though cheaper than Japanese steel and of fully adequate quality, in large part because

“don't feel guilty about cajoling people into disclosing illegal activities”

鉄は国家なり

("steel is the state") and,

If the steel industry gets weak, Japan will no longer be able to develop.

Many in business really believe that high prices and no imports in key industries are good for Japan.

The best way to set up interviews is with introductions by someone who knows you and the prospective interviewee well and can thus help establish an atmosphere of trust. Don't despair, though, if you need to rely on more distant introductions - such interviews can also prove quite useful.

Schedule the interview at a time where there might be leeway for your interviewee to stretch out the time if he/she is especially happy to talk. This would be more likely the case for a senior executive than for a junior employee under close time restraints.

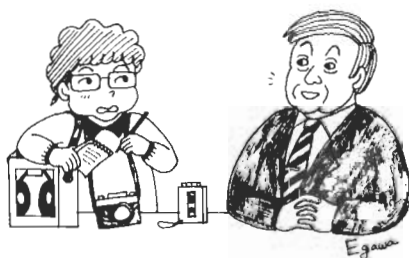
The guiding principle for effective interviewing is to make you interviewee as comfortable as possible. A few techniques:

☛ Try to put yourself in your interviewee's shoes and think about how the market looks to him/her. Start out with softball questions, in which you express sympathy for the difficult market situation the firm finds itself in. Bring up sensitive questions in as sympathetic a way as possible:

It must have been an awful blow to have those imports come in just when excessive competition was being brought under control. Was there anything the industry could do to respond?

☛ I never use a tape recorder, but simply take notes during the interview. This is partly to seem less intimidating and partly because it is less work to go through the interview notes than it would be to go

through tapes of what are sometimes two or even four hour interviews. Immediately after the interview I go through my notes to make sure everything is clearly written out while the materials is fresh in my mind. If you lack confidence in your ability to understand the interviewee accurately, you might weigh the trade-off in favor of taping the session, however.



☛ Be prepared for the unsuspected. I recently had a telephone interview with a materials buyer for a major car company that started off with unpromising platitudes about how the company always looks for the best quality steel at the best price. I wasn't expecting too much, because I figured I wasn't going to be able to create an atmosphere of trust in a brief phone call to his noisy, crowded office. But in the middle of the conversation, after I had thrown him a couple of particularly thorny questions about price-fixing in the petrochemical industry, all of a sudden he said,

ゲスしてください ("Guess"),

which after a couple of repetitions I figured out meant he wanted me to guess, "Deep Throat" style and have him answer "yes" or "no". He confirmed everything I suspected.

☛ A word on ethics. Don't feel guilty about cajoling people into disclosing illegal activities. The only way Japan and the countries it trades with are going to resolve their trade problems is if people on all sides can come to an understanding about how each others' economies really work.

However, don't cite people's personal or company names anywhere or reveal enough about them or the company to identify them. There's no point in getting individuals in trouble because they were kind enough to be honest with you.

Finally, although going through the newspapers and *nenkan* is tedious, doing the interviews and uncovering the secrets is fun. Look for the humor in the amusing little market arrangements you'll uncover and the silly explanations you get for them. For instance my informant in materials purchasing at the auto firm, who had worked for the firm for a couple of decades, confirmed that his company does indeed pay a margin of 20% or so above the market price for Japanese steel. When I asked him why, he said,

You know. I have no idea. I've never thought about it... It's ridiculous isn't it?



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Recent Books by ISS Research Groups

In addition to their individual research and work on the Institute's large joint research projects, the faculty of the Institute of Social Science are also actively engaged in group research. 27 research groups are currently active, their participants varying in number from fewer than ten to more than fifty. Researchers from other Japanese university departments and from overseas universities play an active role in the groups. As well as organizing seminars and conferences, the groups frequently produce research for publication; five recently published books stemming from ISS group research are introduced here.

たこくせきぎぎょうけんきゅうかい
多国籍企業研究会

*Japanese Multinational
Enterprise Study Group*

Contact:

ABO Tetsuo, Institute of Social Science

* See also ABO Tetsuo, ed., *Hybrid Factory: The Japanese Production System in the United States*, Oxford UP, 1994
ISBN 0-19-507974-4

にほんてきけいせいせい
『日本的経営・生産システムとアメリカーシステムの国際
移転とハイブリッド化』

(Japanese Management and Production Systems and the
United States - International System Transfer and Hybridization)

ABO Tetsuo, ed. Minerva, 1994. ISBN 4-623-02422-9

Institute of Social Science Research Report #52

An explanation of the role played by Japanese management and production systems in contemporary American economy and society. Based on extensive research of "hybrid factories" - Japanese transplants in the US and American-owned factories which have adopted Japanese systems - the book investigates the issues raised by Japan's overseas manufacturing investments, such as: How have American managers and employees accepted Japanese systems? How are Japanese systems affecting the recovery of American industry?

せんごかいかくきのうぎょうもんだい
戦後改革期 農業問題
研究会

*Postwar Agricultural
Reforms Research Group*

Contact:

NISHIDA Yoshiaki, Institute of Social
Science

せんごかいかくきのうぎょうもんだい
『戦後改革期の農業問題』

(Japanese Agriculture and the Postwar Reforms)

Nishida Yoshiaki, ed.

Nihon Keizai Hyōronsha, 1994. ISBN 4-8188-0702-8

Institute of Social Science Research Report #51

Analyses to date of agricultural problems during the postwar reform period have concentrated on the land reforms, neglecting the question of the food supply which was of greatest concern at the time. Similarly, studies of farmers' union activity have argued that activities increased as farmers demanded land reforms, and then declined when the reforms made farmers into small landowners.

This book departs significantly from the prevailing wisdom, arguing that the greatest problems confronting Japanese society during the reform period were those of food production and distribution, and that the rise and fall of the farmer's movement is better explained in terms of the worsening and subsequent improvement of the food supply. It attributes the comparative speed and depth of Japan's agricultural land reforms to the drastic fall in farm rents. Declining rents meant that both landowners and tenants were in favor of reforms, and disagreed only on how strictly the reforms should be carried out.



ろうどうもんだいけんきゅうかい

労働問題研究会

Labor Research Group

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ろうしかんけい ひかくけんきゅう

『労使関係の比較研究』

(Issues in Comparative Industrial Relations: Japan and the OECD Countries)

ISHIDA M., INOUE M., KAMII Y., and NITTA M., eds.

University of Tokyo Press, 1993. ISBN 4-13-056041-7

Institute of Social Science Research Report #47

A series of bilateral comparative analyses of industrial relations in Japan and in the UK, the US, Germany and France, focussing in particular on efficiency management, team concepts and wage systems. Global changes in industrial relations are explained through the concepts of flexibility and commitment. The result of a joint project by the Labor Problems Research Group and W. Brown and P. Marginson from the UK.

としき とちりよう

都市的土地利用の

そうごうけんきゅうかい

総合研究会

Urban Land Use Research Group

Contact:

INAMOTO Yonosuke, Institute of Social Science

しゃくちしゃっかほう

『コンメンタール借地借家法』

(Commentary on the Land and Housing Lease Law)

Institute of Social Science, Tokyo, 1991. ISBN 4-535-58107-X

Institute of Social Science Research Report #49

This work has become the most widely used guide to the Land and Housing Lease Law in Japan.

The General Research Group on Urban Land Use undertakes interdisciplinary, interprofessional research on the policy, legal and economic aspects of urban land use. It holds specialist subgroup meetings, monthly plenary sessions and frequent public symposia.

The group aims to assist overseas researchers through its extensive network of connections with Japanese public and private research institutions in the fields of urban, land, housing and environmental problems.

To mark the disbandment of the group in 1995, a series of public symposia is being held, starting October 1994. A highlight of the series is the *International Symposium on Comparative Land Use Research*, to be held in Taiwan, 18-22 February 1995. Contact Inamoto for further details.

げんだい とし ほう けんきゅうかい

現代都市法の研究会

Contemporary Urban Law Research Group

Contact:

HIROWATARI Seigo, Institute of Social Science

げんだい とし ほう

『現代の都市法—ドイツ・フランス・アメリカ』

(Contemporary Urban Law in Germany, France and the United States)

HARADA Sumitaka; HIROWATARI Seigo; YOSHIDA Katsumi; KAINO Michiatsu and WATANABE Shun'ichi, eds.

University of Tokyo Press, 1993. ISBN 4-13-036101-5

Institute of Social Science Research Report #48

This comparative study aims to identify the basic principles of "urban law" in three western countries in order to develop a general model of legal systems of public control over urban space, and to establish a framework for examining the major legal problems facing cities today. It examines several key elements common to urban legal systems, including the precise nature of the "community" which urban law aims to create; the use of planning systems as control measures; the legal character of property rights and their limitation by urban planning. This study provides a valuable theoretical basis for examining Japanese urban law.

The Contemporary Urban Law Research Group contains, in addition to legal studies researchers, specialists in urban planning, architecture and economics.

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