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Social Democracy and Liberalism
in the 20th Century Japan

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SOCIAL DEMOCRACY AND LIBERARISM IN THE 20th CENTURY JAPAN

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SOCIAL DEMOCRACY AND LIBERALISM IN THE 20th CENTURY JAPAN

1. The First Social Democratic Party of 1901

In May 18, 1901 a group of intellectuals noticed the Ministry of Interior the foundation of the Social Democratic Party (Shakai Minshuto). She was banned in a few days. Still several newspapers and journals could report the foundation with her declaration and program. This was the first attempt of early Japanese socialists to go into public political activities.¹ Her founding members were only six. However, in my view, this party is fitted for beginning our discussion on the social democracy in Japan very well.

The first reason is, of course, her name. This was apparently taken from German Social Democracy. We have three Social Democratic Party in the political history of modern Japan: the first one of 1901; the second, a small middle-left party organized by Rikizo HIRANO in 1951; and the third living party headed by Takako DOI. The last one was the remnant of the Socialist opposition (Nihon Shakaito: Japan Socialist Party, hereafter JSP) that renamed in the beginning of 1996.² Interestingly, JSP had used this name in her English publications even before her final renaming. In the years of the Cold War, JSP had kept a double face in the diplomatic level. Officially, she was a member of the Socialists International that was formed by Western socialist parties. On the other side, she kept friendly relations with most of hegemonic parties of former communist blocks, which she once defined as 'peace-keeping' powers. Since such a double face was rooted deeply in the party structure as well as in the ideology, we cannot regard the JSP before the turn in the nineties as a social democracy in the Western sense.

Secondly, the founding members had represented the three directions that emerged in the Japanese socialist politics later in early decades of the century. Except for Shusui KOTOKU, all other members, Isoo ABE, Sen KATAYAMA, Naoe KINOSHITA, Kojiro NISHIKAWA, and Kiyoshi KAWAKAMI, were Christians. The leader was Isoo Abe (1865-1949), a Waseda Professor in politics, who had studied

¹ In May 2001 a group of researchers held an anniversary symposium at Doshisha University and Waseda University. They dedicated a special issue of their journal to her memory (*Shoki Shakaishugi Kenkyu*, no. 13).

² In the mid of 1996 the majority of JSP left the party to join a new fusion party, Minshuto (Democratic Party).

social works in the United States and Germany.³ Though he was an ardent Christian, he provided his rich knowledge of German Social Democracy for the foundation of its counterpart in Japan. Another key figure was Sen Katayama (1859-1933), who had been involved in the unionization of workers of the metropolitan area after his return from the United States. Katayama served as the secretary for the study group of socialism that had preceded the foundation of the party. Shusui Kotoku (1871-1911) was a very talented journalist that published a criticism of Imperialism (1901) and the arguments for Socialism (1903). Though he was deeply influenced by the Western democratic ideas, he conserved the traditional conviction that a self-sacrificing devotion is needed for the renovation of the nation. Later, facing the hard repression policy of the government, he tended to a radicalism that defended terrorism as a means of resistance against the tyranny. He had to pay his radicalism with his death in the frame-up repression of High Treason Incident of 1910. Contrastingly, Katayama and Nishikawa stuck to legal activities such as the support of workers' strikes and campaigns against the raise of public fees. However, as the allowance of the legal activity was curtailed year by year, Katayama had to leave Japan in solitude (1914) and to die as a Lenin-admirer in Moscow (1933). Abe retired from politics for a while after the High Treason repression, but resumed his activity in the years of Taisho Democracy. He became the head of the Socialist People's Party (Shakai Minshuto) in 1929 and Social Masses Party (Shakai Taishuto) in 1932. After 1945, the newborn JSP honored him by inviting him as her advisor.⁴

We cannot delve into the later career of other members. However, the diversified path of the three is already sufficient to suggest the development of socialist movement in Japan⁵. Abe represents the lineage of the moderate socialism

³ As a general description of the early Japanese socialists see John Crump, *The origins of socialist thought in Japan*, Croom Helm, London, 1983.

⁴ Abe was famous also by his introduction and support of the baseball game among students. After his death, the baseball ground of the Waseda University was named the Abe Ground.

⁵ Of the three Katayama and Kotoku have their portraits in English (Hyman Kublin, *Asian revolutionary: the life of Sen Katayama*, Princeton University Press, 1964; F. G. Notehelfer, *Kotoku Shusui: portrait of a Japanese radical*, University Press, 1971). Such was missing in Abe. However, recently an interesting article appeared: Herald Meyer, "Pioneer of 'Taisho Democracy': Abe Isoo's Social Democratic Idealism and Japanese Concept of Democracy from 1900 to 1929," *Japanstudien*, Bd.14, 2002. In Waseda University, a study group on Abe was organized in 1986 and published their result in 1990 (*Abe Isoo no Kenkyu*, *Research Series* 26 of the Waseda Daigaku Shakai Kagaku Kenkyusho).

in which humanism overrules class struggles. Kotoku had to die early. However, in the late of the second decade of the century, the tendency to the direct action was inherited by a group of Anarcho-syndicalists. They competed with 'Bolsheviks' that stressed propaganda and political leadership. After this trend's disappearance (the leader of the group, Sakae OSUGI was killed in the tumult of the Great Tokyo Earthquake of 1923), communism monopolized the position of radical left in Japan. However, not a steady enduring spirit of Katayama, but a heroic radicalism flew into labor movement as well as illegal communist activities. In the United States, Katayama joined the communist movement and elected as an executive member of the Communist International (1921). After several attempts, a Moscow-loyal illegal Communist Party was established in the late 1920s (1927). However, in this zigzag process of the formation of communist movement in Japan, a group of influential leaders (Hitoshi YAMAKAWA, Kanson ARAHATA) that favored the formation of massive front remained outsiders. Similar split among Marxists emerged in the journalism and academics. Considerable part of socialists and unionists accepted either of both Marxism. The heavy influence of Marxism in the socialist movements has its origin in these years.

Thirdly, a clear universal and international aspect is seen in the Basic Programs of the Party. The Party's Basic Program consisted of following eight clauses⁶:

1. Abolition of racial discriminations
2. Disarmament conference for a world peace
3. Abolition of classes
4. Public ownership of land and capital as means of production
5. Public ownership of transportation facilities
6. Fair distribution of properties
7. Equal participation in politics
8. Full support of the educational expenditure by the state budget

A universal humanistic claim against the racial discrimination and a pacifist proposal of worldwide conference preceded other socialistic claims. Probably, the Christian humanism as well as the oversea experience of the founding members is reflected in this order. In the most programs of the post-1945 Japanese socialist

⁶ Urgent topics such as the demand for the general suffrage and trade union laws were included in her Action Programs.

parties, the description of the state of capitalism comes first and the socialist doctrines follow it. In policy claims, the frame of the nation state is taken as granted, though implicitly. This loss of the universal and international perspective is also the problem we have to deal with today. At least, the fact that the first Social Democratic Party in Japan had such a universal perspective that can transcend the nation border is worth knowing, particularly, in the present situation of facing 'globalization' problems.

2. Two Social-Liberal Academics in the Pre-War Japan

It was after the Russian Revolution that Marxism had acquired a strong influence over the socialist and labor movement in Japan. In the first decade of the 20th Century, most knowledge of socialism as well as labor movements entered Japan via United States based on the thick emigration waves of Japanese workers over the Pacific. Only a few, mostly professors that returned from the study in German universities could read Marx directly from the German original. We mention two, Tokuzo FUKUDA (1874-1930) and Iwasaburo TAKANO (1871-1949). Both studied economics of the German Historical School that stressed historical and statistical research and supported the state-led social policy. However, both stood near to the social-liberal position of Lujo Brentano in respect of the emphasis on the independent labor movement as an effective actor of the social reforms.

Fukuda was a lively critic of socialism, in particular of Marxism. He once proposed the exclusion of socialists from an academic association for the study of social policies (Shakai Seisaku Gakkai)⁷ on the ground that socialism was the competitor in the solution of social problems. Takano dissuaded him, by saying that there was no wonder even if socialist members should emerge and the definition of social policy would change as the passing of the time. Takano's words turned out to be true in the end of the second decade, since influential scholars such as Hajime KAWAKAMI and Hyoe OUCHI converted to Marxist, and he himself occupied the

⁷ Cf. Takashi FUJII, "The Japanese Social Policy School: its formation and breakup" in Shiro SUGIHARA and Toshihiko TANAKA eds., *Economic Thought and Modernization in Japan*, Edward Elgar, Cheltenham, UK, 1998. As a reassessment of Fukuda, see, Naoshi YAMAWAKI, "Historism and Liberalism in Japan" in Koslowski, Peter ed., *The Theory of Ethical Economy in the Historical School*, Springer-Verlag, Berlin, Heidelberg, 1995, and Takutoshi INOUE and Kiichiro YAGI, "Two Inquirers on the Divide: Tokuzo FUKUDA and Hajime KAWAKAMI" in Sugihara and Tanaka eds., *op.*

head of the institute that provided research resources for many socialist scholars.⁸

Fukuda wished to establish social policies on the ground of 'living right' of all social members. According to him, class struggles have dual aspects of price struggle as well as the struggle for the recognition of personal dignity. Fukuda recognized the demand of autonomy in production of the workers in the labor unrests in Japan of the 1920s. Partial compromises should be avoided, since full recognition of the independence of both sides is the precondition of the total welfare of the society. With this concept he would replace the paternalistic concept of social policies of senior generations and integrate labor movements within the system of social policies that enhances both the welfare and freedom within the society.

Fukuda's sympathy was directed to the workers that strove to raise their position in the society. However, he would not adopt an exclusively pro-labor view. The position and the function of entrepreneurs and capitalists should be admitted. Only then, the struggle for the living right among classes would benefit the society. As a general suffrage excels a class-exclusive suffrage, democracy in general excels a class-exclusive democracy. This was the ground that Fukuda rejected the concept of 'social democracy' that was advocated by socialists.

Takano was an excellent organizer in academic research. He performed several local researches of the working class communities in the bay area of Tokyo. He started the documentation and publication of labor movements and social problems in Japan. Although he kept his tie with Russian scholars, he seems to have kept distance to the ideology and politics of Moscow. After 1945 he proposed a private draft of the new constitution that declared a thorough democracy (Republic of Japan). He was one of the three initiators of the reconstruction of a socialist party after the capitulation. (Other two were Abe and Toyohiko KAGAWA, a Christian social worker). He assumed the directorship of the national broadcasting agency (NHK) in order to reform this nationwide media with a democratic principle.⁹

Takano and Fukuda represented two types of the social-liberal academics in Japan. The type of Takano, left democrats that maintained sympathies with socialism and communism, prevailed in the so-called 'progressive intellectuals' in the postwar Japan. In contrast, the social perspective of militant liberalism,

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⁸ A socially minded businessman, Magosaburo OHARA, had the idea to found a research institute for the study of social problems. Takano that left the University of Tokyo in 1919 accepted his offer. See Ohara Institute for Social Research, *Ohara Shakai Kenkyusho 50 nenshi*, 1970.

⁹ See Kiyoshi OSHIMA, *Takano Iwasaburo-den*, Iwanami, Tokyo, 1968.

Fukuda's type, was blurred by the right-left dichotomy under the Cold-War age. However, it is worthwhile reassessing this type from today's viewpoint.¹⁰

3. Lingering Socialist Dogmas under Prosperity

In the latter half of the 20th century Japan, the political activity of socialists and communists was permitted.¹¹ Socialists occupied the position of the leading opposition in the Diet. They could effectively resist against Conservatives' attempt to revise the pacifistic and democratic clause of the 1947 Constitution. However, except for the KATAYAMA coalition cabinet (May 1947 - Feb. 1948), JSP could not seize the power before the power shift that began with HOSOKAWA's coalition cabinet in 1997. Protected by the medium-size election system, JSP established its position of absorbing dissatisfactions of the people widely by its pacifist claim and pro-labor attitude. Her membership had never attained a hundred thousand. In the election campaign, she had to rely on big unions both in financial as well as personnel aid. Still, she could acquire over 10 million votes in most of the general elections. In the small core of the activists and party personnel, a strong socialist conviction was dominant. Up to the end of the 70s, whenever a controversy within the party occurred, the leftist won. Just before its final split in 1996, she had kept a crying discrepancy between the moderate face of peace-loving party and the stiffened official ideology.

If we borrow the distinction between Socialism and Social Democracy according to the attitude of the institutional frame of modern capitalism, it was as late as 1986 that JSP officially approved it in her program-like document (*New Manifesto of JSP*). Compared with German Social Democrats that adopted the Bad-Godesberg Program in 1959, JSP lagged more than a quarter-century far behind. Though we can notice the realistic direction in her policy in *The Reform Plan of Japanese Economy* (1979), it was only the beginning of the long continued controversies within the party.

¹⁰ I would like to add Tanzan ISHIBASHI (1884-1973), chief editor of the *Oriental Economist* (*Toyo Keizai Shimpō*), as the third social-liberal in Japan. He had many friends among moderate socialists that formed the JSP. However, from the conviction of economic liberalism he chose Liberal Party, when he decided to enter politics in 1946.

¹¹ With the exception of the purge of the leaders of JCP (Communist Party of Japan: Nihon Kyosan-to) by the GHQ in 1950.

It is easy to understand that the survived socialists in 1945 rejected capitalism and advocated “brave implementation of socialism”¹² in their reorganization of the party. Around that time, the reconstruction of capitalism in Japan was not fixed. As for the discussion around the Party Program of 1955, the emphasis was given to the “democratic and peaceful method” in the construction of socialism rather than socialism itself. Considering the political tension in the early 1950s, this implied that JSP would not legitimate violent measures in all areas including security policies as well as labor disputes. The Program also defined JSP as a “class-centered mass party,” “union of the working groups of the majority of nation that has the core in the labor class and covers farmers, fishermen, medium and small sized merchants and manufacturers, intellectuals, and others.” By this self-definition, JSP confirmed its position of the legal opposition party that would not violate capitalist structure and serve for acquiring compensations from the existing order. The final goal of “socialism” was not discussed fully, since it might reveal the fundamental difference between Marxian socialists (dominant in the former JSP-Left) and the Western style democratic socialists (dominant in the former JSP-Right).

The gap between the daily practical solutions and the final goal of socialism was filled by a “program-like document.” *The Way to Socialism in Japan* (1964).¹³ Like many official programs of complex parties, this also has ambiguous character. On the one hand, this reflects the introduction of the theory of “structural reform” that interpreted reforms within capitalism as socialistic ones. From this viewpoint, the task of “revolution” could be postponed. On the other hand, the systematic description of the final goal and the subordination of mass movement under this goal allowed its interpretation as the program of revolution in the Marx-Leninist style. The split of a stubborn anti-communist group around Suehiro NISHIO and the formation of Democratic Socialist Party (DSP: Minshu Shakaito) might have helped to conceal discrepancy within the party. Khrushchjov’s “peaceful coexistence” policy calmed the antipathy to the Marx-Leninism considerably. The pro-Moscow stance of the peace policy of JSP encouraged the Marx-Leninist group within the JSP. This group was oriented to the collaboration with JCP and criticized Dietmembers that tended to the middle policy in charge of the offense against the

¹² Program and Policies of the Inauguration Assembly (Nov. 2, 1945), in JSP, Policy Councils, *Accumulated Policy Documents* (Nihon Shakaito Seisaku Shiryo Shusei), 1990, p. 10.

¹³ About the ambiguous nature of *The Way*, see chap. 2 of Hiroki MORI, *Nihon Shakaito no Kenkyu* (A Study of JSP), Bokutakusha, 2001.

prescriptions of *The Way*.

Why then, the ideological stiffening of the JSP occurred in the mid of the economic prosperity of 1960s? I understand that the JSP in this period was in the trap both in its competitive location among political parties in Japan as well as in the interest structure of her main supporters. The two aspects are intermingled each other and cannot be explained separately.

The main competitors of the JSP in the working class politics were DSP and JCP. Ideologically DSP adopted Western style Social Democracy and advocated the 'welfare state'. However, in the security policies as well as in the ideological front DSP's attitude was sharper and more aggressive than the catch-all conservative party (Liberal Democratic Party: Jiyu Minshuto). DSP was closely combined with the anti-communist union leaders of DOMEI and pro-management group of big business unions. The once mighty SOHYO (General Councils of Labor Unions)'s leadership was lost in the private sector where the competition and cost reduction pressure was severely felt. Since this retreat hadn't occurred without tension, without the settlement of the unification of the labor front at least in the private sector, the collaboration of JSP and DSP was nearly impossible.

Another competitor was JCP (Nihon Kyosanto: Japan Communist Party). Since Socialists and communists share the same protesting stance in various fields, activists of the JSP needed an ideological support that distinguished them from Communists. The old distinction that had been inherited from the strategy controversy of Japanese revolution around 1927-1932 was revived after a half century. The strategy of 'Socialist Revolution of Anti-monopoly capital' that was introduced in *The Way* was the defensive alternative to the Communists that had followed the strategy of 'Democratic National Revolution.'

In the area of small and medium-sized business, the Komei Party (literally, 'Clean Government Party') emerged in 1964 as a middle-road party. Though this party was in reality just another face of a gigantic lay Buddhist organization (Soka Gakkai), JSP could collaborate with it in respect to the pacifist and welfare-oriented policy. This party worked mainly for the interest of the urban non-rich residents, whose interest was virtually neglected by JSP. Komei's competitor was rather JCP that strove to build a strong base in urban populations by organizing the interest of small businesses and residents. JSP's presence in the daily urban politics faded considerably in the mid of the seventies. Paradoxically, this non-competitiveness was the ground that JSP then imagined as if she could choose her partner from the two.

Lastly, the relation to the Conservatives (LDP): Another paradox of the JSP in this period was that she had built a symbiotic structure with Conservatives in various areas. In many local electorates, the candidacy of JSP was rather welcomed by the opposing Conservative's camp. Without JSP's candidate, the established Conservative Dietmen could not effectively hinder the emergence of challengers within their camp. An ideal distribution of the seats was 2 to 1. Since the revision of the Constitution is blocked by a third of the Diet, JSP could claim her victory as the 'Defender of the Constitution' with such a humble result. Further, this number was enough to obstruct the smooth process in the Diet. The negotiation between LDP and JSP was firmly integrated in the management of the parliamentary discussions. Not only in the committees in the Diet, such involvement of JSP opposition extended itself in various policy-affiliated councils, through which JSP could serve interests of various groups (unions, farmers, consumers, etc.).

JSP's ambiguity between resistance and involvement was motivated further by the shift of the core of SOHYO to unions in the public sector. Unions of the public sector inevitably conveyed political character, since they had various limitations in fighting for a purely economic interest openly. The campaign for general topics was more fitted to them, while their particular interest could be maintained by sending their senior leaders to the related committee of the Diet. It is only after some progress in the unification of the labor front in private sector that the pressure to the middle began to exert the influence over JSP.

4. Socialists meet Participative Democracy

A brave attempt to break this pat situation was taken by Saburo EDA (1907-77), when he left JSP in March 1977. At that time JSP's alliance policy was in sway between middle-road partners (Komei and DSJ) and the left one (JCP). Eda, who had once served as a provisional head of the Party in 1960 and had the sense of publicities in politics, was the target of the continuing attacks of the leftists in charge of his offences of the Party's class-oriented position. Leaders of the middle parties openly proposed him to form a new alliance by leaving JSP. However, Eda didn't visit the existing parties, but he attended an open discussion forum with a voluntary action group in the Western area of Tokyo.¹⁴ Eda and the young leader of

¹⁴ This group, 'The Citizen Group for the Participative Democracy', was formed from various members that had dealt with urban problems such as land use, residence, food

the action, Naoto KANN, shook hands in the foundation of the Socialist Citizen's League (Shakai Shimin Rengo). After Eda's sudden death, this mini-party was reorganized into United Social Democratic Party (Shakai Minshu Rengo, hereafter USDP) together with several ex-JSP Dietmen and Eda's son (Satsuki EDA) that abandoned the career of a justice.

When Eda met the group of the civil action on April 24, 1974, the possibility of a so-to-say 'Civil Society Strategy' emerged. The invitation letter of the youth group for Eda's attendance to the open discussion mentioned three topics that must be settled before entering collaborations. We'll have a look, based on the records in the *Ten Years of United Social Democratic Party*:

1. Relations to labor unions
2. Party of living citizens (Seikatsu-sha) or Party of workers
3. Understanding of Socialism

Both agreed in respect to the independence and horizontal collaborations of political parties and labor unions, although Kann tended to their separation and Eda to the voluntary collaboration. Eda didn't define the new party by the term of 'living citizens'. But he admitted that the "civil element' comes before the 'social element' in the future activity of the Union" and stressed the collaboration of citizens and workers. Both noticed the need of urban policies that had been so neglected by the existing parties. Kann criticized the sterile dispute over the concept of 'socialism.' Eda admitted his affection to socialism, but declared his interpretation that socialism means "not the movement guided by an immobile vision, but the social movement that solves real contradictions one by one without no final goal." In addition both agreed in the horizontal structure of the party and the respect of the individual decision of members.¹⁵

A political scientist attended this meeting wrote his impression of "one of big events that promote the collapse of the 1955 policy regime" from it. He further believed that the sound of the 'liberation of party politics' was approaching.¹⁶

Pressed by the competition of major parties, this party could not grow in its

pollution, medical care, and education. They had succeeded to encourage and support the candidacy of pioneering feminist Fusae ICHIKAWA in the election of House of Councilors.

¹⁵ *Ten Years of United Social Democratic Party*, Eda Satsuki Office, 1989, pp. 103-125. Kann was the main discussant on the side of the civil action.

¹⁶ Hajime SHINOHARA. *Ibid.*, p.134f.

17 years life.¹⁷ Today a cynic may assert that the most remarkable contribution of this small party was that she helped Kann to go into the Diet. However, we cannot miss that this party anticipated a new policy vision that is still illuminative when we ponder on the future of social democracy, in particular the combination of liberal spirit and social perspective. She aimed to establish the politics of the active urban citizens. In reality, the constituencies of the Dietmen that followed Eda lay not in urban areas. Though the first head of the Union, Hideo DEN, absorbed voters by his well-known personality as a TV newscaster, this didn't contribute to the consolidation of the local base of the Union.

The formation of the Joint Diet Alliance with New Liberal Club (Shin Jiyuu Kurabu) in 1981-83 may anticipate the fusion of Democrats and Liberals that is now going on. Though both shared the aim of urban style politics, this alliance was immature in the sense that it couldn't give a clear message. Even loyal supporters on both sides expressed the anxiety of the disappearance of both parties. In a few years New Liberals selected the way to return to Liberal Democrats from which they split 6 years ago. After JSP adopted the *New Manifesto* in 1986, USDP experienced a similar situation. The main role of the USDP in her last stage was probably the guidance of the transformation of JSP from outside¹⁸. When the USDP disbanded in 1994, her Dietmembers chose their affiliation individually.

4. Perspectives for a Social Liberal Politics

In my view, the most important challenge for the social democracy is how to cope with liberalism. The possibility of a social-liberal direction in the pre-war Japan could not form a real political group. It is represented only by the ideas of several academics and journalist. In the latter half of the 20th Century, Socialists in Japan, in particular JSP, was locked in the position of the non-rivaling opposition to the ruling party (in politics) as well as the ambiguous substitutes to the management (in economics). Political scientists in Japan call this coupling regime of the ruling Conservatives (management) and the substituting Socialist opposition (company union) with the term of '1955 status quo.' The continuity of such a

¹⁷ Her members of Diet were 6 in its foundation and 5 in its dissolution.

¹⁸ With the exception of the 1989 election of the House of Councilors, genuine activists of civil actions rarely won the elections. However, many Dietmembers and the candidates began to assume the action-friendly style in their campaigns. This was not limited to the socialists.

substitutive structure retarded the transformation of socialism in Japan that had been consolidated under the influence of the Cold War. The ideological stiffening occurred in the years of prosperity. The mentality of 'industrialism' survived. The organizational discipline dominated over individual choice and the antipathy to the independent civil movements prevailed.

Two directions of transformation emerged in the last quarter of the Century. The one was the 'social corporatist strategy' that many union leaders pushed.¹⁹ On the basis of the unified labor front, they would consolidate the system of the adjustment/coordination of interests of workers. This implied the approval of the institutional framework of capitalism and the neglect of general politics such as security policies. It is clear that this was the pressure that forced the transformation of JSP towards her final switch of the policies in 1994. However, a solid industry-wide union structure that supported the 'social corporatism' in Germany and Sweden is missing in Japan. The move towards deregulation and globalization was an adverse tide to renovate the corporatist structure. The most vulnerable aspect of this strategy was that it was just an adaptive strategy to protect the vested interests. Without a lively social movement or civil participation, this strategy would fall into a bureaucratic surrogate to the democracy.

Another is the 'civil society strategy.' I interpreted USDP as a pioneer of this strategy. This small party had replaced the 'class interests' view of dogmatic socialists with that of the interests of 'living citizens.' Further, she aimed to collaborate voluntary actions of citizens. However, in the situation that JSP could survive by absorbing the pacifistic votes of the nation, the growth possibility of USDP was narrowly limited. The liquidation process among socialists occurred only after the end of the Cold War with the separation of security policies from the socialist ideology. Now, the Democratic Party headed by Kann does not consider socialism as its common base, though it is allowed as the personal conviction of her members. Such a conviction has to manifest itself in the concrete policies and compete other proposals in and out of the party. Such a pragmatic policy structure of the party makes it possible to let groups of various backgrounds under her umbrella. Now, a most interesting experiment is going in the fusion of the Ichiro OZAWA's Liberal Party to Kann's Democratic Party. Ozawa's liberalism seems to be a 'civic' one that stresses the active involvement of independent citizens in politics.

¹⁹ This direction was noticed by several social scientists(Yutaka TSUJINAKA, Takeshi INAGAMI, Haruo SHIMADA). As an overview see the second part of Tooru ISHIDA, *Jiyu-Minshushugi-Taisei Bunseki*, Horitsu bunka-sha, 1992.

Though Ozawa stands firmly against the permissive aspect of the old state-oriented socialism, a new concept of socialism that emphasizes the social aspect of liberalism that consolidates and enhances the capability of individuals will be able to collaborate with him. The true trial of the possibility of social-liberal direction has begun.

5. Triangular concepts of 'liberalism' and two alternative strategies

The concept of 'Liberalism' is sometimes very confusing when one considers the distinction between 'economic liberalism' and 'political liberalism' or tries to integrate the bad image of all too permissive (American) 'Liberals' under this concept. I cannot delve here into this difficult problem. What I can offer now is a triangular concept of 'liberalism' based on 'civil liberties.' 'Civil liberties' mean the autonomous area of activities that is protected by law (and the state). If this area extends itself to the economic activity, it is called 'economic liberalism.' Secondly, in case it covers political action such as law making and law implementation, it might be called 'civic liberalism.' It is important to notice that this liberalism surpasses the existing institutions. Thirdly, if the autonomy becomes manifest in the social area, it will be called 'social liberalism.' This implies the recognition of the human integrity of the members of the society. In spite of the caricatured image of 'Liberals', this 'social liberalism' is the lasting base of other two 'liberalism'. However, if 'liberalism' loses its immanent dynamism, all the three deteriorate itself into the adaptation and legitimizing of the existing states. The distortion of 'social liberalism' into the arbitrary concession to every demand of the society, 'economic liberalism' into legitimizing every result of the market, and 'civic liberalism' into narrow-minded policy cohesion.

After a half-century's quest for a true 'socialism', socialists in Japan seems to have learned that the capitalist market economy is the main economic condition of their activity. The reform under this condition has to aim the protection of the living right of the people. However, without the emanative powers of 'civil liberty' this reform work tends to the construction of the surrogate organizational system that patronizes the individuals according to their affiliations. Due to the historical characteristics of economic development in Japan²⁰, most of Japanese firms have

²⁰ My view is stated in: Kiichiro YAGI, "Intensive and Extensive Mobilization in the Japanese Economy: An Interpretation of Japanese Capitalism in Historical

developed a coordination system that absorbs the dissatisfaction of workers and integrates them. The direction to the 'social corporatism' will strengthen this system and extend it to a national level (welfare state). But this strategy has to solve the difficulty that it has to realize the accountability of the coordination and attain the universality of the individuals on the base of the existing capitalist structure of the firms. I am afraid that this strategy cannot conquer the limitation of industrialism that favors the production over consumption, salaried population over non-salaried population.

On the other hand, the 'Civil Society Strategy' resembles more with the Liberalist model in respect to the core concept of the solidarity that recognizes the living rights of citizens and enhances their capabilities. As the interaction of 'civic' and 'social' elements in the triangular concept of liberalism is important, the open participative democracy should be based on the social recognition and capability enhancement, and vice versa. On the base of the two manifestations in politics and social sphere, the market economy will inevitably adapt itself to them.²¹ So far the dichotomy of the private and the public sector was identical with the capitalist sector and the state organization. However, the participation and recognition will find their counterpart in the non-profit activity in the economic sphere. At present, the 'public' is not monopolized by the state and bureaucrats. The merits of stable civil service and the flexible voluntary action should be coordinated in attaining the 'public' aims in economic life. Further, several sorts of social evaluation will be integrated in the consumption as well as in the investment. A decentralized civil governance of the economy will replace the coordination system that is centered in the industrial production. Without such a turn, the social and environmental problems of the industrialized nations would not be solved.

Perspective" in Peter Koslowski, ed., *The Theory of Capitalism in the German Economic Tradition*, Springer-Verlag, Berlin, Heidelberg, 2000.

²¹ We can discern two ways of the pressure, *voice* and *exit*, to guide the economic agents that have the competence of decision. I applied this pair concepts that stem from A. O. Hirschman in the explanation of institutional arrangements in Japan. (Kiichiro YAGI, "The development of the market economy and the formation of voice", in Geoffrey M. Hodgson, Makoto ITOH, and Nobuharu YOKOKAWA, *Capitalism in Evolution: Global Contentions --East and West*, Edward Elgar, Cheltenham, UK, 2001.

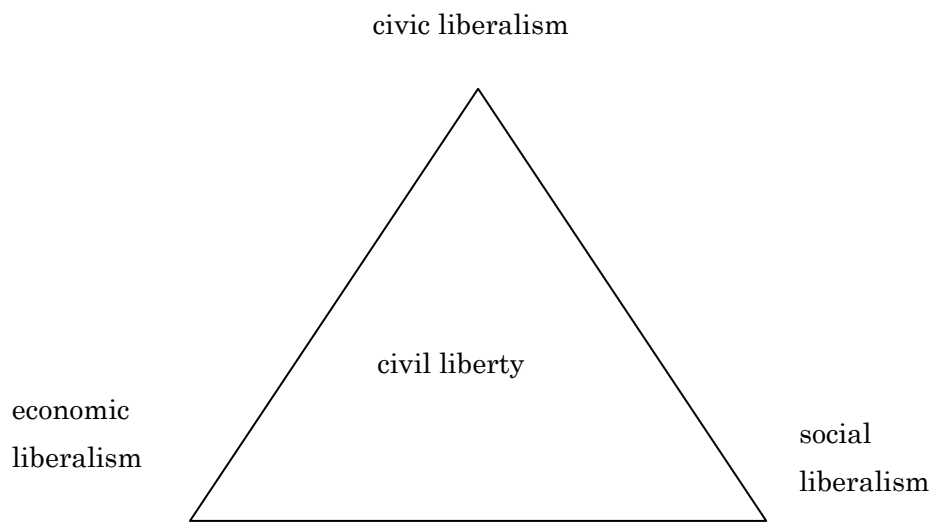


Fig.1 Triangular Concept of Liberalism

Contrastingly, we draw the triangular of the Socialism under the 1955 regime Japan.

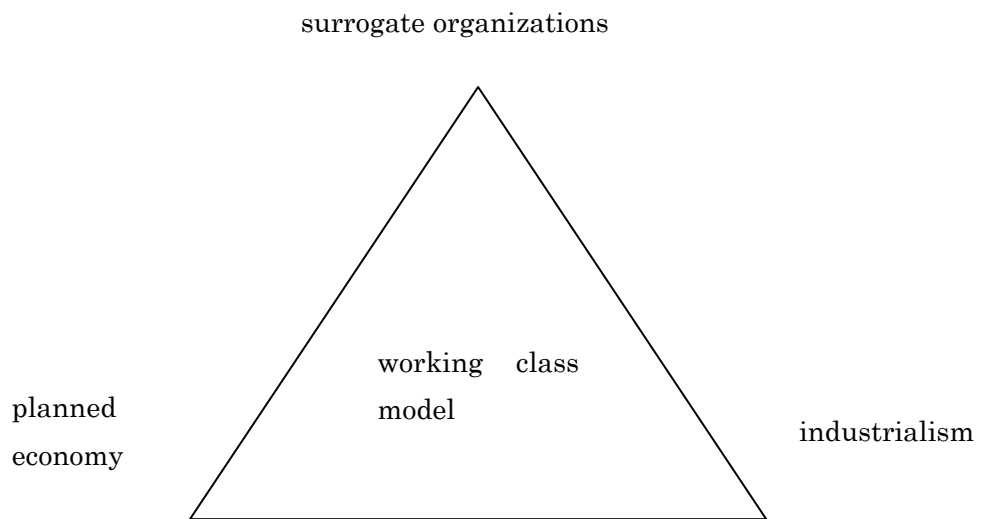


Fig.2 Socialism under 1955 regime

Then, the concept of two alternative strategies:

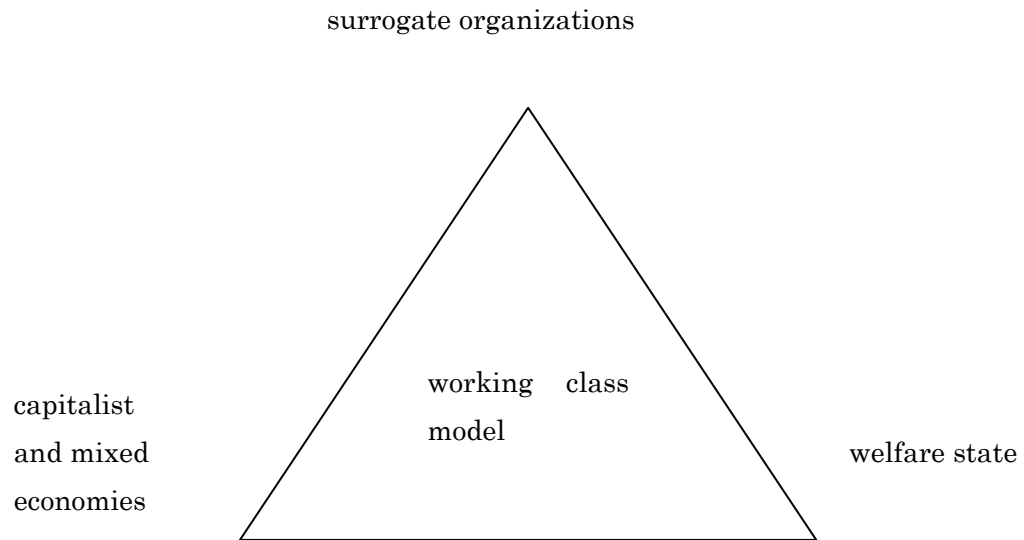


Fig.3 Social Corporatist Strategy

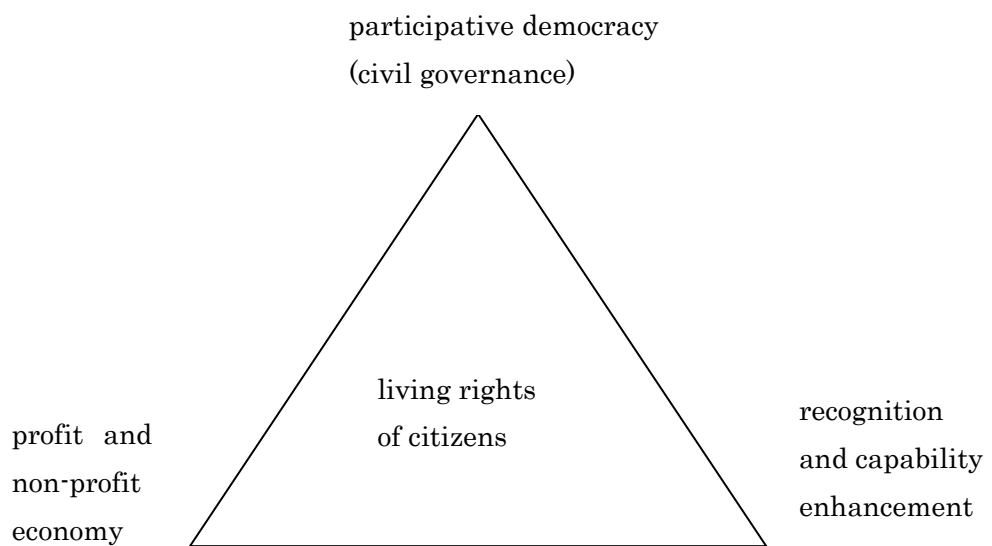


Fig.4 Civil Society Strategy