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**Policy Formation under the Democratic Party of Japan  
Change and Continuity in Reform**

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## **Introduction**

The transfer of power to the Democratic Party of Japan (DPJ) in September 2009 has been described as a historic event that widely engendered high expectations among the Japanese people. However, once in power, the performance of the DPJ administration has left a good part of the public feeling betrayed. In this paper, I examine the various reasons for the failure of the DPJ, the most important among which are poor political preparation and lack of experience and maturity in government and political management. In addition to such problems that are rooted in the political skills and capabilities as the ruling party, I consider the various limitations inherent in public opinion favoring a change of government and the discussions that were carried out by the media and by opinion leaders. Finally, calling to mind the often-repeated call of political scientists for the establishment of a “form of party politics that makes changes in government possible,” I will examine the limitations of the role performed by political scientists.

## **1. Why Were Hopes for Political Reform Betrayed?**

### **1-1 “Change” – A Comparison of Japan and the United States**

In the spring of 2010, the Hatoyama Administration was becoming seriously bogged down in the problem of the relocation of Okinawa’s Futenma military base. It was at this point that public opinion and the media were suddenly inundated with expressions of doubt, “Is this what we were supposed to get from a change of government?” In both Japan and the United States, new administrations had come to power with very high public expectations, but the perception that their respective new administrations were quickly losing momentum was now spreading almost simultaneously in Japan and the United States. In the 2008 presidential elections, the American public had opted for change. Following closely on this, Japan went through its own change of government in 2009. In both countries, a tremendous amount of hope was placed in the political possibilities that lied ahead. But neither the Obama Administration nor the DPJ Administration was able to deliver on its promised policies. Consequently, both parties suffered major defeats in the second round of elections, the DPJ in the election of the House of Councillors and the Obama Administration in the mid-term election. Given the outcome of these two elections, America now faces a “divided government,” while Japan is confronted with the challenges of a “divided parliament.”

The setbacks suffered by the new administrations in Japan and the United States share certain similarities, some of which have been very eloquently described by economists who should have served the new administrations as their top economic advisers. To jump ahead to the conclusion, what the DPJ and President Obama had in common was the failure to develop a clear roadmap for economic policies that should have been carefully worked out with the preceding government.

Regarding the failings of the Obama Administration, Joseph Stiglitz in his book, *Freefall: America, Free Markets, and the Sinking of the World Economy*, makes the following arguments in criticizing the administration's economic and financial policies. The financial crisis, which initially had been triggered by the subprime loan problem, exploded in 2008 in the form of the Lehman Shock, sending the entire world into financial turmoil and uncertainty. This was mainly due to reckless investments made by investment banks in complex financial products structured on high-risk subprime loans. Therefore, in seeking to quell the crisis, the Obama Administration should have sternly rebuked the irresponsible behavior of investment banks and investigated the cause of financial collapse. As its next step, in order to protect the financial system and to save the economy from recession, the Obama Administration should have pursued the following dual strategy. First, it should have provided very large-scale fiscal support and infusions of government funds, and second, it should have held management accountable for its actions.

Instead, President Obama gave its continued support to one of the persons responsible for the financial collapse, Chairman Bernanke of the Federal Reserve Board, and did not force a change in personnel. As the second step, President Obama proposed the establishment of (Public-Private Investment Program for Legacy Assets (PPIP). Stiglitz has blasted this proposal as follows.

“In effect, the Obama team had finally settled on a slight variation of the original cash-for-trash idea. It was as if it had decided to use a private garbage-hauling service, which would buy the garbage in bulk, sort through it, pick out anything of value, and dump the remaining junk on the taxpayer. And the program was designed to give the garbage collectors hefty profits – only certain members of the Wall Street club would be allowed to ‘compete,’ only having been carefully selected by the Treasury.”<sup>1</sup>

[原書を引用]

The Lehman Shock occurred toward the end of the presidential race, making it difficult for the new administration to fully prepare its economic policies in time. On the other hand, Obama's political strategies preferred conciliation and contained certain factors and tendencies that would stand in the way of any effort to develop a full-blown political confrontation on the financial crisis. Due to the awareness of his position as the first African-American president, Obama consciously endeavored not to touch

on his own origins as a member of a minority. Rather, he emphasized the unity of the people and strived to put himself at the forefront as the representative of this unity. Consequently, partisanship and confrontation were left out of the political arena.

The decision to cope with the financial crisis and economic recession from this position hampered efforts to identify the sources of the problem and diluted any discussions of who was responsible for the crisis. As a result, nothing was done shortly after the bailout when it became known that the top executives of financial institutions were drawing large bonuses. The Lehman Shock had triggered a “once-in-a-century” economic crisis. Because of the enormous scale of the crisis, the emphasis in the discussions of the Obama policies was placed on “saving the country” and not on political confrontation.<sup>2</sup>

Public anger with the greed and profligacy of financial institution executives remained within bounds. On the other hand, President Obama’s national health insurance plan, on which he had toiled so hard and long, drew widespread grassroots opposition. The reforms were attacked as symbolic of socialism on the one hand and rejected for fear of increasing the burden on the already insured on the other hand. In terms of cost, the bailout of financial institutions would cost significantly more than the national health insurance, but that never seemed to enter the popular calculus. In any case, these grassroots movements provided much of the driving force behind the Republican victory in the mid-term elections. Because of the president’s avoidance of a confrontational framework, the public anger that could have been mobilized for re-orienting financial policies instead turned on the Obama Administration itself.

## **1-2 DPJ Unable to Take Confrontational Positions**

For an insightful analysis of the DPJ Administration, we can turn to the economist, Mitsuharu Itoh. The policy speeches delivered to the parliament by Prime Minister Hatoyama contained numerous references to breaking away from neo-liberalism and were filled with enthusiasm for creating a new paradigm for both domestic and foreign affairs.

For Hatoyama, the fateful moment arrived when he committed himself to the lofty goal of moving the Futenma military base abroad or to another part of Japan. But taking a stand and betting his political life on this issue would ultimately lead to the collapse of the Hatoyama Cabinet. This outcome has served as a cautionary tale and has rendered the politicians of the DPJ extremely cautious and even timid on all matters related to policy change and political confrontation.

In particular, since the start of the Kan Administration, the social-democratic tendencies that originally characterized the DPJ have

regressed and become less visible. It can be said that the DPJ has moved to positions that are not significantly different from those of the preceding Liberal-Democratic (LDP) administrations. This convergence is particularly noticeable in the area of foreign affairs and national security. This trend can be observed in such developments as the replacement of “basic defense force” with the new concept of “dynamic defense force” following the review of the National Defense Program Guidelines, and the significant easing of the three-point ban on weapons exports. We are seeing the DPJ do things that the LDP could never even have hoped to accomplish. The tendency exists in domestic affairs as well, examples of which include the 5 percent cut in corporate income tax rates, and the prime minister’s frequent use of the term “growth strategies.” These provide evidence that the DPJ has come under the spell of the economic policies and way of thinking of the previous LDP administrations.<sup>3</sup> The Kan Administration has ignored the hopes of those who voted for the DPJ and instead is working toward realizing the hopes and intensions of people who have never voted for the DPJ and who never wanted a change of government in the first place. So, the question arises: Whom does the DPJ represent? On this critical point, one cannot help but conclude that even the leaders of the party lack a clear self-awareness or a consciousness of the role that they are to play.

The DPJ did enact a number of policy changes that were in keeping with its basic policy of “putting people’s lives first.” These include the introduction of the child allowance system, free high-school education, and the farming household income support system. However, the DPJ has a persistent and nagging problem when it comes to explaining and fully convincing the public of the principles that underlie the changes in policy that it has sponsored. Opposition parties and some elements of the media have criticized these policies for being dole-out measures, but the DPJ has not been able to effectively rebut these attacks. As a result, the public has not been able to properly evaluate the significance of these new policies. The root of this problem is that, in reality, the DPJ itself does not fully understand the significance of these policies. On the subject of child allowances, there was considerable debate within the ruling parties on whether or not to adopt a means test. A universal welfare state introducing child allowances would not think of adopting an income ceiling or some other means test. Instead, its normal policy course would be to use progressive income taxation to adjust for the transfers made to wealthier households. However, while the DPJ politicians did use the payment of cash benefits to appeal to the public, they did not necessarily understand the underlying principle of universalism.<sup>4</sup>

It is this lack of confidence in principles that is the most important reason for the DPJ’s vacillation and hesitation in taking a clear stand and adopting confrontational positions. I myself have on various occasions argued that the crisis in the DPJ originates in the absence of well-defined principles. However, one must stop and consider whether a political party

such as the DPJ is capable of adopting principles in the first place. A case can be made that the DPJ is actually incapable of formulating a clear set of principles or a conceptual framework. In order to examine the question of the DPJ and its principles, let us go back a little to analyze the reasons why a change of government occurred in the first place. The question of principles can be effectively handled in tandem with this analysis.

## **2. Why did Change of Government Occur?**

### **2-1 Change of Government as Meta-Politics**

If we define politics as a set of activities aimed at “redistributing value through the use of power,” the change of government that occurred in Japan in 2009 can be seen to have had two separate aspects: change in meta-politics, and change in real politics. Meta-politics refers to activities and competition that relate to the procedures that constitute the premise of the reallocation of resources. On the hand, real politics refers to competition and battles joined for the control of the tax system and economic policies. Broadly defined, real politics involves the allocation of material interests.

In a sense, the 2009 change of government was the end result of the series of political reforms that began in the 1990s, particularly the revisions made in Japan’s election systems. Specifically, the change of government took 15 years to materialize from the 1994 election reform of the House of Representatives, which introduced single-seat electoral districts and abolished multiple-seat districts. This reform provided a bonus to the ruling party but was originally justified on the grounds that it would facilitate change of government by making it easier to win a majority in the lower house. However, creating a united front to oppose the LDP forces turned out to be much harder than what the politicians of that period anticipated. Ultimately, the process of building up a new system of political parties proved very time consuming. The New Frontier Party disintegrated three years after its birth. Even after the DPJ was formed in 1998, it took considerable time for it to take root and to grow.

In this context, the longevity of the DPJ can be cited as a key causal factor in the change of government that finally arrived. Considering the quick collapse of the New Frontier Party, the importance of longevity can be clearly seen. Furthermore, the survival of the DPJ benefited from the creation of single-seat electoral districts. The system allowed the emergence of a non-LDP party capable of placing candidates in all districts and ready to take the helm of government whenever the LDP stumbled or collapsed. Change of government was the consequence of the collapse of the LDP, and the DPJ cannot deny that the helm of government was handed to it on a plate. This change of government was the outcome of the dynamics of the system in the sense that the rules of political competition had

changed. That is to say, a change had occurred on the level of meta-politics.<sup>5</sup>

To win in single-seat electoral districts, the non-LDP parties had to unite. This political reality acted as the strongest binding agent for the DPJ. Principles and political credos aside, the most compelling objective was to hammer together a majority that would unseat the LDP. Faced with this objective, the politicians that joined the DPJ were willing not only to put aside minor differences, but were also quite happy to put aside other differences of medium and major importance. It would be a fair assessment to state that this amalgamation of convenience stood at the core of the DPJ. Typical of this process of amalgamation was the merger of the DPJ and the Liberal Party in October 2003.

As the party grew in numbers, it became increasingly diverse as people of widely varying creeds and beliefs were brought into the fold, which soon became a seemingly untenable mix of water and oil. For this reason, the DPJ has been constantly criticized for its lack of consistency and integration. Ultimately, the only way the party could hope to define its own identity was to state what it was not. But members understood that all they needed to do was to remain united and bear the constant criticism of being a haphazard collection of politicians. Ultimately, at some point in time, their patience would be rewarded and they would march into the halls of power. All they had to do was to wait for the LDP to exhaust its useful life. Insofar as its most important common goal was to achieve a change of government, the *raison d'être* of the DPJ existed on the dimension of meta-politics. Viewed from this vantage point, it can be said that the DPJ finished accomplishing its most important objective within ten years of its creation.

## **2-2 Changes in the Socio-Economic Environment and Political Transition**

However, in the realm of real politics, the question of making material changes in the allocation of resources remains. Putting aside its quality as a political document, the DPJ Manifesto of 2009 did at least underscore the party's position that it intended to opt for a social-democratic redistribution of resources under the slogan of "putting people's lives first." This leftward shift also symbolized the DPJ's resistance to the neo-liberal policies pursued by the Koizumi Cabinet in the early years of the decade.

Before proceeding, it would be helpful to confirm some of the quantifiable changes that have occurred in Japan's socio-economic environment. Figure 1 depicts recent trends in corporate earnings and employee income. At some time around the year 2000, the assumption that higher corporate earnings would result in higher employee income was clearly overturned, an assumption that represented conventional wisdom for persons in their 40s and above. On the other hand, beginning in 2000, the two trend lines



start to diverge, showing that employee income declined notwithstanding the growth in corporate earnings. During the period between 2002 and 2007, which immediately preceded the Lehman Shock, Japan experienced an uninterrupted period of economic expansion that exceeded the length of the 57-month “Izanagi boom” of the mid-1960s. The problem with this expansionary phase was that the general public hardly felt any of its salutary effects. Instead, during this period, the nation was seen moving deeper into the trouble zones of economic disparity and poverty. This was the result of the ongoing changes in economic structure that had effectively decoupled economic growth on a national scale from improvements in the average living standards of the people and of employees. What were the most significant factors contributing to this change? On the top of the list are changes in employment practices, greater flexibility in the labor markets, and economic liberalization and deregulation that combined to create a massive increase in the number of people working on irregular base and at low wage levels. In other words, Figure 1 reflects the aftermath of the collapse of the long-standing Japanese system of employment.

Figure 2 summarizes the results of a survey on poverty conducted by Professor Kohei Komamura of Keio University. The debate on economic disparity emerged in 2006, just as the Koizumi Cabinet was approaching its end. The critical question was whether Japan was really experiencing greater income disparity. For example, Professor Fumio Otake of Osaka University and others argued that Japan’s Gini coefficient was rising because of the increase in the ranks of the low-income elderly, and that no substantial change had actually occurred in income distribution. Prime Minister Koizumi and his minister in charge of economic and fiscal policies, Heizo Takenaka, supported this position and initially argued that “disparity was a non issue.” However, the findings of Professor Komamura clearly point to the fact that the poverty rate was rising for almost all age groups during the first half of the 2000s. As such, the argument that the Gini coefficient was rising due to the aging of society is not supported by empirical evidence. One may also go as far as to say that this was a fallacious argument had been presented with the intent of covering up the increase in poverty and inequality. Particularly noteworthy is the increase in the percentage of households in their 20s and 30s living below the poverty line. There is no other way to interpret this increase but to admit to the deleterious effects of growing employment instability and low-wage jobs among the younger generations. The postwar myth of Japan as an equal society had collapsed.

While this story provides only anecdotal evidence, my own field studies conducted in Hokkaido point to ongoing changes that seriously affected the conservative political base in Japan’s outlying areas during the first decade of the century. A respondent working in the construction industry and supporting the political campaigns of Muneo Suzuki complained to me that the impoverishment of local economies was allowed to proceed unchecked

during the years of the Koizumi Cabinet and that LDP politicians were no longer doing anything for their constituencies. There is no question that the volume of public works has declined precipitously. After peaking in 1998 at approximately 15 trillion yen, public works spending had fallen to as low as 6.7 trillion yen a decade later in 2008.<sup>6</sup> In light of these figures, the political positions taken by Muneo Suzuki begin to make good political sense. Following his arrest and indictment on bribery charges, Suzuki resigned from the LDP. Then, following his political resurrection, Suzuki joined forces with the DPJ and started advocating for the weak and the impoverished regions of Japan. There is no question that a very fundamental change had occurred in the politics of influence peddling and pork-barrel spending that had long sustained the LDP, and it is quite clear that segments of society that demanded a shift in policies went on to vote for the DPJ, which subscribed to the line of redistribution advocated by Ichiro Ozawa.

Next, in order to get a clearer view of the main characteristics of DPJ policies, let us review the socio-economic changes of the first decade of the century in the context of the postwar developments in Japan's social and economic policies. Figure 3 is a schematic diagram that I frequently use when explaining the changes that have occurred in the social and economic policies of Japan's postwar politics. The vertical axis plots the risks that any individual may experience during a lifetime, such as poverty, illness, aging, childrearing, employment, independence, etc. according to whether the individual takes responsibility for the risk, or whether the public sector takes it on itself as a problem affecting the whole of society. Among developed countries, the United States has opted for the individualization of risks. On the other hand, while differences in degree do exist, Western Europe, Japan, Canada, Australia and others have chosen to construct their societies based on the socialization of risks. The horizontal axis of the diagram plots the methods and measures adopted for the implementation of related policies. In this context, "rule orientation" refers to the delivery of benefits in the form of goods and services based on certain fair and transparent systems and rules. Based on a set of given rules, the same benefits are equitably provided to persons experiencing the same problem. As opposed to this, "discretionary" refers to the general absence of rules and the distribution of goods and services based on the discretion of government offices with the authority and funds or the judgment of government administrators. Because this process lacks transparency and is not bound by explicit standards, it inevitably opens up a space for intervention by politicians and leads to competition for using the system to one's own best advantage.

The social and economic policies that characterized the long years of LDP rule extending from the period of Japan's accelerated economic growth up through the bubble economy can be placed squarely in the second quadrant of the diagram. That is, discretionary policies were used for the socialization of risks. This represents the "first way" taken by postwar

Japan. Between the 1960s and 1980s when the LDP was enjoying its golden years, such discretionary tools as government subsidies, administrative guidance and collusion were used to pursue the socialization of risks. Specifically, the business community was protected by the discretionary distribution of public investment works and “escorted convoy” approach to industrial policy. On the other hand, collusive practices served to maintain employment and to reduce inter-regional economic disparity. The use of these tools and policies allowed Japan to build a level society characterized by such expressions as “universal middle class” and “balanced development of the national land.” Whatever expression is used, it is certain that the policies adopted by the LDP facilitated the emergence of a society with equal distribution.<sup>7</sup>

However, beginning in the 1990s, the system rapidly lost momentum. While various reasons can be given, the three principal contributing factors were the extended period of economic stagnation that followed the collapse of the bubble economy, the penetration of free market principles as a result of globalization, and repeated incidents of corruption and malfeasance in government administration. Firstly, economic stagnation implied shrinkage in tax revenues and the onset of fiscal crisis, conditions which conspired to obstruct the continued socialization of risks. Secondly, globalization smashed the “escorted convoy” structure of Japanese industry and injected an element of merciless competition in many industries. As a result, it became increasingly difficult to absorb risks through a system of long-term stable employment. Thirdly, as the other unavoidable face of discretionary policies, the long string of corruption and malfeasance that marred the 1990s showed politicians and bureaucrats in the worst possible light and stoked the public’s demand for reform.

Japan’s “second way” emerged as the neo-liberalism of the Koizumi Cabinet and the pursuit of structural reforms. Against the backdrop of globalization, this path shifted the direction of Japanese policies toward the individualization of risks. The main pillars of the Koizumi structure reform program were the restriction of social security expenditures, the reduction of local grant taxes and spending on public works, and the thorough deregulation of the labor markets. Each of these policies had the effect of transferring risks from society to the individual.<sup>8</sup> Notwithstanding the frequently repeated slogan of “reforms that leave no sanctuary untouched,” the reforms of the Koizumi Cabinet are placed in the third quadrant because in reality a considerable range of vested interests were preserved. Moreover, in some instances, new vested interests were fostered through the processes of privatization and deregulation. The DPJ’s budget screening process has rendered it very clear that the special interests and vested interests that are part and parcel of the far-reaching *amakudari* system had not been upset in the least by the Koizumi reforms. On a more insidious note, it has been reported that the highly opaque disposal of post-privatization assets benefited the companies that were owned or operated by executives who were part of the Koizumi brain trust.<sup>9</sup> In any case, the

general direction of the “second way” can be summarized as follows. A policy package intended to shift the burden of risks to the individual was implemented under the name of reform, and these policies left some extremely serious scars on the lives of people.

After Japanese society had been laid to waste by the reforms of neo-liberalism, the DPJ came along with its promises of returning to the socialization of risks. But it is important to understand that this was not a return to pork-barrel politics that had been perfected under the alliance between the LDP and the bureaucracy. Rather, the DPJ was aiming at instituting rule-oriented redistribution as exemplified by their proposals for child allowances and farming household income supports. I have repeatedly pointed out to the DPJ that this constitutes the core of what the party should be aiming to achieve in “putting people’s lives first.”

This policy shift introduced by the DPJ could not have been made possible without the leadership of Ichiro Ozawa. Since the founding of the first Democratic Party of Japan in September 1996, I have sought out various opportunities to present my proposals and recommendations to various politicians of this party. In doing so, I was motivated by a desire to contribute to the creation in Japanese politics of a center-left political force on the European model. While the DPJ is not completely devoid of such social-democratic elements and tendencies, what I was seeking to create has not gone beyond being one of several contending forces that exist within the party today.

In September 2005, the LDP garnered an overwhelming victory in the general election that followed the dissolution of the Diet on the issue of the privatization of the postal system. Ironically, this victory provided the best possible opportunity for the DPJ to adopt center-left positions for the eventual realization of a change of government. The LDP had clearly opted for neo-liberal and small-government positions, and had gone as far as to stifle and cut off internal opposition to these philosophies. So, where did this leave the DPJ? If it were to aim for a successful change of government, the DPJ had only one way left, and that was for it to adopt social-democratic values and directions.<sup>10</sup> Any attempt to compete against the LDP’s small government from the positions of neo-liberalism would have been tantamount to political suicide.

Seiji Maehara, the leader of the DPJ at the time, failed to fully appreciate this aspect of DPJ strategy. But when Maehara resigned to take responsibility for the “fake email incident,” the path opened up for new directions when Ichiro Ozawa assumed leadership of the party in the spring of 2006. This proved to be a most fortuitous development for the DPJ. The slogan, “putting people’s lives first,” was adopted under the leadership of Ozawa and points to an extremely significant strategic step. Ozawa should be given full credit for steering the DPJ toward center-left policies, a feat that he only could have accomplished.

This certainly was not a choice made on the level of meta-politics. This was a change occurring in the realm of real politics and potentially affecting the allocation of real resources. Politics in its most elemental form spells the change in the existing patterns of resource allocation. There is little doubt that the new slogan of “putting people’s lives first” came with a subtext that said, “All those who profited from the Koizumi policies will now be left out in the cold.” Reallocation of resources can come in various forms. The redistribution of tax revenues is one form, but so is the establishment of new market rules. In this context, the Koizumi Cabinet effected a change in the allocation of resources by reducing the scope of market rules and allowing the strong to act freely. The outcome of this new direction was the divergence in corporate earnings and employee income depicted in Figure 1 above. The DPJ was now announcing that it intended to change in the allocation of resources in the opposite direction. This is a vector that already existed in the DPJ before it came to power.

The conclusion that I draw from the foregoing analysis is that the change of government contained a mixture of elements of meta-politics and real politics. The inconsistencies that existed on these two levels have acted to define the DPJ after it came to power and have obstructed effective policy implementation. These themes will be examined in the following section.

### **3. Why Has the DPJ Strayed Off Course?**

#### **3-1 The Spirit of Reform in the DPJ**

Since its founding, change of government and political reform stood at the core of the DPJ’s identity. However, the program for reform contained a number of dissonant elements.

The first element was reform on the meta-political level. These were reforms affecting the general rules and procedures of party politics, such as election systems and the mechanisms of parliamentary deliberation. The DPJ’s call for “politics led by politicians” falls under this category. The questions of how to reset the division of functions and authority between elected members of parliament and the powers of the bureaucracy are clearly issues of reform on the meta-political level. For example, DPJ Secretary General Katsuya Okada has written a book entitled *Seiken Kotai* (Change of government: Kodansha, 2008), and Finance Minister Yoshihiko Noda has written a book entitled *Seiken Kotai no Taigi* (Change of government as Righteous Cause: Shinchosha, 2008). What the two books have in common is the meta-political level discussion of why “change of government is necessary for democracy.” So, how did the DPJ intend to change Japanese society when it came to power? The vision and concepts presented by the party were extremely ambiguous. What the DPJ did have was a consistent and unchanging narrative on the meta-political level, a

narrative emphasizing that the monopolization of power by a single party was unhealthy and unsound, and that a change of government was an imperative. Being an amalgamation of politicians of highly divergent backgrounds, probably this was as far as the DPJ could go.

Turning next to its real-level reforms of the DPJ, a closer examination of the conceptual framework reveals that reforms were being considered along two divergent vectors.

The first category of real-level reforms is represented by such slogans as “anti-bureaucracy” and “anti-government.” The concept of anti-bureaucracy originates on the meta-political level. But if the intention is to reduce the scope of government activities, this line of thinking must eventually break into the real level. The membership of the DPJ does contain some politicians who subscribe to anti-bureaucracy, even while rejecting the public sector and advocating the expansion of market principles. “Market” and “citizens” are words that are prone to confusion. Arguments that the “bureaucracy is to blame” and the “government sector is inefficient” are attractive not only to advocates of market principles but also to the average citizen. Popular empathy for these positions was certainly one of the main sources of support for the Koizumi Cabinet, and it was on this account that the DPJ was initially taken by surprise by the Koizumi reforms and showed signs of supporting them. This current was represented by the current mayor of Nagoya and founder of the Tax Reduction Party, Takashi Kawamura, who was previously a DPJ member of the House of Representatives.

The second category of real-level reforms pertains to the transition from an LDP-style of “vested interest welfare” to a authentic welfare state. This is represented in Figure 3 as the transition from “discretionary” to “rule-oriented” policies, and a commitment to fair and equitable redistribution.

These two categories of reforms are jammed into a confusing mixture within the DPJ, and the party remains unable to properly separate and organize them. It should be borne in mind that the Ozawa’s slogan of “putting people’s lives first” was adopted in 2006 at a time when the party was at its lowest point following the 2005 landslide defeat in the lower house elections and the resignation of DPJ President Maehara brought on by the “fake email” incident. It is fair to say that at this point, the majority of DPJ politicians did not have much hope for change of government and even for the future of the party. The entire party had sunken into a state of shock and stupor, and as much as he tried, DPJ President Ozawa was free from debate within the ranks. The prevailing feeling at this time was that matters could not be made any worse and that it would not hurt to allow Ozawa try to pull the party together and rebuild some momentum.

### **3-2 Significance and Limitations of Ozawa Strategies**

The DPJ suddenly began to regain strength as the 2007 upper house elections approached. It was at this point that “putting people’s lives first” emerged as the battle cry for change of government. Unfortunately, however, the DPJ failed to engage in thorough debate on the principles that it would espouse if it ever came to power. Nor did it invest the time and effort necessary to arrive at a shared understanding of where the party was headed. In the final analysis, Ozawa’s greatest strength lied in winning elections. Therefore, it came as not surprise that as party president, Ozawa would concentrate his powers on shoring up the DPJ in the peripheral regions of Japan where it was weakest and most vulnerable.

This strategy was highly compatible with the line of “putting people’s lives first.” Going to the peripheral regions of Japan meant paying close attention to local organizations. In reality, the DPJ had only one national organization that it could depend on for support, and that was the Japan Trade Union Confederation (Rengo). In the peripheral regions of the country where private-sector unions hardly exist, the local chapters of Rengo draw most of their support from the All-Japan Prefectural and Municipal Workers’ Union (Jichiro), plus some support from elements of the Japan Teachers Union (Nikkyoso). Given these conditions, the Ozawa strategies of “putting people’s lives first” and approaching the political forces of the center-left made very good sense as election tactics. However, the problem was that the DPJ had approached the leftwing in a de facto move.<sup>11</sup> In other words, this was not a political strategy that had emerged from thorough policy debate. In this sense, Ozawa’s center left agenda was quick-fix for DPJ.

The question arises at this point: Did the DPJ adopt a systematic approach in drafting its manifesto? The answer would have to be that the DPJ was seriously remiss on this matter. The party never got around to appointing a taskforce for making systematic preparations for the drafting of the manifesto. Of course, this is not to deny that specific policy issues were extensively discussed in the subcommittees of the Political Affairs Research Council. However, the party did not create a mechanism for comprehensive and systematic deliberation on complex issues. For instance, no systematic effort was made to carry the conclusions reached in the debate on tax burdens over to deliberations on the party’s vision of the restructuring of social security.

While Ozawa occupied the post of DPJ president, I occasionally had the opportunity to meet and speak to him directly. However, the far more common practice was for me to meet with Shigeki Aso, Ozawa’s trusted aide-de-camp. Aso would later convey the contents of our discussions to Ozawa. After the DPJ victory in the upper house election of 2007, our discussions frequently centered on what the DPJ would have to do if it succeeded in bringing about a change of government. The tone of our discussions was that the party should hurry up and engage in some serious

simulations to figure out how it would go about the business of formulating policies and drafting budgets. However, these suggestions always met with a cold reception. Ozawa's standard response was that it was too early to discuss policies when the party had not even taken the lower house. I imagine that Ozawa felt that it was unacceptably presumptuous to discuss policies while the party still had its biggest electoral test before it. Messages that the DPJ was preparing to launch earnest and detailed discussions of policy matters began to arrive in February 2009. However, in the following month, Ozawa's former secretary was arrested on charges related to mishandling of political funds. This turn of events effectively scuttled the "Ozawa policy team" before it ever had a chance to be launched.

Ozawa was more than happy to sell the details of the party platform to the public, such as child allowances and the income support system for farming households. But the whole process of planning for sources of financing never matured and discussions of how a DPJ administration would implement its policies remained underdeveloped. Herein lies the cause of much of the confusion that followed the transfer of power to the DPJ. Once having accomplished its goal, the party seemed to sink into the political version of the "new school-year blues."

Perhaps the DPJ's most serious failure can be traced to the two-week vacuum that occurred between the lower house election of August 30 and the birth of the Hatoyama Cabinet on September 16. Normally, one would have expected the DPJ to use this time to finalize a broad range of matters related to appointments, policies, the system of government administration, procedures and the entire package of its actual policy objectives. This should have all been taken care of before forming the Hatoyama Cabinet. What happened instead was that the party was quickly overwhelmed by confusion over some very elementary aspects of systems design, such as the position of the proposed National Strategy Bureau and what to do with the Policy Research Council. It is reported that in the end, Ozawa stepped in as DPJ Secretary General to make all the decisions and clear the impasse. In other words, the DPJ was unprepared for the strategic management of government.

Because the DPJ was entranced by the prospects of meta-political reforms, there was an extremely strong position within the party that changing the procedural aspects of government administration was vitally important, and that in fact such procedural changes represented the very purpose of the change of government and constituted the core of any reform effort. In order to eliminate the power of the bureaucracy over the political process, the first actions taken by the DPJ included the abolition of the Administrative Vice-Ministers' Conference and the concentration of power and authority in the hands of the "political triumvirate" (minister, senior vice-minister, and parliamentary secretary) appointed to each ministry. Viewed from the perspective of policy implementation and ensuring stable



government management, both of these institutional revisions were terribly off the mark.

The belief that members of these political triumvirates could eliminate the bureaucrats from the political process and make all the necessary decisions by themselves was nothing short of delusional. The DPJ politicians currently serving on these political triumvirates are so much busier than their LDP predecessors had ever been and spend long hours every day at their respective ministries. One may be tempted to applaud this earnest commitment to work by highly talented politicians, but the unfortunate truth is that this extremely heavy workload has not been translated into successful policy development and implementation. Stories abound of the members of the political triumvirates working around the clock to draft their own documents and to prepare the necessary reference materials, tasks that obviously should be left to the administrative staff.

In other words, the DPJ administration came to town with no clear idea of how politicians and bureaucrats were going to divide the work and responsibilities of running the government ministries. What part of the work was going to be controlled by the politicians and where would they exercise the exclusive right of decision-making? Conversely, what part of the work was to be considered routine and delegated entirely to the administrative staff? With no clear vision of how to answer these questions, the political triumvirates overloaded themselves to the point where the entire system became seriously dysfunctional. This was the outcome of the institutional reforms implemented by the DPJ. The policymaking process was equally marred. There were no programs, procedures or roadmaps that would guide the deliberative process culminating in a policy decision. In the absence of these essential props, the DPJ fell into the trap of becoming excessively dependent and driven by its manifesto.

### **3-3 The Face of DPJ Leadership**

The experiences of more than one year of DPJ government prompts the observer to question whether the DPJ came to power with any real competence in policymaking.

A concrete example will provide a good starting point. In November 2010, I was invited to speak at a symposium organized by Weather Network, an environmental NGO, on the subject of the “Policymaking Process After the Change of Government.”<sup>12</sup> It was at this symposium that I heard an extremely interesting story from a NGO activist who used to be very close to the DPJ in its days as an opposition party and had been engaged in extensive policy debate with members of the party over a number of years. The subjects discussed related to global warming and promoting the use of renewable energy sources. Apparently, the activist had presented the DPJ with a wide range of ideas and suggestions for Japan, such as increasing

wind power generation, introducing feed-in tariff systems, and transitioning from gasoline taxes to carbon or environmental taxes to finance new environmental policies. DPJ politicians with an interest in environmental problems continued these discussions with the NPO and had gone as far as to prepare a draft bill for submission to the Diet.

Normally, one would expect that a group of experts assisting an opposition party in developing policy options would be excited with the prospect of being able to translate former suggestions into policy when the DPJ came to power. However, the environmental policymaking process took a completely different turn. The NPO activists have now come to feel totally alienated from the DPJ and are deeply dissatisfied that all the input that they had given to the DPJ as an opposition party has come to naught. For example, all the recommendations concerning the development of renewable energy sources have been vetoed by the interests of the power industry, an obvious response of an industry bent on preserving its vested interests and prepared to delay and derail new initiatives.

Actually, this is exactly where the commitment to “politics led by politicians” meets its real world test. There is mounting evidence that the implication of this slogan has been misunderstood by most DPJ politicians. The Constitution renders the Diet the sole law-making and budget-making organ of the State. Therefore, from a constitutional perspective, no part of the bureaucracy can obstruct the policies that the elected representatives of the people seek to implement. The proliferation of “government by the bureaucracy” under the long years of LDP rule can be seen as a reflection of the ruling party’s failure to arrive at a consensus and to develop a unified political platform. Politicians were lured into the turf wars of the government ministries and transformed into the protectors of ministerial interests. It is for this reason that major policy changes affecting multiple ministries and agencies proved so difficult to realize. The limits to comprehensive policy transition were particularly strongly felt whenever the proposed changes directly challenged the budgetary powers and authority vested in the bureaucracy. Good examples of this would include all initiatives aimed at the decentralization of political power and spending cutbacks. Resistance is similarly strong when a proposed reform poses a fundamental challenge to the material interests of an industry, an example of which would be the proposal to integrate kindergartens and nursery school facilities.

“Politics led by politicians” failed not because the bureaucracy was too powerful, but rather because of some very basic problems that existed on the side of politicians. The change of government and the arrival of the DPJ in the halls of power did nothing to rectify the situation, and as a result, the fundamental defects of an earlier period were passed on to the new administration. When it comes to environmental policies and countermeasures to global warming, the DPJ talks the talk but is unable to muster up the strength and leadership to do battle with the bureaucrats

of the Ministry of the Economy, Trade and Industry and the captains of the electric power industry. Without such a battle, policies for the expansion of renewable energy sources cannot be implemented. Thus, the DPJ may have been able to realize meta-political changes in the system, but it lacks the leadership it takes to make real-level changes in resource allocation, a task that requires the ability to overwhelm the opposition of vested interests. In this sense, all the preparation that went into drafting a Diet-member sponsored bill prior to coming to power turned out to be a “tabletop exercise.” In the final analysis, the DPJ was ill prepared to battle with vested interests and to implement real policy changes.

This particular point relates to the weaknesses that the DPJ has with respect to political principles and philosophy. The yelling of slogans in the media is not what principles are about. Rather, it is when a party comes face to face with vested interests and voices of opposition to change and attempts to win these over to its own position that principles make a difference. When Prime Minister Hatoyama went to the United Nations and made a very powerful statement on Japan’s intent to counter global warming, public opinion sided with him. However, to transform this pledge into reality, someone has to cope with the Nippon Keidanren and other vested interests that are ready to fight to the last to preserve existing energy policies and tax systems. The tragedy of the DPJ is that it did not come armed with the necessary power of principle to overcome this opposition.<sup>13</sup>

The same can be said of the DPJ’s new set of policies, in particular the introduction of child allowances and free high school education. The party sadly lacked the commitment to explaining its principles to the public and winning their understanding and support. Because the financing of these two initiatives had not been properly sorted out, fiscal conservatism easily reared its head as the Ministry of Finance mounted its counter-attack. If its conceptual framework had been solid and its principles robust, the DPJ could have appealed to the public to accept the additional burden of these programs. But there was too much ambiguity and too little determination on the part of the DPJ to attempt this breach. Ironically, the outcome of the entire incident was that it strengthened the party’s dependence on the bureaucrats of the Ministry of Finance. The same form of ambiguity can be observed in the DPJ’s budget screening process, where it has been argued that a return to market principles and small government are being sold to the public under the guise of “anti-bureaucracy.” While the spectacle of fighting the bureaucrats makes for good political drama, the most essential policy debate of how to define the limits of the public sector was completely absent in the budget screening process.

We have observed how the DPJ had a very clear vision of what change of government meant on the meta-political level, but was sadly lacking in the principles and leadership that are absolute requirements in achieving a change of government on the level of real politics.<sup>14</sup> The confusion in policy

coordination that followed the change of government can be seen as an avoidable result of this weakness.

#### **4. Change of Government and Political Science**

##### **4-1 Non-Partisan Discussions and the DPJ**

In the final section of this paper, I would like to review the role that political scientists played and should have played in this change of government.

In the world of Japanese political scientists, the influence of scholars writing for or otherwise affiliated with the journal *Leviathan* has been gradually increasing since the mid-1980s. The *Leviathan* group has been generally critical of the tendency of political scientists to write political critiques that share a certain direction or subscribe to certain positions. Of course, no one will deny the importance of steadily accumulating a body of empirical research and the role of such research in promoting the development of political science. Nevertheless, the essential social function of political science is to critique the real developments in politics from an academic perspective and to provide politicians, journalists and the general public with the conceptual framework and perspective to examine and to better understand politics. The corruption and failures of the LDP system and the bureaucracy, which were supposed to be the subject of objective analysis, had been thoroughly exposed and their transformation had become a national issue in the 1990s. Especially at such times, it is imperative for political science to perform this social function.

As public opinion became increasingly focused on the need for political reform after the early 1990s, politicians themselves became engaged in intense debates on political reform. This environment gave rise to a new forum of discussion as represented by the “Ad Hoc Council on Politics,” later renamed the “21<sup>st</sup> Century Ad Hoc Council” (formally, the National Congress for Creating a New Japan). This movement can be seen to have two unique features. Firstly, its participants are drawn from various quarters of society, including well-known scholars such as Takeshi Sasaki, as well as leaders of the media, business community and labor unions. Secondly, this highly diverse group has come together to produce a series of non-partisan proposals and recommendations. These documents address the basic rules of politics and administration, including such matters as Japan’s election system, the parliamentary system, the relation between government and the bureaucracy, decentralization and the manifestos of political parties.

These two features of this movement are closely linked to both its strengths and limitations. By creating a non-partisan gathering of leaders drawn from various segments of society, this movement has been able to

greatly enhance its influence through the media. For example, consider the recommendations made by the Ad Hoc Council on Politics during the 1990s on the subject of electoral reform. It is generally understood that these recommendations had an extremely strong impact on the reforms that followed. Turning to its limitations, by including both business and labor leaders, the movement has rendered itself unable to formulate unified proposals concerning substantive policies that pertain to the labor laws and social security. Given the structure of the movement, concentration on the rules of politics and government administration is a necessary condition for producing non-partisan proposals.

In this sense, the new forums and movements and the political science that supports them is clearly oriented toward meta-politics. These tendencies have dovetailed with the meta-political orientation of the DPJ, which I believe is one of the reasons for the confusion in DPJ politics that has followed the change of government. The 21<sup>st</sup> Century Ad Hoc Council's recommendations for "manifesto-based elections" can be seen as a "non-partisan sermon" delivered to all political parties. The problem with this type of sermonizing is that the whole point of the sermon is quickly lost when political parties scramble to put together some form of manifesto. When manifestos become standard fare for all parties, the focus of the sermon must be shifted to questions that relate to the content and structure of the manifesto.

In Japan, the concept of manifesto has been heavily influenced by its principal advocate, Professor Masayasu Kitagawa, and has been accepted into society under certain uniquely Japanese interpretations. Thus, in Japan, the inclusion of numerical targets and timetables for the implementation of specific policies has been overemphasized. These are matters that pertain to the meta-political aspects of the manifesto. That is to say, while the format of the manifesto has been discussed, there has been no discussion of what concrete issues should be contained in manifestos and the direction in which these appeals should be presented.

These problems came to the fore when the 21<sup>st</sup> Century Ad Hoc Council hosted an "evaluation conference" of political-party manifestos held immediately prior to the 2009 election. The event featured the grading of the DPJ and LDP manifestos by various think tanks and organizations that had been invited to participate in the evaluation. It must be said that anyone who participates in such discussions must be woefully unaware of the difference between vector and scalar quantities. Essentially, a manifesto presents a vector, which is an expression of both direction and magnitude. If an evaluator is to evaluate a manifesto, the first order of business would require the evaluator to clarify his own personal vector. Otherwise, the exercise would be rendered meaningless. A neo-liberal evaluator would assign a failing grade to a social-democratic manifesto regardless of the sophistication of the document. The same would hold true in the reverse situation as well. Similarly, what meaning is there in

scoring scalar values and arguing whether a manifesto deserves “65 points or 63 points?” We are treated to this comedy because the discussions are taking place in a non-partisan framework.

The 21<sup>st</sup> Century Ad Hoc Council was also advocating a system of political parties that would make change of government possible. But this position was focused on a meta-political level of change of government that did not go beyond advocating that other viable ruling parties needed to emerge that could replace the LDP. When change of government is discussed in a non-partisan framework, it becomes impossible to link a change of government with a transition in real policies. For instance, consider a discussion on change of government whose participants include interest groups that have benefited from the LDP policies of small government or Japan-US cooperation. To pursue change of government in such a forum, there is no choice but to sever all links between change of government and changes in real policies. This peculiar dynamic has led to an unusual outcome. That is, the most powerful actor in the realm of public opinion enthusiastically welcomed change of government, but maintained a very cool or even indifferent or uninterested stance toward important policy changes advocated by the new government.

Corresponding to this lack of interest in real politics on the part of critics and opinion leaders, we were soon made painfully aware of the naiveté of the DPJ on matters related to the politics of public opinion. It should have been easily foreseen that any effort to overturn the policies that had remained in place over the long years of LDP rule would meet with strong opposition. Overcoming the forces of opposition directed at the new government from all directions would require the full powers of discourse and persuasion. However, the amazing thing about the DPJ in its position as ruling party is that it completely lacks the structures and mechanisms for developing a compelling narrative, nor is it equipped to gather new ideas and opinions and transform them into an effective driving force. No doubt, this is a reflection of the fact that the DPJ itself is not deeply interested in this type of discourse, opinion and ultimately ideology. Consequently, there seems to be very little motivation in the party to make effective use of these tools.

Here is where the DPJ differs completely from the Koizumi Cabinet, a period of time when every possible forum was mobilized to take the message to the public. Starting with Heizo Takenaka, Prime Minister Koizumi gathered together a long list of capable advocates in the Council on Economic and Fiscal Policy and the Council for Regulatory Reform. These became sources of a constant stream of information and advocates of an overarching narrative that gradually began to move public opinion. It was in this setting that the policies of privatization and spending cuts were implemented.

The DPJ had come to power with an impressive group of economists, including Professors Yoshiyasu Ono and Naohiko Jinno, who the party touted as its “brains.” However, the DPJ simply did not have the structures and mechanisms needed to translate the theories of these scholars into actual policies and to move the wheels of public opinion. As the fault lines in the political topology became increasingly well defined, the DPJ suffered from a paucity of intellectuals and experts prepped and prepared to rally around the DPJ government by expressing their support for a certain position or a certain policy. Take for example the changes advocated by the Hatoyama Cabinet in such areas as the Japan-US security system and universal social welfare. While voices in favor of the status quo were frequently heard, the DPJ was simply unable to organize powerful enough rhetoric or discourse to counter the opposition. Many scholars and critics who had readily expressed their enthusiastic support for change of government on the meta-political level remained oddly silent on matters pertaining to policy change on the real level.

We have seen how many political scientists were very interested in discussing the issues of political and institutional reform on a meta-political level. This proclivity, however, had very little to contribute to raising the level of political leadership. In the name of “politics led by politicians,” the DPJ increased the number of political appointments and loaded the ministries with parliamentary secretaries, ministers and vice-ministers. In the name of unifying the government and the ruling parties, the DPJ temporarily dissolved its Political Affairs Research Council. For the same purpose, the DPJ abolished the Administrative Vice-Ministers’ Conference, concentrated the coordination and decision-making functions of all ministries in the hands of their respective “political triumvirates,” and transferred the functions of comprehensive government coordination to the Cabinet and to its various ministerial meetings. However, none of these institutional reforms served to raise the level of political leadership, which brings up the irksome question of what political scientists have to say about this failing.

In the final analysis, leadership is an intangible quality that makes its presence best known when a nation is confronted with a specific challenge. For the DPJ, examples of such challenges would include the US military base issue in Okinawa and questions related to fiscal and tax reform. In each of these instances, the points of dispute were well known and the complex topology of positions in favor and in opposition was well established. Thus, the stage was fully prepared for the entry of a leader who would point in the direction of a resolution, quell the voices of opposition and work toward conciliation. When conducted on the level of meta-politics, discussions of how to develop stronger political leadership can be compared to shadow boxing. Political discussions conducted in a vacuum that is void of all real and specific issues cannot lead to the birth of effective leadership.

It seems to me that Sakae Osugi's criticisms of Sakuzo Yoshino can be applied directly to this state of political science. Osugi, the anarchist of the early 20<sup>th</sup> century, criticized Yoshino's theories of universal suffrage in the following words. "The political science of Yoshino and his fellows is notable for ignoring the essential and dwelling on what is purely secondary." "The purpose of politics remains unknown. The 'for what' and 'for whom' remains unstated. Yet glossing over these unanswered questions, they presume to present the most effective method for achieving the ends of politics. What can be more dubious than this?"<sup>15</sup> Herein is captured the essence of meta-politics: "Regardless of the objective, the most effective method is this." Osugi's exclaims that all sense of direction in the discussion is lost when one's discourse is restricted to this level.

#### **4-2 Should Political Science Enter the Policy Debate?**

Certainly a case can be made and a rebuttal formulated to say that political science has no business interfering in specific policy matters. This is the position that claims that political science must strictly limit its discourse to issues related to political parties, parliamentary politics and the use and application of power, and that the resolution of specific socio-economic problems comes under the responsibility of experts in such fields as economic policy, social welfare policy and education policy.

To answer the question posed here, each individual scholar must return to his or her own understanding of what constitutes the identity of political science. In my case, I do not believe that democracy must be treated as a mere set of procedures. Democracy adopts the premise that all citizens must be able to maintain a certain minimum standard of living. I believe that the foundations of those social policies that make this premise a reality are essential components of democracy.

This point of view is generally held in common by those who subscribe to social-democratic principles. For instance, Colin Crouch examines this issue in his book *Post-Democracy*. Crouch considers such values and institutions as participation, civil liberty and multi-party representative politics to lie at the base of democracy, but goes on to state that the assurance of minimum levels of equality and the establishment of the welfare state achieved in the mid-20<sup>th</sup> century also constitute essential components of democracy. This is because in order for people to participate in politics on an equal footing, they must be able to enjoy a certain minimum standard of living and be assured of access to certain fundamental needs in terms of education, medical care and so on. Seen from this perspective, Crouch argues that democracy has been in decline since the 1990s, and that the pace of decline has been accelerated since the start of the century, bringing the world to its current stage of post-democracy.



An interesting critique of Crouch is found in the works of Ralf Dahrendorf, who counters that Crouch is not talking about liberal democracy but about egalitarian democracy. That is, Crouch's discussions of post-democracy do not apply to democracy in general, and that the process of decline has affected only a specific form of democracy. Crouch provides the following rebuttal to this contention.

“In politics with universal citizenship there are problems for all forms of serious, principles politics if vast, socially defined groups within the electorate become detached from engagement in public life and passively allow their marginal political involvement to be shaped by small elites. Neo-liberals in particular should be just as concerned as social democrats if the economic action of government become distorted by lobbies with privileged political access entering the vacuum which this passivity leaves, corrupting the markets in which they believe.”<sup>16</sup>

Given the increase in poverty that followed the small-government policies of the early years of the 21<sup>st</sup> century, it is clear that democracy cannot be reduced merely to a matter of procedure. If we go back in history to examine how this problem was treated in Japan, we ultimately arrive at the question of whether bourgeois democracy could have joined forces with the proletarian parties at a critical stage in Japan's prewar history as democracy was sliding toward its demise. Professor Junji Banno assigns special significance to the failure of cooperation between the proletarian parties and the Constitutional Democratic Party during the final stages of the collapse of prewar democracy.<sup>17</sup> The principal cause of failed cooperation can be explained in the following terms. As a party of bourgeois democracy, the Constitutional Democratic Party was very comfortable with the concept of universal suffrage as a meta-political issue in democracy, but could not warm up to the various real-level issues of democracy, such as the alleviation of poverty and the resolution of the labor problem. When the proletariat parties saw that real forms of democratization would not be achieved, they were inevitably drawn toward the promises of fascism.

In light of this historical experience and the emergence of a new age of poverty in the early 21<sup>st</sup> century, I would like to emphasize that it is highly doubtful that democracy can be truly saved by advocating the preservation of formalistic democracy.

In closing, I would like to consider the following question: To what extent is it possible for political parties in their contemporary form to engage in political confrontation based on principles and policies? Professor Mamoru Sorai argues that the pursuit of electoral victory in single-seat constituencies has undermined the validity of the conventional political model that posits that political parties engage in policy-based competition along very simply drawn lines of confrontation.<sup>18</sup> What Sorai wants to emphasize is the impossibility of the simple model of elections (prior

selection election) where political parties present contrasting policy packages before an election and the winning party implements its policy package. This is his way of severely criticizing the advocates of meta-politics who have naively pursued manifesto-based elections.

At the same time, one of the critically important points of Sorai's argument is that political scientists must realize and admit the difficulties inherent in the model that posits that the public makes its choice from among multiple parties competing on the basis of their policy platforms. However, as difficult as it may be for political parties to espouse consistent principles, it is obviously necessary for political scientists who are making policymaking recommendations to the parties to have a clearly defined set of principles of their own.

It is not necessarily a bad thing for political parties to be opportunistic in their choice of policies. The origins of the DPJ can be traced back to the criticism of special-interest politics that had been perfected by the Tanaka-Takeshita Faction of the LDP in the 1980s. In this sense, it cannot be denied that, at the start of the 21<sup>st</sup> century, the DPJ shared a certain degree of affinity with the line taken by Prime Minister Koizumi. However, once Koizumi's neo-liberal structural reforms began to seriously impoverish the Japanese society and economy, the DPJ made the best use of its freedom and agility as an opposition party to shift its direction toward social-democratic lines. Insofar as a multi-party system cannot hope to free itself from the clutches of the "supremacy of election results," possibilities of this type of opportunistic policy shift must be kept firmly in mind when considering the viability of change of government as a path to policy change.

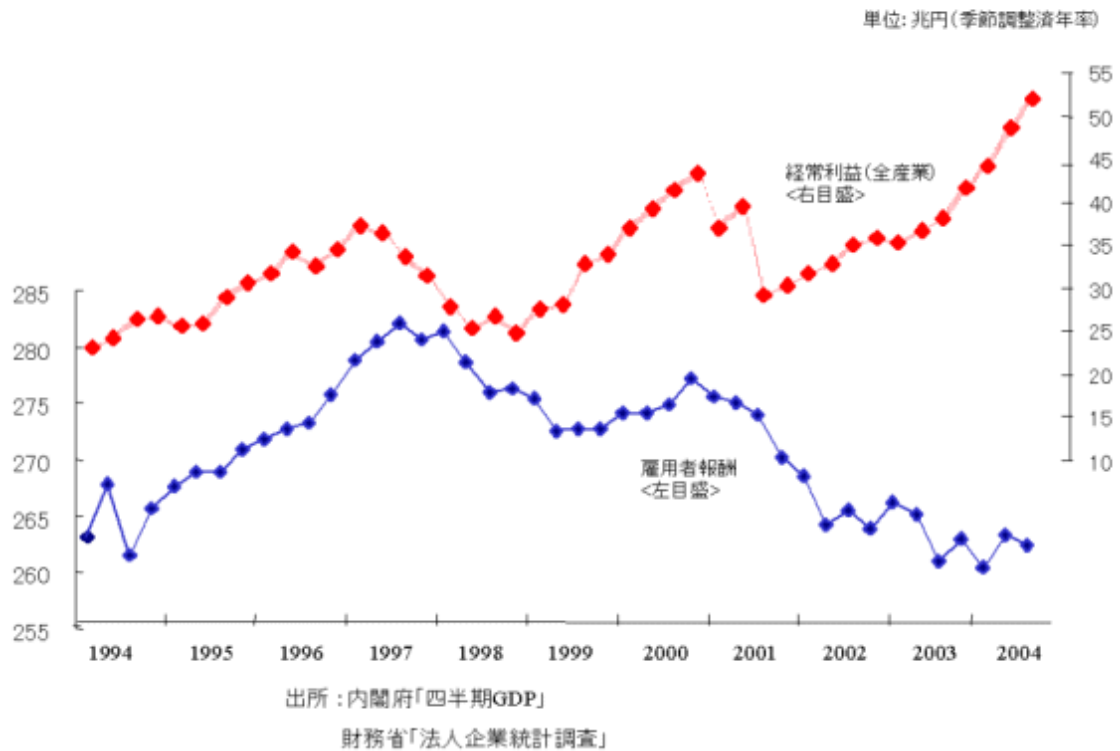
Even if political parties choose to shed their ideological identities and baggage, the scholars who are recommending policy packages for adoption by these parties certainly must not follow suit, for political science cleansed of ideology has no choice left but to seek subsistence in the realm of meta-politics.

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Figure 1: Divergence of Corporate Earnings and Employee Income  
 Unit: trillion yen (seasonally adjusted annual rate)  
 Ordinary profit (all industries)<right scale>  
 Employee compensation<left scale>

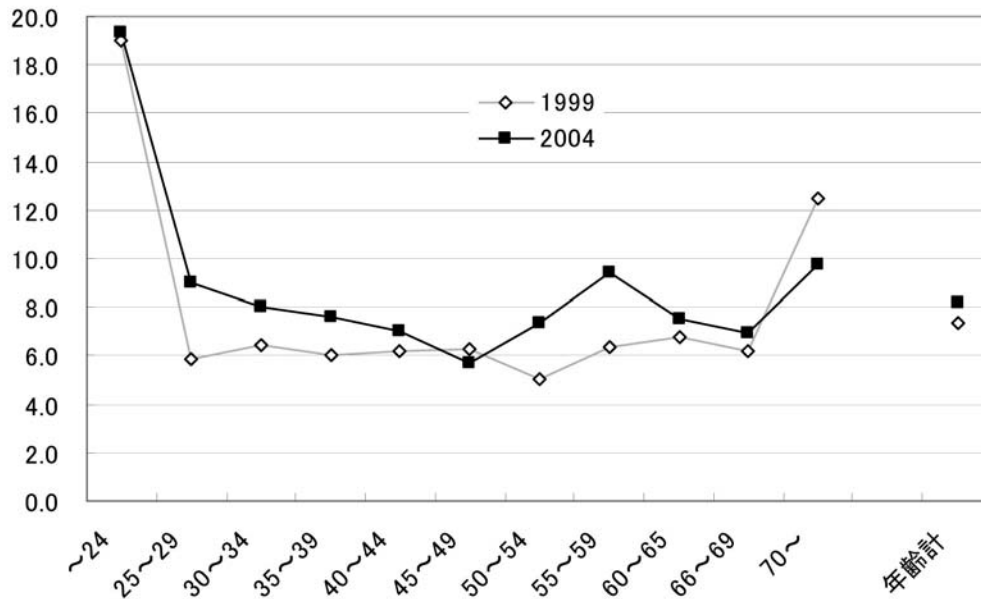
図1 企業収益と勤労者所得の乖離



Sources: Cabinet Office, “Quarterly GDP Statistics;” Ministry of Finance, “Financial Statements Statistics of Corporations by Industry.”

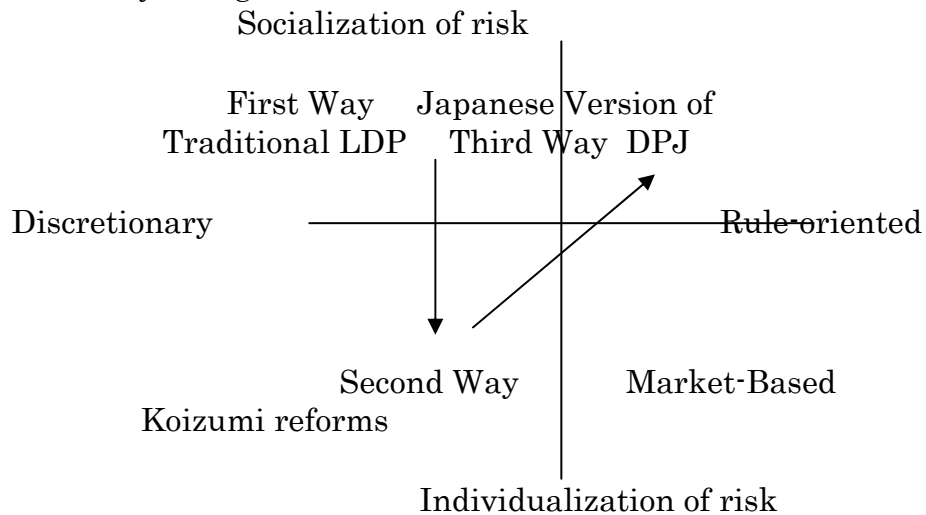
Figure 2: Poverty Rate (Percentage of households with disposable income below public assistance eligibility level)

Age groups



Source: Preface to “Research on Disparity and Social Welfare” (Project leader: Kohei Komamura) funded by Fiscal 2008 Ministry of Health, Labor and Welfare Scientific Research Subsidy, Research for Promoting Policy Sciences.

Figure 3: Policy Categories and Political Forces



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<sup>1</sup> Joseph Stiglitz, *Freefall: America, Free Markets, and the Sinking of the World Economy* (New York: W.W. Norton & Company, 2010), pp. 127–128.

<sup>2</sup> Mitsuharu Itoh compares the Obama Administration to the post-Depression Franklin D. Roosevelt Administration and states that while Roosevelt appointed progressive scholars to his brain trusts, Obama focused on building a non-partisan political base, as symbolized by his appointments of FRB Chairman Bernanke and Treasury Secretary Geithner. He goes on to argue that the Obama Democrats remain under the spell of the “Reagan Revolution.” Mitsuharu Itoh, *Seiken Kotai no Seiji Gaku* (Political science of change of government) (Iwanami Shoten, 2010), p. 158, p. 174.

<sup>3</sup> On the issue of lowering corporate tax rates, Itoh states the following. “Today (2010), the Japanese economy is starting to recover led by external demand. It is this relatively fortunate sector of the economy that is clamoring for a reduction in corporate tax rate, while less successful sectors of the economy are unaffected. The argument is that tax rates must be reduced in order for companies to remain in Japan. The decision of where to locate is based on a multiplicity of factors, including political stability and the level of infrastructure development. A 5 percent cut in corporate tax rates will have a minimal impact on such decisions.” *Ibid.*, p. 116.

<sup>4</sup> *Ibid.*, p. 70.

<sup>5</sup> Shinichiro Murakami, “Itto Yui Taisei no Hokkai” (Collapse of one-party dominance) in Jiro Yamaguchi, ed. *Minshuto Seiken ha Nani wo Nasu bekika* (What should the DPJ administration do) (Iwanami Shoten: 2010), pp. 34–35.

<sup>6</sup> <http://www.mof.go.jp/jouhou/syukei/sy014/sy014s.htm>

<sup>7</sup> “Japanese equality” faces various limitations. The corporate sector’s long-term employment provides stability but also obstructs the independence of the workers as individuals. People who slip through the cracks of company-unit social security are forced to bear the burden of risks on their own. In other words, Western universalism did not take root in postwar Japan. See Taro Miyamoto, *Seikatu Hosho* (Livelihood security) (Iwanami Shoten: 2009), pp. 40–49.

<sup>8</sup> Kenji Hashimoto, *Hinkon Rensa* (Chain reaction of poverty) (Daiwa Shobo: 2009), Chapter 5.

<sup>9</sup> See Takashi Arimori, *Koizumi Kisei Kaikaku wo Riyo Shita Otoko: Miyauchi Yoshihiko* (The man who used the Koizumi regulatory reforms: Yoshihiko Miyauchi) (Kodansha: 2009) and Isao Mori, *Sarariman Seisho: Miyauchi Yoshihiko no Hikari to Kage* (Salary man with political influence: light and dark of Yoshihiko Miyauchi) (Kodansha: 2007).

<sup>10</sup> Jiro Yamaguchi, “Nihon ni okeru Saha Seiji no Kongo to Minshuto no Yakuwari” (Future of Japan’s leftist politics and the role of the DPJ), *Sekai*, December 2005.

<sup>11</sup> It is no accident that politicians from the former Socialist Party and the General Council of Trade Unions in Japan (Sohyo), such as Azuma Koshiishi (originally from Japan Teachers Union, Yamanashi Prefecture) and Yoshimitsu Takashima (originally from All-Japan Prefectural and Municipal Workers’ Union, Osaka Prefecture), played a very important part in supporting the Ozawa system. These politicians share the same political culture with Ozawa on such issues as the importance of organization in politics and the need for discipline and unity in the organization. However, this political culture has led to the creation of a chasm between this camp and the younger and middle-tier politicians who entered the world of politics after the implementation of political reforms.

<sup>12</sup> *Weather Network Newsletter No. 76* (January 1, 2011).

<sup>13</sup> Under the DPJ, two consecutive Ministers of Economy, Trade and Industry had earlier backgrounds in the labor unions of major manufacturers. Ironically, the industrial interests were being protected by people from the labor side.

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<sup>14</sup> After the collapse of the Hatoyama Cabinet and the formation of the Kan Cabinet, revision of the DPJ manifesto became a major point of contention, with pro-Ozawa and anti-Ozawa camps taking up opposite positions on this issue. On December 26, 2010, I had an opportunity to engage in a two-hour dialogue with Prime Minister Kan at the prime minister's official residence. During our dialogue, I was very surprised by the apathetic position taken by Kan that the 2009 DPJ Manifesto had been produced by Ozawa. The DPJ has been unable to settle on treating the revision of the manifesto as simply a prioritization of objectives that leaves the basic directions of the manifesto unchanged. As a result, the lingering implication that basic principles are also at stake and subject to possible amendment has fueled the factional struggles within the party.

<sup>15</sup> "Mekura no Tebiki suru Mekura" (The blind leading the blind) in Masamichi Asukai, ed. *Osugi Sakae Hyoronshu* (Osugi Sakae anthology) (Iwanami Shoten: 1996), p. 147, p. 157.

<sup>16</sup> Colin Crouch, *Post-Democracy* (Cambridge: Polity Press, 2004), pp. x-xi.

<sup>17</sup> Junji Banno, *Nihon Kensei Shi* (History of constitutional government in Japan) (Tokyo Daigaku Shuppan: 2008), pp. 193-201.

<sup>18</sup> Mamoru Sorai, "Rinen naki Seito Seiji no Rinen Kei" (Ideal type of party politics with no ideas) *Sekai*, August 2010, pp. 143-148.