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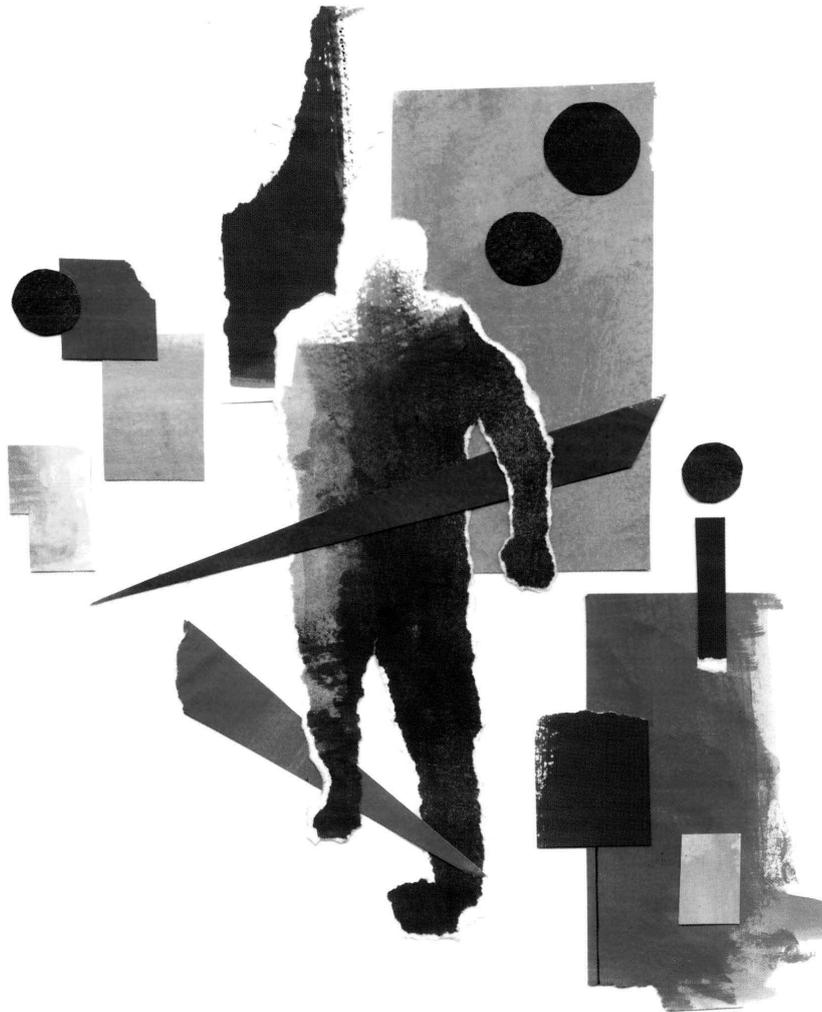
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Beyond the Lost Decade

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Cover Photo

The cover print of *Beyond the 'Lost Decade' Volume 1: The Lessons of Economic Crisis* (University of Tokyo Press).

Back Cover Photo

The cover print of *Beyond the 'Lost Decade' Volume 2: The Koizumi Reforms* (University of Tokyo Press).

Editorial Notes*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. Toyotomi Hideyoshi, and in Western names the family name is given second, e.g. George Bush.

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One year ago, in the March, 2005 issue of *Social Science Japan* (No. 31), we introduced some of the findings of Shaken's institute-wide joint research project on 1990s' Japan: "The Lost Decade?" In this issue of *Social Science Japan* we continue with that theme, as well as announce and celebrate the publication of our two volume series, *Beyond the 'Lost Decade'* (University of Tokyo Press), which are based on the results of that project. In SSJ 34, five of the contributors to the series, including Shaken's Professors Kikkawa Takeo, Gregory Noble, Sato Iwao, and Matsumura Toshihiro, as well as Professor Kitamura Wataru of Osaka City University, offer glimpses into some of their findings and conclusions from their research on the "Lost Decade." As we showed in SSJ 31, these reports confirm that far from being "lost," the 1990s witnessed many important economic, social, and political changes in Japan, as well as set the stage for further important changes in the 21st century. We end this issue with a Research Report by Ishiguro Kuniko, a visiting scholar here at the Institute of Social Science.

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Thomas Blackwood
Managing Editor

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Beyond the 'Lost Decade'

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The University of Tokyo's Institute of Social Science is proud to announce the publication of a two volume series entitled *Beyond the 'Lost Decade'* (University of Tokyo Press) based on the results of our institute-wide research project, "The Lost Decade? Reappraising Contemporary Japan," conducted from 2000-2004. Volume I, *The Lessons of Economic Crisis*, critically examines the economy and industrial system of the 1990s, and Volume II, *The Koizumi Reforms*, analyzes the political system within which changes took place in policy and leadership.

The contents of Volumes I and II are as follows.

Beyond the 'Lost Decade' Volume 1: The Lessons of Economic Crisis

Introduction: The Meaning of the 'Lost Decade' (Kikkawa Takeo)

Part I The Reality of the Crisis

1. The Nature of the Economic Crisis: A Fragile Financial System and a Stubborn Production System (Kikkawa Takeo)

2. The Structural Cause of the Financial Crisis: The Lack of Governance in the Holding Structure of Japanese Banks (Hanazaki Masaharu, Wiwatanakantang Yupana, Sōma Toshiyuki)
3. De-industrialization, the Growth of the Service Economy, and the Problem of Small and Medium-sized Businesses (Kikkawa Takeo)

Part II The Horizon of Reform

4. The Outcome of Regulatory Reform and Consequent Challenges: the Long Prelude to Economic Growth (Ogawa Akira, Matsumura Toshihiro)
5. Continuation and Change in the Employment System: Intellectual Skill and the Pay-for-Performance System (Nakamura Keisuke)
6. The Fall of Japan's Social Security System (Osawa Mari)

Part III Changes in International Context

7. The "Asianization" of Japan's Economy: The Regionalization of Production and Consumption, and the New International Division of Labor (Suehiro Akira)

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Beyond the 'Lost Decade' Volume 2: The Koizumi Reforms

Introduction: The Koizumi Reforms: Moving beyond the 'Lost Decade' (Hiwatari Nobuhiro)

Part I Developments in Governance

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3. State—Civil Society Relations: The Emerging Non-profit Sector and the Confused Development of Nonprofit Law (Sato Iwao)

Part II Reforming Domestic Policy

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'Trinity' of Local Government Finance Reforms (Kitamura Wataru)

7. Deviation in Reform: Labor Policy (Nakamura Keisuke)

8. The Emasculated Social Safety Net: Social Security Reform's 'Lost 15 Years' (Osawa Mari)

Part III Managing Foreign Relations

9. Foreign Economic Policy: From the SII Talks to the East Asian Community (Nakagawa Junji)

10. Post-Cold War Security Strategy (Hiwatari Yumi)

The 1990s are said to have been for Japan not merely a "slump decade," characterized by economic stagnation and political aberrance, but a "lost decade" during which the opportunity to reform a crisis-ridden social system was missed. Six years have now elapsed since the 1990s came to an end and the first decade of the new millennium began. Even today, however, the high level of calls for reforms in various areas has hardly diminished. The reason for this continued stalemate is that either (1) reforms have not made any headway, or that (2) despite reforms having actually been implemented, they have not been acknowledged as such by society. Whether the answer lies in (1) or (2), moreover, is likely to differ from area to area.

In areas where reforms have made no progress, it is important to verify the suitability of the reform that was initially prescribed. In other words, were the reform policies that were proposed based on an accurate understanding of the state of affairs that emerged in Japan in the 1990s? Were options correctly defined and selected? Were reform procedures appropriate? These questions must be answered by means of rigorous investigation.

In areas where reforms have made progress without any acknowledgement thereof by society, it is necessary to evaluate the results of the reforms in question and to disseminate information regarding the significance of the reforms. This kind of evaluation and dissemination is in itself extremely significant in terms of enabling further reform in the area concerned.

The present series, *Beyond the 'Lost Decade,'* empirically analyzes both transformations and continuities in Japanese society since the beginning of the 1990s, evaluates the measures and systemic changes implemented, and attempts to clarify anew appropriate

ranges of options and methods of reform. What has actually changed and what has not changed in Japan since the beginning of the 1990s? Further, if the required responses were not made, why were they not? Conversely, were attempts made to change some things that did not need to be changed? The present series attempts to elicit answers to these questions, which is an undertaking of great social significance. This is because in Japan today, making choices aimed at the reconstruction of the social system, based on a precise delineation of the appropriate ranges of options and methods of reform, is a task that is both indispensable and urgent in every area.

With the publication of this series, the Institute of Social Science at the University of Tokyo has introduced the perspective that globalization had a fundamental impact on 1990s Japan. The essence of globalization lies in the expansion of the free market process. In a world where globalization was rapidly increasing, Japan in the 1990s saw various social systems thrown into turmoil. These were the systems that had previously facilitated high economic growth by somewhat suppressing the effect of market mechanisms. The present series looks at two major social systems, namely, the economic system and the political system, and examines what did, and what did not, occur within these systems.

Regarding the economic system, our study was concerned with the crisis in the corporate system (including small and medium-sized enterprises) which caused the employment instability that, in turn, was a central factor in livelihood uncertainty. In addition, we examined the crisis in the system as a whole as illustrated by dysfunction in the financial sector and inefficiency in the public sector. For the political system, we shed light on the strategic dilemma that was exposed under weak administrations in a Japan suffering from economic stagnation (the dilemma whereby policy reform under a weak administration tends toward compromise, and compromised policy reform fails to improve the socio-economic situation, in turn causing replication of the weak administration), and on the breakthrough in this catch-22 situation (with the appointment of the Koizumi administration).

In order to overcome the crises in these social systems and open up the way to regeneration thereof, it

is necessary for the appropriate leaders to make systematic and subjective choices regarding measures and methods for problem resolution, and to put these into practice. What needs to be remembered here is that globalization has also had an impact on who is now responsible for problem resolution.

Globalization has exerted an influence on the framework of the nation state, and has reduced the social function, for example, of corporations with their foundations laid in the domestic market, and of the machinery of the state. The limitations of previous corporate and governmental approaches to problem resolution have become evident and, instead, opportunities for new actors such as Non-Profit Organizations (NPO) and Non-Governmental Organizations (NGO) to take the stage have increased. The fact that the international exchange of know-how regarding the organization and functioning of social safety nets, which was conducted by NPOs and NGOs, played an important role in the reconstruction of the welfare system is a clear example of the way in

which globalization has had an impact on the kinds of actors involved, and the manner of their involvement, in a given situation.

A point that we must remember here is that Japan has never been simply a one-way recipient of globalization. Indeed, Japan is one of the leading trade surplus and capital-exporting countries in the world, and is also a prominent member state in international organizations that promote globalization. In this respect, Japan is as much an advocate of globalization as the Western developed countries. Therefore, while the present series focuses directly on Japan and attempts to clarify anew appropriate ranges of options and roadmaps for reform, the implications gleaned from our analyses also have great potential to serve as salient messages with respect to the promotion of "appropriate globalization." Finally, the present series also takes the position that globalization is essentially a phenomenon that needs to be responded to proactively rather than passively.

Koizumi and Neo-liberal Economic Reform

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Japanese politics has taken a surprising turn. In the September, 2005 election to the House of Representatives, Prime Minister Koizumi Jun'ichiro propelled the ruling Liberal Democratic Party to its greatest victory in 45 years, dramatically expanding the party's presence in Tokyo and other large cities and capturing 296 of 480 seats. Koizumi succeeded in turning the election into a referendum not only on his signature issue of privatizing the postal delivery, savings, and insurance system, toward which the public previously had shown little interest or support, but on reform more generally. During the campaign, Koizumi drove opponents of postal privatization out of the party; after the election, he intimidated the rest of the party, now including a large block of members who owed their victories directly to him, into accepting a series of formerly controversial economic reforms. The LDP's victory provided additional momentum to the already buoyant stock market. With deflation easing, non-performing loans largely erased from bank books, and corporate profitability sharply up, foreign observers began hailing Japan as a better vehicle for investment than fast-

growing China.

It was hard to remember that just before the election fierce opposition to Koizumi's postal privatization proposal led first to a drastic watering down of the legislation in the House of Representatives, and then to an outright defeat in the House of Councilors, the trigger for Koizumi's dissolution of the lower house, or that informed observers had written off Koizumi's efforts to reform Japan's parlous fiscal system as nothing but smoke and mirrors, an utter waste of time (Sakakibara 2005). Not long ago, critics wondered whether Japan's paralyzed policymaking system would ever be able to dig out from under the mountain of bad loans (Amyx 2004), or dismissed Koizumi as a complete failure (Mulgan 2002).

How should we evaluate this radical turnaround in sentiment? Certainly, caution is in order. In many policy areas, such as pensions, reform has only begun. In other cases, temporary expedients such as repeated reductions in reimbursement fees for medical procedures eventually will have to give way to structural reforms. Japan's fiscal problems remain severe, and even under relatively optimistic scenarios, tax rates will have to increase sharply (Broda and Weinstein 2005). Even with economic recovery, Japan's growth rates will not match those of the United States or Korea, much less China and India. Japan's relative decline in the region and the world will continue.

Policy Reform

Nonetheless, more progress has been made in carrying out reforms than most observers acknowledge, as I documented in contributions to two recent edited volumes published by Tokyo University Press (Noble 2002; Noble 2006a; Noble 2006b). One broad area is the relaxation of regulatory barriers to market entry and exit. In the 1990s, the Japanese government began issuing a series of priority programs, promising to make it easier for companies to enter new markets, develop new products, and alter pricing without interference from bureaucrats. In

telecommunications, where prices fell dramatically and new competitors rushed into the market to provide cell phones and broadband service, progress was unmistakable. In most other cases, observers remained skeptical that grand promises actually would be implemented: most "deregulation," they contended, amounted to little more than "re-regulation" (Vogel 1996; Carlile and Tilton, eds., 1998). In fact, by the early years of the new millennium, it became clearer that regulatory reform had begun to make a significant difference. In virtually all areas, the government abandoned the formerly ubiquitous system of "supply and demand balancing" that had served to exclude would-be entrants from disrupting existing oligopolies. In trucking, for example, 1990 legislation liberalizing new entry led to a steady increase in the number of trucking firms despite the extended Heisei recession. Trucking concerns topped 60,000 in 2005, half as many as had existed before liberalization. New entry accelerated exit by less competitive companies, and contributed to a decline in freight rates (日本トラック協会, 日本のトラック輸送産業 2006). Or take the case of gas and electricity utilities. Richard Samuels (1987) famously pointed out that in exchange for allowing the government a say in their operations, Japanese energy firms procured handsome guarantees and enjoyed comfortable oligopolies. By the 1990s, however, the Ministry of Economy, Trade and Industry (formerly the Ministry of International Trade and Industry), determined to reduce Japan's high-cost structure and under pressure from the Prime Minister and the deregulatory movement, actively pushed for accelerated new entry, leading to significant and repeated cuts in utility tariffs. In some cases, such as liquor retailing or construction of large retail stores, pressure from the LDP slowed the pace of reform, but such pressure had little long-term impact.

Academic observers, particularly outside Japan, have paid almost no attention to dramatic changes in another crucial policy area: the infamous Fiscal Investment and Loan Program (FILP; 財政投融资), also known as the "second budget" that long poured public pension premia, postal savings, and insurance funds into a bewildering array of government-affiliated banks, quasi-public agencies, local authorities, and murky "third sector" organizations (Noble 2005; Noble 2006b). The financial troubles of the 1990s only expanded demands on the already bloated FILP, as risk-averse savers fled shaky banks for

the postal savings system, and floundering small firms clamored for expanded access to low-interest and no-collateral loans. By the end of the 1990s, FILP was essentially a gigantic heap of non-performing loans and failed investments. Little noticed by the average voter, reforms began to restrain the size of the program in the late 1990s, and in 2001 the government ended the mandatory placement of postal savings in the FILP program. In the decade to 2005, FILP contracted by 60%. The government targeted for drastic downsizing a troubled urban redevelopment agency and the giant Government Housing Loan Corporation, once far and away Japan's largest originator of home mortgages. Under guidance from the government, FILP agencies revised their books to accord with private sector accounting standards, greatly improving the accuracy and transparency of information about FILP operations. While critics lambasted the Koizumi administration for capitulating to the LDP's back benchers on the breakup and privatization of the highway building authority, a major user of FILP funds, a closer look shows that though the legislation will not provide a vaccine against unneeded highways, it will make it easier for future leaders to block them if they so choose. In the meantime, FILP spending on road construction decreased sharply under Koizumi, and a big chunk of it was devoted not to new roads but to paying off the huge debts on the Honshu-Shikoku bridges.

A telling example of a reform that has not received adequate attention is the reduction in the number of cushy *amakudari* posts. Critics have long complained that ministries create many quasi-public agencies under their jurisdiction precisely to employ their retiring members, and that the presence of *amakudari* officials hinders agencies from operating in an independent, transparent and efficient manner. A thorough-going solution to the *amakudari* syndrome no doubt will require broader revisions to the Japanese labor market or to the "up-and-out" operation of Japanese personnel practices, otherwise government officials (like many of their counterparts in large private firms) would find it difficult to secure appropriate employment for their second careers. In the meantime, considerable changes have occurred that have received little attention from even the most attentive of the public. The once lavish terms of employment on management boards of public and quasi-public agencies have been significantly tightened, reducing the incentive to engage in *amakudari*.

Prime Minister Koizumi issued an order that future heads of public agencies should not come from the bureaucracy, and excepting a few ambiguous cases, that order has been followed. The heads of all the new regional highway companies, for example, hail from the private sector, not the bureaucracy.

An interesting test case came with Koizumi's insistence upon closing or privatizing some of the eight major government-affiliated financial agencies and consolidating the rest. Before the election, skeptics emphasized that powerful ministries such as finance and economics would fight to the death to resist reorganization plans reducing the availability of *amakudari* posts, while LDP back benchers protested the reduction in opportunities to provide clients and constituents access to loans on favorable terms. After Koizumi's electoral triumph, his insistence on merging the five remaining agencies into a single successor, to be headed by someone from the private sector, swept the field. While reluctantly admitting that Koizumi had won a virtually complete victory on the organizational issues, critics then carped that the goal of cutting the ratio of loans from government-affiliated financial institutions to gross domestic product (GDP) in half was still too lax, since the privatizations alone would largely serve to meet the target without further reforms, and further, that the explicit ban on *amakudari* might only extend to the chair of the new board. No one emphasized the obvious: Koizumi succeeded in one fell swoop in eliminating a whole passel of the supposedly sacrosanct *amakudari* posts (朝日新聞 November 30, 2005).

Similarly, under the direction of Koizumi, the LDP eliminated and merged a number of special committees (調査会、特別委員会) of the Policy Research Council, and introduced a new two-year limit on special committee chairmanships. Koizumi thus pulled the rug out from underneath some of the party's most notorious "policy tribe" (族議員) leaders, most notably the chair of the road building committee, 25-year LDP veteran Koga Makoto (朝日新聞 November 3, 2005; 産経新聞 November 8, 2005).

Explaining Reform

How can we explain these sweeping policy changes? Despite initial skepticism, both the introduction in 1994 of an electoral system combining single-member districts (300 seats) and proportional

representation (initially 200 seats, now 180 seats), and the reorganization of the central ministries and strengthening of the position of the prime minister and cabinet (implemented in 2001), have weakened the particularism that long dominated postwar Japan. Moreover, weak and erratic economic performance after the bursting of the economic bubble at the beginning of the 1990s, the scandals and bureaucratic inadequacies that plagued the rest of the decade, and the failure of the massive budgetary stimulus packages of the Obuchi and Mori cabinets all combined to discredit the postwar approach to political economy, and contributed to the expansion of floating voters not easily mobilized by the traditional LDP machine. In response, the maverick LDP outsider Koizumi took on the mantle of political entrepreneur, first challenging and stimulating Hashimoto Ryutaro, who responded with a surprisingly wide-ranging program of reforms in the late 1990s, then defeating Hashimoto in 2001 and using the machinery Hashimoto had created to push further reforms.

Does all this amount to so much political froth, destined to dissipate with the recovery of the economy and the retirement of Koizumi? In addition to the impact of the revised electoral and bureaucratic systems, two other factors suggest that a return to the old ways is unlikely. First, the gigantic fiscal deficits run up under the old system will prevent future administrations from simply buying off supporters as in the past. Second, a new ideology of neo-liberalism has emerged among policy elites and is increasingly entrenched within Japan's ubiquitous system of advisory commissions. Leading business executives, especially those with links to the U.S. and Britain, and leading business organizations such as Keizai Dōyūkai and Nippon Keidanren have actively advanced the neo-liberal agenda, and their members have assumed crucial posts advising the government, notably in the cabinet's Council on Economic and Fiscal Policy.

Conclusion

Journalists and academics have been excessively skeptical of the numerous reform efforts of the past decade, and particularly since the advent of the Koizumi administration in 2001. Certainly, grave challenges remain. The aging and shrinking population will exacerbate Japan's already severe fiscal

problems, and demand further painful reforms and tax increases. Nonetheless, the significant reforms that have occurred, including regulatory liberalization, drastic shrinkage of the fiscal investment and loan program, and reduction of *amakudari* posts, as well as the improved economic performance to which these changes have contributed, deserve recognition. Critics who assailed FILP in its heyday as a symbol of politicization and waste, for example, should acknowledge FILP today as an important example of continuing and cumulatively impressive reforms.

While vested interests remain formidable in Japan, as elsewhere, we need to pay more attention to the interests and ideologies favoring reform. One of the most striking aspects of policy debates in Japan today is the complete absence of an articulate and coherent alternative to neo-liberalism, even though surveys of both the public and Diet members reveal a deep-seated preference for a significant or even extensive governmental role in upholding social stability (cf. Otake 1999). The neo-liberal movement, energetically spearheaded by Prime Minister Koizumi, has succeeded in presenting itself as the only solution to the stagnation and corruption of vested interests, even though it is itself a minority opinion supported by a relatively narrow range of interests from the internationally exposed sectors of the economy.

A party able to articulate a reform agenda to deal with Japan's massive fiscal problems and sustain economic growth while addressing social concerns such as security of employment, the creaky pension system, and the declining birthrate might well attract widespread support. The immediate aftermath of the LDP's smashing victory, however, gave little evidence that change was in the offing. The floundering Democratic Party of Japan, once seemingly just an election away from power, narrowly elected a "Koizumi-light" leader (Maehara Seiji) who immediately created controversy by trying to steer the party to the right. For the immediate future, at least, the most likely axis of policy conflict will continue to pit neo-liberal reforms against the status quo.

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The Japanese Judicial System in Transition: One Aspect of the 'Lost Decade'

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The 'Lost Decade' was a time of tremendous change for the Japanese judiciary. From the beginning of the 1990s, various actors, such as the Liberal Democratic Party (LDP), business circles, and the Japan Federation of Bar Associations (JFBA), began arguing with increased intensity for the radical reformation of the judicial system, culminating in the establishment of the Judicial Reform Council (*Shihō Seido Kaikaku Shingikai*) by the government in 1999, which made judicial reform an official government objective. In June of 2001, the Judicial Reform Council announced their final report, "Recommendations of the Judicial Reform Council: For a Judicial System to Support Japan in the 21st Century." In order to successfully meet the goals of this report, in November of 2001 the Act for the Promotion of Judicial Reform (*Shihō Seido Kaikaku Suishin Hō*) was enacted, and based on that law, in December of that same year the Headquarters for the Promotion of Judicial Reform (*Shihō Seido Kaikaku Suishin Honbu*) was established, with Prime Minister Koizumi as its general director. Thereafter, the Headquarters aggressively carried out its lawmaking function, so that in the three years until its dissolution in November of 2004, 24 new laws had been established, giving rise to a variety of

reforms (for details on the period from the beginning of the 1990s to the June 2001 report, see Sato, 2002).

Although the Japanese judiciary underwent many changes through these reforms, the following three changes are particularly important. First, in order to train new lawyers, a new law school system (*Hōka Daigakuin*) was established. In 2004 the country saw the opening of 68 law schools, with 6 more added in April of 2005, bringing the total number of law schools in Japan to 74, with an enrollment of 6000 students per class year. The desire to train large numbers of high quality lawyers was the reason given for the establishment of the law schools, which had been nonexistent in Japan until then. In order to become a lawyer under the previous system, it was not necessary to systematically study law in a university; what really mattered was whether one could pass the bar examination administered by the Ministry of Justice. Thus, it was pointed out that in studying to become a lawyer, the emphasis was placed on learning the right tricks or techniques to pass the bar exam, while the acquisition of systematic legal knowledge and fundamental training as a lawyer came to be neglected. Moreover, those who passed the bar examination were required to spend 18 months (previously 2 years) as legal apprentices at the Legal Training and Research Institute (*Shihō Kenshūjo*) (administered by the Supreme Court), learning the practice of trials and lawyering. However, as there is only one such Institute nationwide, located in Tokyo, the number of legal apprentices that can be accepted was limited, and this in turn severely restricted the number of candidates which were allowed to pass the bar exam each year. Until the 1990s, the total number of candidates passing the bar exam was about 500 persons per year. Although the number steadily increased in the 1990s until it eventually reached about 1,000 persons annually, this number has been considered to be the maximum, due to the limited number of legal apprenticeships available at the Legal Training and Research Institute.

In comparison to this, under the new system, prospective lawyers now must study legal theory and practice at a law school for three years in order to become qualified to take the bar exam (those who had previously studied law in a university must

attend law school for two years). Thus, becoming a lawyer is no longer simply the one-shot affair of passing the bar exam, but a process of continuous learning through law school, and there are expectations of a new generation of high-quality lawyers. Moreover, with the establishment of law schools all over the country, and the practical training which is carried out in the schools, it became possible to remove the limit on the number of candidates passing the bar exam (although the Legal Training and Research Institute continues to function under the new system, its role has been greatly reduced). The current goal is to increase the number of successful candidates to at least 3,000 persons (annually) by the year 2010. If all goes according to plan, around the year 2018 the population of Japanese lawyers is expected to reach 50,000, or, double the current number. Although Japan has been known as a country with relatively few lawyers compared to Western countries (see Sato, 2002, p.72), with the anticipated upcoming increase in lawyers, it hopes to break away from this situation.

The second important point was the implementation of a "judicial support network (*Shihō Netto or Sōgō Hōritsu Shien Seido*)," through which a wide variety of legal information and services are offered to citizens. Previously in Japan, there existed many obstacles preventing normal citizens from receiving legal advice and services. First of all, the scarcity of lawyers compared to Western countries made it difficult to gain access to them, and the fact that most Japanese lawyers lived in big cities like Tokyo and Osaka made matters worse for people living in less populated regions. Moreover, there were no adequate facilities, such as legal aides, for citizens without the financial means to hire lawyers, preventing them from taking civil action. Another problem was that, while the defense system financed by public money (*Kokusen Bengo*) was available for defendants without the financial resources to hire their own lawyers, they only gained access to this service when they became defendants, and not when they remained suspects. Thus, with the exception of big business, or a few wealthy individuals, legal advice and services remained far beyond the reach of ordinary people.

The implementation of the new "judicial support network," however, led to the creation of an independent administrative agency, the "Japan Judicial Support Center (*Nihon Shihō Shien Center*)," to offer legal consultation services nationwide. The aim of establishing this Center is to tie together legal services such as legal aid, the public defense system (for suspects as well as defendants), and victim sup-

port services, and to ensure that legal support is available to people all over Japan. This Center is scheduled to be established in April of 2006 and to start its service in October of that same year. The "judicial support network" is expected to create a society whose citizens enjoy "ubiquitous access to justice."

The third important change due to the judicial reform, and the one attracting the most attention, is the decision to implement a "*saiban-in*" system, whereby members of the general public participate as *saiban-in* ("citizen judges") in criminal trials. Under this new policy, six *saiban-in* randomly selected from the general public, together with three professional judges, are assigned to try and deliver the verdicts, as well as determine the sentences, in certain felony cases. Although, due to the influence of the "Taisho Democracy," Japan employed a jury system for the short period from 1928 to 1943, this was unusual in Japanese history: the Japanese judicial system has tended to try cases only with professional judges, without giving the general public any opportunity to participate. With the implementation of this new policy, Japanese citizens have been given a tremendous opportunity to participate in the judiciary. This new system is scheduled to begin in 2009. Furthermore, participation in the court system by the general public is expected to close the gap between the general public and the judiciary, and to work toward establishing a popular base for the judicial system.

Although the Japanese judicial system is clearly undergoing major changes, there are two main reasons behind the changes. One is the agenda of political reform that the government has been advancing since the 1990s. Since the mid-1990s, the Japanese government has been promoting widespread reforms, aiming to transform the economy and society from one which is bureaucrat-dominated and highly regulated to one which is led by the private-sector, and controlled by transparent rules. Since these reforms were intended to establish the "rule of law" in the marketplace and society, it was necessary to strengthen the function of the judiciary as a mechanism for solving problems or disputes according to rules. Therefore, in the late 1990s, judicial reform rapidly came to the forefront of the government's policy agenda. In their 2001 report, the Judicial Reform Council argued that "the reform of the judicial system, and the realization of the 'rule of law,' should be positioned as the 'final linchpin' of a series of various reforms, including governmental reforms, policy reforms, local government finance reform, and economic reforms such as deregulation."

Another major reason behind the changes in the Japanese judiciary is that Japanese citizens themselves began to push for reforms, to make the legal system easier to access and use. An early supporter of this movement was the JFBA, an organization which has traditionally been a strong advocate for the protection of citizens' rights. The government also adopted this stance in their Judicial Reform Council report, and proposed the realization of "a judiciary which can fulfill the expectations of the people." Later, in July of 2002, when the advisory board (*Komon Kaigi*) for the Headquarters for the Promotion of Judicial Reform announced their appeal, they emphasized the creation of a "3F" Judiciary: familiar (easy to access and understand), fair (and reliable), and fast. Through the merging of the government's goal of reforming the political and economic structure with the public's desire for an easy-to-use judiciary, the judicial reforms have accomplished a significant reformation.

These reformations are so wide-ranging, that as far as judicial reforms are concerned, they are considered to be the "third big reform," after the introduction of a modern judicial system in the Meiji Era, and the democratization of the judicial system in the immediate post-WWII period. Even so, there remain issues that need to be addressed.

First, regarding law schools, the judicial support network, or the *saiban-in* system, the ability of these reforms to take firm hold and stabilize as policies in Japan will depend on the manner in which they are embodied and carried out. The judicial support network and the *saiban-in* system, in particular, have many problems. For example, regarding the judicial support network, lawyers express strong unease at the fact that the core of the network, the "Japan Judicial Support Center," will be operated as an independent administrative agency (*Dokuritsu Gyōsei Hōjin*) under the jurisdiction of the Ministry of Justice. Needless to say, the Ministry of Justice has a close relationship with the Public Prosecutor's Office, and lawyers are concerned about the degree to which they can effectively carry out appropriate defense activities within the framework of a center having such a close affiliation with the Prosecutor's Office; they are worried about state interference. Furthermore, given the fact that the JFBA has already established almost 300 of its own legal consultation centers, and more than 40 JFBA-financed legal offices nationwide, they have not hidden their annoyance that the "Japan Judicial Support Center" will operate under the influence of the Ministry of Justice, as it seems to totally ignore the JFBA's own extensive efforts.

Furthermore, regarding the *saiban-in* system, there is significant anxiety among the public themselves. According to a March 2004 survey conducted by the Asahi Shimbun, to the question "Are you interested in the *saiban-in* system?" 61% responded "yes, I am interested," while 32% said "I am not interested." However, to the question, "Those chosen as *saiban-in* will, as a rule, be required to participate in court. If chosen, would you like to participate?" only 39% answered "yes," and 52% answered "no," suggesting deep-rooted anxiety about participating in a criminal court trial among the general public (Asahi Shimbun, March 17, 2004). It has also been pointed out that, in reality, professional judges would most likely take the lead in most of the cases tried under this system, making it unclear as to how successful this system would be in solidifying a national base for the judiciary.

Second, it is also necessary to mention some of the important problems that these judicial reforms do not address, the most important of which is the problem of the activation of judicial review. While judicial review is one of the most important elements of the "rule of law," it is well-known that Japanese courts have conventionally hesitated to exercise judicial review as a check on government activity or diet legislation. The question of how to overcome this situation and activate the exercise of judicial review has long been an important issue in discussion of the Japanese judiciary (Sato 2002, p. 75). However, the recent judicial reforms included almost no discussion of concrete measures to take to increase the exercise of judicial review. Although the recent reforms raise up the "rule of law" as their central ideology, on this point it must be said that one of the most important issues with respect to establishing the "rule of law" was left unaddressed.

The "Lost Decade" was undeniably an important decade in the history of Japanese judicial policy. However, whether the outcomes of the reforms are fully taken advantage of remains to be seen. Moreover, the question of how to activate judicial review is a problem that still requires further consideration. Thus, it will be some time yet before a conclusion can be reached as to whether or not the ongoing judicial reforms can truly establish the "rule of law" in Japan.

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Regulatory Reform in the 'Lost Decade'

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Our project research group studied changes in the Japanese economy during the period of economic stagnation, primarily from the perspectives of competitive conditions, competition policy, and market structure. Our principal focus was on clarifying what reforms of the market structure were accomplished (and not accomplished) during this period, and on developing theoretical models to support our analysis.

Our basic analytical tool was the theory of Industrial Organization. We are proud that the analytical tools we developed to facilitate our analysis of the contemporary Japanese economy in this project have, in turn, contributed to the development of Industrial Organization theory. As an elaboration of this point would necessitate a lengthy technical discussion, however, in this article we limit our discussion to an introduction of the project's findings, by summarizing the main points of our paper "The Outcome of Regulatory Reform and Consequent Challenges: the Long Prelude to Economic Growth" (Institute of Social Science, ed., *Beyond the 'Lost Decade': The*

Lessons of Economic Crisis, Chapter 4).

We view the period since the 1990s as a time during which the objective of simply reducing the number of regulations through deregulation (*kisei kanwa*) evolved into an objective of comprehensively revising the regulatory system through regulatory reform (*kisei kaikaku*), with a view to making a transition to a more favorable regulatory system.

While steps had already been taken to implement deregulation toward the end of the period of high economic growth, it was during the 1990s that deregulation became a major policy issue. In fact, deregulation as a measure for economic revitalization came to the fore as a policy issue against the background of the reduced economic growth rate following the collapse of the bubble economy. Deregulation policy packages were formulated as major government policy initiatives, with the FY 1995 "Deregulation Promotion Plan" followed by the FY 1998 "Three-year Deregulation Program" which was succeeded by the FY 2001 "Three-year Deregulation Program." Throughout this period, at the vanguard of regulatory reform, the Administrative Reform Committee, which was subsequently reorganized as the Council for Regulatory Reform, and then changed to the Council for the Promotion of Regulatory Reform, has played a crucial role in the promotion of regulatory reform. This period, moreover, has not simply witnessed a change of jargon from "deregulation" to "regulatory reform" but has also witnessed rapid advances in understanding of the meaning of reform.

In order to understand the difference between deregulation and regulatory reform, consider the reforms in the securities market that progressed rapidly during this period as an example. In recent years, an improvement in efficiency and a strengthening of the functions of the securities market have been attempted through the introduction of restrictions on insider trading, the consolidation of information disclosure regulations, and repeated revisions of corporate law. Regarding restrictions on

insider trading and the consolidation of information disclosure regulations, although the inaccurate belief that the establishment of new regulations and the strengthening of existing ones is anachronistic and therefore goes against the grain of deregulation had been repeatedly voiced in many quarters, this kind of assertion has now all but disappeared along with the widespread acceptance of the concept of regulatory reform. If the objective is merely to reduce the number of regulations, the establishment of new regulations is clearly egregious. However, what is really needed is to comprehensively modify the regulatory system to ensure that market mechanisms work more effectively and the efficiency of society as a whole is improved; for this to happen the necessary regulations must, of course, be strengthened or newly created. Since there were previously an excessive amount of superfluous regulations in Japan, there are many cases where regulatory reform must necessarily take the shape of deregulation. However, the majority of regulations that remain when the most clearly unnecessary and ridiculous regulations are removed are the kind of regulations that require careful adjustment of some kind in order to remove the adverse effects thereof. Accordingly, meaningful structural reform cannot be promoted without embracing the perspectives of regulatory reform and regulatory readjustment. Japan in the 1990s found itself in precisely this situation. We argue that, even if the pace was slow, during this period Japan embarked on a path of steadily promoting regulatory reform.

The liberalization of public utility industries, such as telecommunications, electricity and urban gas, offers the clearest example of how the need for regulatory reform became apparent. The remainder of this paper provides a brief introduction to this issue. Genuine reform of Japan's public utility industries began in the telecommunications market in the latter half of the 1980s with the privatization of *Dendenkōsha* (NTT) and the liberalization of the telecommunications market. Reform of the telecommunications market provided the foundation for the subsequent significant expansion of the market and technological innovation heralded by the advent of high-speed Internet access services. Reform of Japan's public utilities industries did not stop with the telecommunications industry, and similar liberalization commenced in the electricity and urban gas markets roughly ten years later. Liberalization (and

concomitant regulatory reform) in these three markets continues, with enormous benefits to the national economy in terms of, for example, reduced costs and expanded markets.

The common link of these three public service industries is the fact that they are in markets that were formerly thought of as natural monopoly markets. In fact, in each of these three industries, regional monopolies were legally recognized. Natural monopolies are most likely to occur in the network sector. This can be confirmed by referring to the example of the electricity market. Let us consider the business of supplying electricity to customers. In order to supply electricity, an electricity transmission and distribution grid that feeds electricity from a power station to customers via a substation is absolutely essential. If multiple enterprises were to compete to provide electric power in the same region and were each independently to construct their own electricity transmission and distribution grids, this would generate colossal social waste (due to redundant investment). Accordingly, it is more efficient for one company to construct the electricity transmission and distribution grid and to provide electricity on an exclusive basis. However, even though large scale has merit in the electricity transmission sector, it is not true that the electric power supply industry as a whole is prone to a state of natural monopoly. In the electricity production (power generation) and sales (power selling) sectors, economies of scale are not a significant issue. It is not necessarily the case that one corporation installing and operating twenty power generators would incur fewer costs than two electricity producers having ten power generators apiece. Furthermore, it is not the case that redundant investment would inevitably occur. Thus, the sector benefitting from remarkable economies of scale is simply one sector of many in the electric power supply business, and similar structures are recognized to exist in the telecommunications and urban gas markets.

The common pillars of regulatory reform, with respect to the reform of the public utility industries of recent years, have involved: distinguishing between those sectors of natural monopoly in which it would be problematic or undesirable to introduce competition and those sectors where this is not the case; abolishing entry regulations and the like to encourage competition in the latter kind of sector;

increasing economic efficiency through competition; and, conversely, focusing regulatory measures on the sectors where natural monopolies exist. If a corporation with a natural monopoly sector can freely decide utility rates and use conditions, it is consequently able to exercise monopolistic power in the competitive sector, such that the incomplete introduction of competition ultimately is meaningless. Accordingly, it is absolutely essential to the reform of the public utility industries that the promotion of competition through the elimination of barriers to entry be carried out in conjunction with the reorganization of regulatory control of the natural monopoly sector, with the purpose of securing the promotion of competition. In other words, what is required in this situation is not simply deregulation but, rather, regulatory reform.

Contrasting methods of reform have been adopted in the Japanese telecommunications markets and in the electric power and urban gas markets. In the former, all markets were liberalized at the same time, while strict asymmetrical regulation with respect to the dominant companies was preserved over a lengthy period, artificially nurturing competitors for the dominant companies. In the electric power and urban gas markets, the areas to be liberalized were limited, while in the limited liberalized markets the method of reform adopted was to minimize regulations without implementing asymmetrical regulations. We contend that despite such different approaches, regulatory reform was a major success in the respective markets. Reform currently continues to be promoted in these and other areas, and it is our intention to continue researching trends in regulatory reform in Japan.

The Foundations of the "Trinity" of Local Government Finance Reform

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Local government finance has traditionally been seen as a politically "sacred area" in post-war Japan. As politicians and bureaucrats have vital interests in the local government finance system, it is tremendously difficult to change the status quo. The Ministry of Internal Affairs and Communications (MIC), responsible not only for estimating the amount of the Local Allocation Tax (LAT) but also for allocating it to local government, has strongly opposed LAT reform, and has been backed by local authorities. Spending ministries, such as the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Health, Labour and Welfare, have resisted any attempts to reduce specific subsidies, in cooperation with politicians of the ruling Liberal Democratic Party (LDP). The Ministry of Finance (MoF), groaning under the weight of serious fiscal deficits, stood against a transfer of tax revenue sources from central to local government. Consequently, the local government finance system has been based on subtle political equilibrium among the main political actors.

However, in order to reduce the huge fiscal deficit of 700 trillion yen in 2001, Prime Minister Jun'ichiro Koizumi embarked on making politically sensitive reforms, and local government finance reform was one of the main targets for Koizumi's structural reforms. In November 2004, the Koizumi government unveiled "the Basic Principles of the 'Trinity' of Local Government Finance Reform," which were explicitly intended to change a previously paternalistic policy towards local government to a hands-off policy. First, the LAT system was streamlined to minimize the MIC's discretionary power in determining the annual amount of the LAT, and the amount of the LAT was curtailed together with curtailment of the Local Government Deficit Bonds. Second, 2.8 trillion yen of specific subsidies were scheduled to be reduced or abolished altogether, although there are still disputes between some spending ministries and local authorities over the details. Third, national tax revenue sources were allocated to be transferred to local governments, and several provisional grants were created to fill in until some of the national tax money is actually transferred to local governments.

How could Prime Minister Koizumi deliver this radical "Trinity" of local government finance reforms? Until recently, Japanese politics had been characterized by pluralistic conflicts among "policy communities" in many areas, where LDP politicians, bureaucrats, and interest groups had formed a coalition to preserve their vested interests. These conflicts led to policy inertia and political paralysis. Nevertheless, Koizumi has been successful in making such previously politically impossible reforms possible since he became Prime Minister in 2001.

In this essay, I argue that, as a result of a series of political and administrative reforms that took place in the 1990s, the Prime Minister now can institutionally pursue his own policy preferences, unlike his predecessors. Particularly, I would like to emphasize the strengthened power of the office of Prime Minister, and the key to solving this puzzle lies in the political centralization of the 1990s.

As rational choice theorists have pointed out, the medium-sized district system (or to be precise, the Single Non-Transferable Vote in multi-member districts system) promoted factionalism inside the LDP, which, in turn, made political leadership institutionally vulnerable. Furthermore, reciprocal relations between politicians and bureaucrats developed during the era of LDP predominance. Each ministry, taking the LDP for the "natural party of government," expected LDP politicians to pursue ministerial interests, such as budget and personnel, and LDP politicians needed bureaucrats' assistance in channeling public funds into their constituencies. Policy communities thus prevented change in many policy areas.

However, in the 1990s, political and administrative reforms swept away the institutional foundations of Japanese politics. First, the Election Law was completely revised, replacing the medium-sized district system with a single-member district system, along with a region-based proportional representation system. Second, other election regulations were also changed. Because of several money scandals, the new rules marginalized political donations to individual politicians. In addition, public funds were spent for parties' activities. As a result, party leaders obtained the power to allocate political resources, such as party nominations and funds. These reforms helped considerably strengthen political leadership institutionally.

Simultaneously, sweeping administrative reforms were carried out. First, the Administrative Procedure Act and the Open Government Act were enacted in 1993 and 1999 respectively, both of which raised the degree of government "transparency." After the change of government in 1993, the major parties realized the importance of easier and fairer access to government information, as well as the importance of legalized procedures, since all parties, including the LDP, had now experienced time in opposition. In addition, deregulation was accelerated to reduce bureaucratic discretionary power. Bureaucrats reluctantly abandoned their role in navigating the market. Second, the Hashimoto government decided to carry out ministerial reorganization, and Prime Minister Ryutaro Hashimoto created the Council of Administrative Reform in 1996, to take the initiative in sweeping administrative reform. As a result, the Cabinet Office, which the

Prime Minister can directly control to coordinate government policies, was established in 2001. Inside the Cabinet Office, the Council of Economic and Fiscal Policy (CEFP) was also to be established to investigate and discuss all government policies from a financial perspective. The CEFP was expected to strengthen the Prime Minister's initiative in matters of economic and fiscal policies. Although the CEFP was supposed to set the macro targets of government activities in consultation with the Prime Minister, in reality the chairman of the CEFP is the Prime Minister. The Prime Minister has further control over the CEFP through his ability to appoint and dismiss its members.

Consequently, political and administrative reforms in the 1990s institutionally established the power of party leaders, to the point where party leaders can now do almost anything they wish to. Koizumi, for his part, fully understood the true meaning of these institutional changes of the 1990s.

In 2001, when Koizumi became Prime Minister, he made it clear that he intended to tackle financial reconstruction, facing the incredible 700 trillion yen deficit at that time. What was surprising was that he mentioned his plan to reconstruct the Exchequer in his inaugural address, that is, to delegate drafting authority to the CEFP and then to pick the politically most acceptable solution out of the report, and recommend it to the CEFP. Koizumi inherited and made the best use of the legacy of Hashimoto, his rival within the LDP. Yoshiro Mori, the former Prime Minister who appointed the members of the CEFP for the first time, may not have fully appreciated the institutional instruments that strengthened the power of the Prime Minister.

Turning our attention back to the local government finance reform under the Koizumi government, Prime Minister Koizumi succeeded in setting the macro targets at the CEFP, thereby forcing the MIC to reluctantly accept the simplification of the LAT system. The amount of the LAT was curtailed for the first time in fifty years.

The next task was politically risky at the micro level. The government had to decide which national tax items should be transferred to local government and to what extent, in addition to determining which specific subsidies should be abolished or reduced,

and to what extent.

Prime Minister Koizumi decided to establish the Consultative Council on Local Government Finance between Central and Local Government (CCLGF-CL). All that the Prime Minister had to do was to invite representatives of both central ministries and local authorities to his Office, and then choose the politically safest solution from the many possible options proposed by the CCLGFCL. Finally, the Prime Minister successfully established the "Basic Principles of the 'Trinity' of Local Government Finance Reform" in 2004, which narrowly satisfied all concerned parties, including the MoF, the spending ministries, the local authorities, and LDP politicians.

There are many debatable points over the policy results of the Koizumi government, but there is no doubt that Koizumi has certainly changed policy-making style, making good use of the Council of

Economic and Fiscal Policy, as well as other consultative councils when necessary. He has demonstrated that his particular interest is in how policy is determined, rather than what type of policy is considered most appropriate. More importantly, it was the political and administrative reforms in the 1990s that enabled such a maverick Prime Minister as Koizumi to pursue his policy preferences in a top-down way. Without intra-party centralization and the strengthened institutional power of the Prime Minister in the 1990s, Koizumi would not have been able to deliver the 'Trinity' of Local Government Finance Reform in the 2000s.

In conclusion, the decade of the 1990s was not a "lost" decade, but rather a decade experiencing "labor pains," in order to give birth to the new political and administrative foundations of Japanese politics in the 2000s.

Generating Equal Employment Opportunities for Female Managers: Balancing Work and Life in 21st Century Japan

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Japan has long been known as a "male-centred" society, and in international comparison, Japanese women's position indeed remains far behind that of other countries.¹ According to the Ministry of Health, Labour and Welfare (2005), the average wage of female workers was 67.6 percent of men's in 2004. Furthermore, only 11% of *kakarichō* (section chiefs), 5% of *kachō* (section managers), and 2.7% of *buchō* (general managers) were women in 2004 (*ibid.*). At the same time, however, it is also true that some women have successfully pursued careers in the business world. Moreover, larger numbers of women have recently been entering into core positions in Japanese corporations, and they have started configuring a new employment paradigm whereby women occupy central roles in their organizations alongside their male counterparts.

These two extreme positions may represent a process whereby the employment market for women in Japan is becoming increasingly polarized. While much research focuses on women as peripheral workers, it is crucial to understand both situations in order to improve the status of women in employment. Hence, my research examines the latter case, of female managers' experiences and career development processes, in order to develop some ideas for achieving equal employment opportunities for all women in the Japanese workplace.

Taking the late 1980s as a starting point, when the Equal Employment Opportunities Law was implemented, the purpose of my research is to discover what factors have affected female white-collar managers' career development processes in Japanese companies. I hope to describe the ways that female managers have formed their careers from their own desires and talents, as well as how they have negotiated their paths through gender differences in Japanese companies. Moreover, I examine the ways companies and other employees in organizations have influenced women's career development. In this way, my research investigates how actors have formed a new gender paradigm within the process of employment management in organizations.

There are numerous insightful studies of female labour issues in Japan. In the area of labour research, many scholars have attempted to explain the backwardness of female employees' advancement in organizations, taking into account various factors such as economic theories, labour politics, and management theories. Their arguments may be categorized as follows:

- 1) gendered division of labour due to different patterns of work by industry and by company, and consequent differences in career formation (Wakisaka, 1993; Tomita, 1991);
- 2) personnel management systems (represented by the dual career-track employment system

¹ For example, according to the Gender Empowerment Measure of the United Nations Human Resource Development Report, Japan is ranked 43rd out of 80 countries, despite the fact that in the Human Development Index it is 11th among 177 countries, and 14th among 144 countries in the Gender-related Development Index (UNDP, 2005).

[*kōsubetsu jinji kanri seido*]) segregate employees into *sōgōshoku* (career track) and *ippan-shoku* (non-career track) roles (Koike, 1988);

- 3) gendered differences in allocating tasks and consequent differences in opportunities for skills and ability development through on-the-job training (OJT) (Rengō Sōgō Seikatsu Kaihatsu Kenkyūjo, 1996; JIWE, 2002);
- 4) differences between supervisors' attitudes and behaviour in guiding, evaluating and motivating employees according to the sex of subordinates (Yashiro, 1992; Nihon Rōdō Kenkyūkikō, 1997);
- 5) issues of women balancing family roles and work (JIWE, 2002: 2005);
- 6) related to #5, inefficiency of systems which support women's continuation of work, such as child-care leave;
- 7) unresolved problems of discrimination in companies which follow conventional values and practices (Matsushige, 1998).

While there are many theories and explanations attempting to determine the causal factors underlying gender inequalities and women's under-representation in organizations, if we view the issue from the standpoint of an individual, her career development is a continuous, dynamic and reflexive process which is formed by the interwoven connections between that person and the outside world in the ever-changing circumstances of time and space. Therefore, I argue that a more detailed examination of changes in the situations surrounding women's career development, and changes in women's values, consciousness and behaviours, is needed. By closely examining several cases of female managers using a life-history approach, I will attempt to unfold this nexus. As no simple correlation will exist, it would be impossible to formulate generalizations from correlations. However, we may find some patterns and configurations from the cases and provide a framework which will illuminate many examples. Moreover it will enable us to extract a more nuanced and differentiated understanding of the various interconnections involved in people's experiences. Although my research is still in progress, I will present several hypotheses for this examination and further analyses.

First, we may need to take into account the importance of changes in the economy and consequent changes in personnel management practices in companies. There is a possibility that companies have changed their treatment and attitude towards female employees and become more attuned to the employment market in conjunction with changes in social consciousness regarding gender equality and the contribution of women to society. For example,

the introduction of the dual career-track employment system following the enactment of the EEOL in the late 1980s, did not seem immediately to boost the advancement of female employees to core positions in organizations. The situation, however, seems to have changed with the deteriorating economy in the 1990s. In many companies there was a demand to change their personnel management practices to reduce costs. This may be represented by a shift away from the established *shokunō shikaku seido*, by which salaries were paid according to employee rank (which itself was based on employee job abilities and personal attributes), to a system which put more emphasis on job evaluations, goals, and achievements, as represented by *shokumukyū seido* (a salary system based on job evaluation) or *seikashugi* (pay-per-performance system). Although this change has been controversial, it may have led to a facilitation of communication between managers and employees, and made previously vague treatment of female employees in organizations more visible and explicit. Moreover, the demand for talented employees regardless of sex may have led some companies to hire and deploy female employees from both internal and external labour forces into core positions previously dominated by male employees. It is assumed that, in tandem with the declining numbers of children, the consequent expectations for women to become members of the core labour force, and the gradual improvement of the legal system and social climate toward gender equality, companies' changes in employment practices have just begun to facilitate the advancement of women's careers in their organizations.

Second, current female managers themselves may have also experienced changes in their motivations according to changes in their status within their organizations. I argue that an examination of their identities as professional business persons and their career aspirations is crucial. In addition, it is important to consider their efforts to acquire skills and abilities, which may be indispensable for creating their value in an organization as white-collar managers, and for establishing autonomous career development processes in a situation containing uncertainties and uncontrollable factors for individuals, in a changing economic and management environment. Female managers' identities in work may not necessarily be identical to their identities out of work. Rather, one's work identity may constitute one part of a holistic identity, in which work may occupy an important position.

Third, interactions with people in organizations as facilitating and supporting factors are critical. These cultivate an emotional attachment to and relationships of trust with people in the organization, which

may lead employees to have a strong commitment to their organizations and their jobs. By only examining economic incentives and individual self-actualization, we are unable to explain personal interactions and emotional attachment that sometimes exhibit greater influence and power to retain people than management systems.

Fourth, related to the above point, a closer examination of the influence of supervisors and people in personnel departments is needed. No matter how big an organization is, or how systematically personnel management are operated, those who assign jobs, evaluate employees, and decide on the placement and promotion of employees are also people themselves. While many people may simply consider themselves "lucky" regarding their career development process, certain aspects of their fortune rest on decisions made by direct/indirect supervisors and people in personnel departments.

Last, but not least, certain behavioural characteristics of women, especially women who have worked for a company for many years under discriminatory management practices in the past, may also be relevant to this discussion. There may be two explicit reactions to frustration in the above cases – exit and contention. However, some female employees may have chosen neither of these two courses of action; rather they may have waited with great patience for the day when their efforts would be recognized, while accumulating business skills and abilities, and cultivating their identities in work.

I have hypothesized that recent female managers' careers in Japanese companies have been formed through the interaction between women's own autonomous efforts to establish their careers and self-identities in work, and changes in the surrounding environment, including improvement of the legal system, a changing social climate regarding women and work, and changes in the labour force and personnel management practices due to the changes in the economy. However, as each individual's experiences are unique, and there are no two identical companies or management practices, no simple correlation can exist. Hopefully, closer examinations of case studies of women will produce some valuable insights for understanding gender issues in Japanese organizations since the 1980s.

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Taiwanese Nationalism(s) and the Issue of Japan

Phil Deans

Director of the Contemporary China Institute and Senior Lecturer in Chinese Politics at the University of London, School of Oriental and African Studies (SOAS)

December 1, 2005



Taiwan offers an anomaly in East Asia: an apparent popular sympathy for the Japanese state and the Japanese people and a willingness to view Japan's colonial rule of the island as a complex episode rather than a battle between good and evil. Professor Deans' presentation considered the evidence for pro-Japanese sentiment on Taiwan, the nature and possible causes of pro-Japanese feeling, and how generational change on Taiwan is influencing popular perceptions of Japan. Professor Deans further considered the ways in which revisionist writers and politicians in Japan have attempted to present Taiwan in order to pursue their own nationalist agendas.



Civil Society Mobilization, Regional Coalitions, and Political Agenda Capture: The Battle over the Governance of Genetically-Modified Organisms in Japan in a Comparative Context

Yves Tiberghien

*Assistant Professor (on leave), Department of Political Science, University of British Columbia; presently Academy Scholar, Harvard University, Weatherhead Center for International Affairs
Thursday, January 26, 2006*

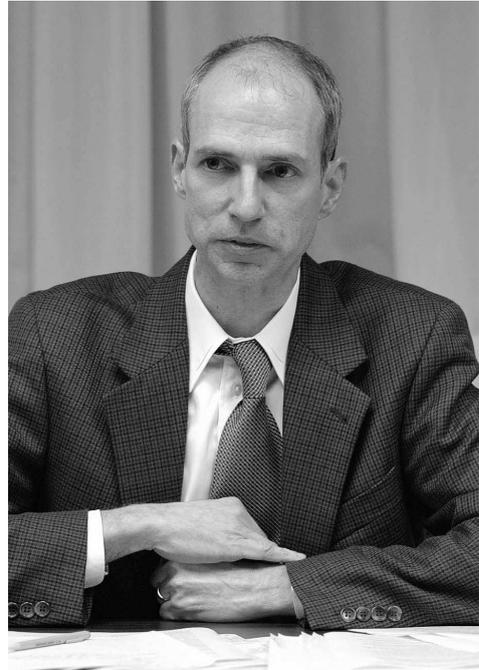
Since the mid-1990s, a major battle pits proponents of a liberal approach to genetically modified organisms (led by the US) against proponents of a precautionary approach (led by the EU). Within this grand confrontation, Japan has undergone an interesting shift from a liberal and pro-science position toward a more regulatory and restrictive position through several laws and measures in 1999-2005. What underpins this important shift? Professor Tiberghien's talk began with an outline of global positions and stakes, including a typology of major countries, placing Japan within this global picture. Next, he analyzed the change in Japanese governance and argued that such a transformation cannot be explained without the unprecedented mobilization of new civil society coalitions and their successful capture of the public agenda. However, Professor Tiberghien also explained that the actual shape of regulations owes much to the balance of power among ministries and the relatively closed nature of regulatory politics so far, and the fact that, most recently, regional governments, such as the Hokkaido government, have begun playing a major role as policy innovators.

Daycare Workers Versus Privatization: The Contradictions of Japan's Equal Opportunity Policymaking

Charles Weathers

Professor, Graduate School of Economics, Osaka City University

Wednesday, February 22, 2006



It is recognized that strengthening childcare support is crucial to promoting equal opportunity, especially since women usually bear the greatest childraising burden. Japan's government has accordingly made expanding the daycare system a priority for the past fifteen years, but has sought to hold down costs by emphasizing market forces. More specifically, the government has encouraged private firms to operate daycare centers. Market-oriented policymaking has brought a steady decrease of secure and well-paid daycare jobs (virtually all held by women), especially in the private sector, and brought an increase of low-paid positions. In short, a policy that advances the interests of career female employees simultaneously encourages the growth of non-regular work. However, the ongoing increase in non-regular work is itself considered a major obstacle to equal opportunity, particularly since there are large differences in pay and security between regular and non-regular employees in Japan. Professor Weathers' presentation provided both empirical information on working conditions (notably for public sector employees and non-regular workers), and broader insights on the implications of both labor-related and low-birthrate-related policymaking.

「失われた10年」 を超えて [Ⅱ] 小泉改革への時代

東京大学社会科学研究所—[編]



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