

# Chapter I | Introduction: Why Japan and its Politics Matter

In 1979 the Harvard Professor Ezra Vogel wrote *Japan as Number One: Lessons for America*.<sup>1</sup> This book was widely read (especially in Japan) in the early 1980s, when the US economy was in difficulties while Japan seemed to be steaming ahead. How things changed in the 1990s, when it was the turn of the Japanese economy to stagnate and the US appeared for a while to be the sole superpower and, for some, the only model worth following!

With the new millennium, things have changed once more. The growth economies of Asia are those of China and India, and these have attracted enormous international attention. The ‘Japan-bashing’ of the 1980s was replaced by the ‘Japan-passing’ of the 1990s. But less attention than it deserves is given to the fact that Japan has been undergoing a quiet revolution in its political economy. This is bearing fruit in the form of steady if unspectacular economic growth and remarkable, if patchy, dynamism. In GDP terms, the Japanese economy remains over twice the size of the Chinese economy, and its focus is on high technology and service industries. The workforce enjoys a high average standard of living, though income and wealth distribution is less equal than it used to be. Japanese foreign policy initiatives remain low-key, but Japan has become a weighty factor in the affairs of East and South-East Asia in particular. Social patterns have been evolving in more open and outward-looking directions.

Many generalizations that used to be made about Japanese society are looking increasingly obsolete, while, as we shall see, patterns of political interaction have also been evolving significantly. Japan, moreover, is a mature democracy in most senses of the word, even though serious problems persist in the practice of democratic government, particularly in certain areas of human rights. We would

<sup>1</sup> Ezra Vogel, *Japan as Number One: Lessons for America*. Cambridge, MA and London, Harvard University Press, 1979.

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argue that the political system of Japan is an excellent model to compare with other mature democracies, particularly those of Europe, Australasia and North America.<sup>2</sup>

Japan, in two words, is back.

On 11 September 2005 – just four years after the terrorist attacks on the Twin Towers in New York and the Pentagon in Washington DC – Japan held general elections for its main parliamentary house, the House of Representatives. In these elections the long-ruling coalition of the Liberal Democratic Party (LDP, *Jiyūminshutō* or *Jimintō*) and the much smaller Clean Government Party (CGP, *Kōmeitō*) won a sweeping victory, increasing its combined total of seats from 246 to 327, in a house consisting of 480 seats in all.<sup>3</sup> Conversely, the principal opposition party, the Democratic Party (DPJ, *Minshutō*), which in previous elections at various levels had been steadily gaining ground on the coalition, saw its vote total slashed from 177 to 113 – a crushing defeat that prompted its leader to resign.

It is curiously symbolic that the government's electoral victory should have taken place exactly four years after 9/11. The span of time between the two events also covers the most significant years as Prime Minister of Koizumi Junichirō, who arrived in the post in April 2001 and stepped down in September 2006. If 9/11 changed the course of world history, Koizumi during his period in office made a concerted effort to change the established patterns of politics in Japan. When he took up his post, the Japanese economy had been underperforming for a decade, the banking system was in serious trouble, with a huge overhang of non-performing loans, attempts by previous governments to spend their way out of economic crisis had been unsuccessful, deflation had become endemic, investment was down, unemployment was rising and economic growth was chronically low or negative. The national debt had also soared to worrying levels.

Koizumi and his Economics Minister, Takenaka Heizō, single-mindedly pursued policies directed to rescuing the beleaguered banking system and to creating the conditions for economic recovery. The eventual success of these policies was not entirely down to government policies, since private sector firms had been going through a long-drawn-out process of restructuring, but the Koizumi government strove to create a favourable climate for structural reform. Koizumi's flagship policy was privatization of postal services, with the aim of eliminating the ample slush funds, derived mainly from postal savings accounts, that had enabled governments in the past to protect myriad vested interests against the chill wind of domestic and international competition. In retrospect, Koizumi's economic policies were aimed at restoring the economy to health by moving it out of a protectionist ghetto and embracing the free market forces that underlay globalization.

<sup>2</sup> See J. A. A. Stockwin, 'Why Japan still Matters', *Japan Forum*, vol. 15, no. 3 (2003), pp. 345–60.

<sup>3</sup> LDP seats increased from 212 to 296, while those won by the CGP fell slightly, from 34 to 31. At dissolution, however, some weeks earlier, the LDP had held 249 seats. The discrepancy is accounted for by the Prime Minister's expulsion of those LDP parliamentarians who had voted against his bill to privatize postal services.

A few weeks before the September 2005 general elections, Koizumi's postal services privatization bills had been defeated in the House of Councillors (upper house of Parliament) after having narrowly passed the House of Representatives (lower house). He responded dramatically by dissolving the lower house, declaring new elections, expelling the postal privatization rebels from the LDP and choosing new candidates (dubbed 'Koizumi's children') to stand against them in the elections. His bold moves struck a chord with the electorate, particularly with younger age groups in big cities who had previously been least favourably disposed to the LDP, and in many cases abstained from voting altogether. Koizumi, who had spoken publicly about 'smashing' (*bukkowasu*) the LDP, had led it to a spectacular victory, but he had remoulded it in his own image, at least temporarily.

Koizumi's international policies stirred up fervent controversy, particularly his periodic visits to the Yasukuni Shrine in Tokyo, sacred to the war dead.<sup>4</sup> He also authorized the despatch of a contingent of the Self-Defence Forces to Iraq in January 2004, as part of the US-led 'coalition of the willing'. Even though they performed entirely non-military tasks, this was controversial under the terms of the 1946 'Peace Constitution'. Military-strategic cooperation between Japan and the United States had also been steadily improving since the 1990s. The two countries' military systems were becoming steadily more 'interoperable', while constitutional inhibitions on Japanese projection of military force were being worn more and more lightly.<sup>5</sup>

When Koizumi made way for Abe Shinzō to become Prime Minister in September 2006, even though both these men came from the same right-wing faction of the LDP, priorities shifted. Whereas Koizumi had directed the bulk of his energies towards the task of making the economy fit for globalization, Abe showed much less enthusiasm for economic policy and concentrated rather on such traditional rightist concerns as revising the Basic Law on Education (which in his view had been too liberal and did not sufficiently promote patriotism), and seeking to revise the Constitution. His decision to re-admit the postal privatization rebels into the party was highly controversial, and marked a sharp departure from the tough stand Koizumi had developed against vested interests. On the other hand, at the outset of his rule Abe made his peace with the Chinese and the Koreans, who had been protesting vigorously against prime ministerial visits to the Yasukuni Shrine. (See Chapter 6 for detailed discussion of these issues.)

The present book is written in an attempt to make at least partly comprehensible what to the outside observer (and indeed to many Japanese themselves) often appears to be the great muddle of Japanese politics. Despite the fact that the Japanese economy remains the second largest in the world in GDP terms, the economic growth of China and India, coupled with Japanese economic

<sup>4</sup> Fourteen Class A war criminals – so designated by the Tokyo war crimes trials after the war – had been enshrined at Yasukuni in 1978.

<sup>5</sup> Christopher W. Hughes, *Japan's Re-emergence as a 'Normal' Military Power*, Abingdon and New York, Routledge for International Institute for Strategic Studies, 2005 (Adelphi Paper 368–9).

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difficulties, has diverted attention away from Japan, so that Japanese political and economic reporting receives less attention from the international media than it did a decade and more ago.

If this book manages to provide some guidelines towards such understanding, it will have succeeded in its aim. The fundamental premise on which the book is based is that Japanese politics – much like other aspects of Japanese life – is susceptible to the same kinds of analysis as are regularly applied to the politics of other countries, which may be more familiar, for geographical and cultural reasons, to the reader. Obvious as this proposition may appear to some, it is subject to attack from two diametrically opposite positions. On the one hand is to be found the view that Japan is *sui generis*, or unique, and can be understood only in its own terms. On the other hand, there is the view that any cultural differences are irrelevant to the study of Japanese politics and should be eliminated from the discussion. In the present writer's view, the fact that for most of its history Japan developed outside the ambit of Judaeo-Christian civilization should suggest that cultural differences may have some relevance for politics. On the other hand, analysis based on the idea that there is an unbridgeable gap between Japan and the rest of the world seems equally unacceptable.<sup>6</sup> Japan is indeed unique, as is France, or Mexico or Vietnam; but there is assuredly no reason for believing that it is *uniquely* unique.<sup>7</sup>

This book is now in its fourth edition. It first appeared as *Japan: Divided Politics in a Growth Economy* in 1975, and then in a second, revised edition in 1982.<sup>8</sup> The third edition appeared in 1999, much updated and revised, and with a new title: *Governing Japan: Divided Politics in a Major Economy*.<sup>9</sup> It may be useful to recall the basis of the approach taken in the previous editions in order to understand the philosophy underlying the present volume. The original book (like the present edition) was one of a series on modern governments, the series having a definite institutional bias. In the words of the introduction to the first and second editions by the series editor, the late Max Beloff: 'our authors have kept in mind that while the nature of a country's formal institutions may be explained as the product of its political culture, the informal aspects of politics can only be understood if the legal and institutional framework is kept in mind.'<sup>10</sup> The present writer paid due regard to this intention of the series in writing the first edition. At the same time, an attempt to understand the dynamics of Japanese

<sup>6</sup> 'East is east and west is west, and never the twain shall meet' (from Rudyard Kipling, 'The Ballad of East and West'). This line is widely quoted; less well known are Kipling's later lines: 'But there is neither East nor West, Border, nor Breed, nor Birth, / When two strong men stand face to face, tho' they come from the ends of the earth.'

<sup>7</sup> The idea that the Japanese are not *uniquely* unique has also been used by another writer: Patrick Smith, *Japan: A Reinterpretation*, New York, Random House, 1997, p. 204. We arrived at this formulation quite independently.

<sup>8</sup> J. A. A. Stockwin, *Japan: Divided Politics in a Growth Economy*, London, Weidenfeld & Nicolson, 1975, 1982.

<sup>9</sup> J. A. A. Stockwin, *Governing Japan: Divided Politics in a Major Economy*, Oxford and Malden, MA, Blackwell, 3rd edn, 1999.

<sup>10</sup> Stockwin, *Japan*, 1st and 2nd edns, p. xii.

politics in the early 1970s (the first edition was substantially completed by the end of 1973) led to the ideas embodied in the title: *Japan: Divided Politics in a Growth Economy*.

The phrase ‘divided politics’ was intended to reflect the political turbulence of the late 1960s and early 1970s. Since the Allied Occupation (1945–52) the political arena had been sharply divided over foreign and defence policy, industrial relations, education policy and, most importantly, the Constitution. The economy had grown spectacularly throughout the 1960s, but growth was about to be temporarily halted by the first oil crisis of 1973–4. The LDP had lost votes at every lower house general election between 1958 and 1972, though the opposition parties had fragmented and proliferated over the same period. It seemed reasonable to predict the ending of the LDP monopoly on power in the foreseeable future. In retrospect, we know that the political ‘shocks’ of the early 1970s were to lead to a more conservative period, as the electorate took stock and voted for continuity and for the consolidation of material gains. But the signs of that decision did not emerge until the middle of the decade.

In 1970 the American futurologist Herman Kahn had published *The Emerging Japanese Superstate*,<sup>11</sup> a rather early (but not the first) attempt to extrapolate from the spectacular growth of the Japanese economy during the 1960s on to a future where Japan would exercise major political as well as economic power.<sup>12</sup> Kahn’s book combined a realist approach to international relations with heavy reliance on Ruth Benedict’s wartime anthropological study of Japanese society, with its emphasis on mutual obligations having to be ‘repaid ten thousand times’.<sup>13</sup> Kahn believed that before too long constitutional and other constraints on the projection of military power by Japan would largely disappear and the country would become a formidable force to be reckoned with on the world stage.<sup>14</sup> The approach taken by Kahn was in vogue in the early 1970s, but it greatly underestimated the divisions within the Japanese system, as well as serious elements of fragility that were to emerge later.

In that period the notion of ‘consensus’, as a key to understanding the way the economy, society and polity worked in practice, became widespread. The present writer devised the concept of ‘divided politics’ in part to throw doubt on the consensus model. Whereas ‘consensus’ implied the relative absence of Western-style adversarial politics, ‘divided politics’ suggested not only that political outcomes resulted from the working out of clashes of interests and opinions, but that divisions, in some areas of policy at least, ran deep.

The second edition was published in 1982, under the same title. The LDP had won a convincing electoral victory in June 1980 and the system seemed to have settled down into a conservative mould, with the LDP firmly in the saddle, and

<sup>11</sup> Herman Kahn, *The Emerging Japanese Superstate: Challenge and Response*, Englewood Cliffs, NJ, Prentice Hall, 1970.

<sup>12</sup> The honour of being the first should perhaps go to Norman McRae of the *Economist*. See *The Economist, Consider Japan*, London, Duckworth, 1963.

<sup>13</sup> Ruth Benedict, *The Chrysanthemum and the Sword: Patterns of Japanese Culture*, Boston, Houghton Mifflin, 1946, pp. 114–44.

<sup>14</sup> Kahn, *The Emerging Japanese Superstate*, pp. 186–213.

social welfare spending being cut back in the interests of balanced budgets. Some observers were arguing that divisive political issues were exhausted, and that consensus politics was the order of the day.<sup>15</sup>

The present writer maintained his opposition to that approach in preparing the second edition. It had to be conceded that the steam had gone out of some earlier controversial issues. The LDP had regained its position of dominance and the opposition was weak and demoralized. Many interest groups were less inclined to confront the holders of power than to become their clients. On the other hand, serious divisions had appeared within the LDP itself, leading to a serious political crisis in 1979–80. (See Chapter 4 below.) Moreover, new controversial issues were emerging, and some of the old ones had not been satisfactorily resolved.

To call Japan a ‘growth economy’ seemed uncontroversial in 1973, even though the first oil crisis was about to stop the economy in its tracks. The country had just experienced a decade and a half of economic growth running at an average of around 10 per cent per annum. In global terms this was unprecedented, and arguably brought about the most profound social and economic transformation of Japan in its history. Even though there were problems of distributing the new-found national wealth, there was no denying the significance of economic growth. By the early 1980s the economy had overcome two oil crises and was growing at 4 or 5 per cent most years, which by the international standards of the day was more than respectable.

Under the rubric of his chosen title, the present writer sought, in the first two editions of the book, to strike a balance between a positive appraisal of Japan’s remarkable economic growth and a cautious or sceptical analysis of the capacities of the political system to deal with serious and recurring divisions. Such caution may perhaps be regarded as prescient of the politics of the late 1980s and 1990s.

What, then, of those two decades that formed the principal focus for the third edition, published with a modified title in 1999?

The first point to be made is that by the end of the 1980s, with Japan clearly established as the world’s second largest economy, writing about the country increased in quantity and improved in quality of analysis. This continued into the 1990s, although later in that decade attention began to fade to some extent. It was now possible to draw on a respectable corpus of good-quality research on nearly all aspects of the politico-economic system. The bulk of this research was being conducted by Japanese and American scholars, but much useful writing also came out of Australia, Britain, Canada, Germany, India, Israel, the Republic of Korea, New Zealand, Singapore and elsewhere. The tendency evident in the past for Japanese and non-Japanese scholars to operate in separate spheres and virtually to talk past each other was now much less of a problem, and collaborative projects involving Japanese and non-Japanese political scientists became commonplace. Indeed, theoretical or ideological orientation irrespective of

<sup>15</sup> For instance, T. J. Pempel, *Policy and Politics in Japan: Creative Conservatism*, Philadelphia, Temple University Press, 1982, pp. 25–6. Pempel links consensus to the social ‘homogeneity’ of the Japanese people, though he argues for qualified homogeneity.

nationality, rather than nationality itself, came to be the most accurate predictor of conclusions to a particular piece of writing.

Secondly, with the benefit of hindsight, we can see that Japan between the early 1950s and the mid-1980s was relatively insulated from international pressures, so that both the ruling elite and the general population could devote most of their energies to economic recovery and growth. The United States generally tolerated a highly regulated Japanese economy, and provided security for a militarily weak Japan under the Japan–US Mutual Security Treaty. That treaty created serious difficulties in domestic politics, the resolution of which tested the ingenuity of governments, but it allowed military spending to be kept within bounds while ensuring that any external threats could be deterred. The fact that no Japanese servicemen were killed in combat over four decades and more from 1952 symbolized how easy it was for governments to concentrate on non-military matters.

By the 1980s, however, the sand had begun to shift a little underfoot. The economy was now so large and powerful that the US (along with some other states) was no longer willing to tolerate what it saw as protectionist policies by Japan. Foreign pressure was applied to get rid of both overt and covert measures of industrial and commercial protection, and in particular to deregulate the financial system. Large corporate firms were now able to raise finance on international money markets, so that they were more independent from government control through the banking system than they had been.

While the feisty Nakasone Yasuhiro was Prime Minister, between 1982 and 1987, several public sector enterprises were privatized, most significantly the National Railways. Domestic industries (including agriculture to a limited extent) began to experience some reduction in government protection, and attempts were made to restructure the fiscal system away from direct taxes and towards indirect taxes. These reforms, however, attracted fierce opposition from interested groups, and were at the centre of a political crisis at the end of the 1980s. The labour union movement also underwent drastic reorganization at this period.

Very few observers predicted that Japan's economic difficulties of the 1990s, following the collapse of an unsustainable asset bubble at the end of the 1980s, would prove so difficult to remedy, nor that they would persist for more than a decade. But even though the economic problems had economic causes, they were also compounded by persistent political disarray. Serious attempts were made to refashion the way politics worked in practice, starting in the early 1990s. The LDP lost power for a period of about nine months in 1993–4, but the reformist coalition government that replaced it got into difficulties and the LDP was able to claw its way back into power. Governments remained fragile, however, for the rest of the decade, with the LDP no longer able to govern on its own but needing to attract small parties to enter into coalition with it. For much of the decade party loyalties were uncertain; party-hopping became a common pastime among parliamentarians, and many new parties were formed and disappeared. By the end of the decade, however, party stability had been more or less re-established.

The political process in the 1990s was thus extremely messy and difficult to follow, resulting in widespread political apathy and disillusion with parties as a

whole. Reform was in the air, but there was much disagreement over what aspects of the system needed to be reformed. The one really crucial reform put in place during the decade was a radical refashioning of the electoral system for the House of Representatives (see Chapters 6 and 8 below). As the third edition of this book was being prepared (1996–8), it was fairly clear that the political system was in transition between an established but outmoded pattern and a new pattern that had yet to emerge. So much transformation, at so many levels, had taken place in Japanese politics and economic management since 1945 that structure and practice had lagged behind. It also seemed evident that necessary reform would not be accomplished simply by juggling with political alliances, changing the electoral system and effecting marginal measures of deregulation and decentralization. Something more radical and carefully thought through was needed.

A central task of this fourth edition is to assess the important changes that have taken place in the way Japan is governed since the start of the new millennium. One individual has dominated the politics of this new period: Koizumi Junichirō, Prime Minister from April 2001 to September 2006. That the Koizumi era was one of concerted reform is beyond doubt. It is, however, often the fate of reformist politicians to confront new issues that emerge, requiring attention and to an extent distorting the initial intentions of reform. For Koizumi, these came largely in the area of foreign and defence policy. The ‘war on terror’ became a major issue after the Twin Towers attacks of 11 September 2001, and the US-led invasion of Iraq required Japanese participation in some form. Relations with China and the two Koreas entered a period of difficulty. Nevertheless, he had considerable success in deregulating the economy and putting the banking system, which had been near to collapse, on a healthier footing. The economy moved into a phase of sustained, if unspectacular, growth after many years of stagnation. Reforms that had already been implemented before he became Prime Minister enabled him to exert more effective power from the centre than most of his predecessors had been able to do. His own strategic brilliance in the summer of 2005, when challenged by rebels against postal privatization within the LDP, allowed him to consolidate his dominance of the political process.

Nevertheless, Japan still faces a formidable set of challenges that will test political leaders in the years to come. Some of these are external, relating to developments in the wider world. Some are domestic, relating to social change and demographic imbalances. Some concern the structure and practice of the political system. And others are by-products of recent policies, whereby strengthening of central authority has been achieved at the expense of democratic accountability and human rights.

In concluding this chapter, we identify six broad areas of crisis that seem likely to remain central to the political agenda over a number of years.

**1 *A crisis of political power and democratic accountability*** The location of political power in Japan presents us with some perplexing problems, of which two stand out. One is the dominant role of the LDP, and the difficulty for opposition parties of replacing it in power. Until it becomes normal for parties to

alternate in power following general elections,<sup>16</sup> Japan will be something less than a truly democratic system.<sup>17</sup> The second is the weakness of Cabinet,<sup>18</sup> and the power of unelected civil servants in decision-making. The government bureaucracy has to some extent had its wings clipped since the early 1990s, though the extent of this restraint has varied from ministry to ministry. For instance, the Ministries of Finance and of Foreign Affairs have been notably politicized, though others have been rather less affected. The rule that ministers decide and civil servants implement has yet to be firmly established, but in some instances there is concern about ministries becoming too politicized.<sup>19</sup> A proper balance, of course, also requires that both politicians and civil servants act in the interests of the whole and not in the interests of narrow pressure groups to which they are beholden.

**2 *A crisis of political participation and non-involvement in politics*** Until the 1990s, voting turnout rates in Japan were relatively high, often averaging over 70 per cent in lower house general elections. Perhaps reflecting the political confusion of the mid- to late 1990s, rates then declined, and have since stabilized at lower levels than before. Political participation other than voting has long been rather limited, and radical groups on the left (including labour unions and left-wing parties) that used to challenge government policies have become much weaker. The bundle of activities referred to as ‘civil society’ showed few signs of life until participation in non-profit organizations (NPOs) increased after the experience of helping victims of the Kobe earthquake of the mid-1990s. Part of the reason for weak civil society participation is that governments have been chronically suspicious of NPOs and sought to control them, though regulations are now somewhat more relaxed (see Chapters 3 and 11).

**3 *A crisis of the Constitution and political fundamentals*** After his election by Parliament as Prime Minister in September 2006, Abe Shinzō indicated that revising the 1946 Constitution would be one of his main priorities. Constitutional inhibitions on the projection, or use anywhere, of military force have been a matter of controversy for the whole period since the Occupation, and the issue has been handled over the years through a series of subtle and often ingenious compromises. The peace clause (article 9) which purports to ban armed forces has become ever more remote from reality, even though it has inhibited projection of military force overseas, as well as export of armaments. But other articles of the Constitution are also under discussion by revisionists. The real, as well as

<sup>16</sup> Not necessarily at any election, but frequently enough to make a change of party or parties in office normal and expected.

<sup>17</sup> That the electorate continues to elect the same party to office is not of itself undemocratic, but for a party to remain semi-permanently in power often leads to undemocratic tendencies among politicians and their advisers.

<sup>18</sup> Anecdotal evidence about meetings of Cabinet suggest that much of their time is given over to signing documents.

<sup>19</sup> I am grateful to an anonymous reader of my original manuscript for emphasizing this last point.

the symbolic, value of the Constitution is so great that this emotive and divisive set of issues will continue to stir up controversy for several years yet.

**4 *A crisis of liberal versus illiberal ideas*** There has long been a division in Japanese politics and public opinion between liberal and democratic ideas, resting on the primacy of the individual as the fundamental political unit, and collectivist ideas, centred on the family, the quasi-family group and the state. This of course reflects the juxtaposition of the collectivist policies, prescribed by the state, that were dominant in the period up to 1945, and the liberalizing reforms of the Occupation between 1945 and 1952. An argument often mobilized by the collectivists is that since liberal ideas were introduced by the Americans, they are not indigenous and should be modified in favour of ideas originating in Japan itself. The last three prime ministers have belonged to the most right-wing of the LDP factions, and in some policy areas (notably education) their policy preferences have been decidedly illiberal. Those who might be inclined to oppose these policies in the interests of liberal and democratic values have suffered from pervasive political apathy, political weakness, or both.

**5 *A crisis of ageing society and diverging life-chances*** In 2006 the Japanese population peaked at around 127 million, and demographic projections suggest that numbers will decline quite sharply. Since expectation of life at birth is higher in Japan for both sexes than in any other country in the world, Japanese society is faced with the twin problems of a declining workforce and an increasing number of old people. This conjunction is causing acute problems for the financial health of pension schemes, and brings with it difficult problems of inter-generational equity. A different problem of equity is the widening income and wealth gap that has been appearing in Japan over the past decade and more. Income differentials used to be relatively narrow, but they have been sharply widening. The potential for these differences to take the form of political division is considerable.

**6 *A crisis of national status and role*** Japan remains the second largest economy in the world. In the 1980s it seemed set to become the second most powerful country in political terms as well. The changes since then – internal and external, though most significantly external – have been dramatic, but the most conspicuous development affecting the international status of Japan is the economic rise of China since the 1990s. The average standard of living in China is far lower than that in Japan, economic growth is spread most unevenly between different parts of the country and China faces huge problems of governance, which may affect economic performance in the future. But at the same time the population of the People's Republic of China is more than ten times that of Japan, the Chinese state lacks Japanese-style inhibitions about projection of military force, and the regime actively disputes sections of the maritime boundary between the two countries. Since the early 1990s Japan has been seeking permanent membership of the United Nations Security Council. If this were to be realized, Japan would receive a welcome boost to its international status. But in fact this could take place only in the context of a fundamental restructuring of the world body, the chances of which appear rather small in the foreseeable future. In these circumstances, successive Japanese governments have sought to

consolidate Japan's relationship of alliance with the United States under the Mutual Security Treaty. This has its advantages, but also risks pulling Japan into international conflicts that would do it little good in terms of its national interests.

The six crises outlined above are all relatively serious, actually or potentially; but we ought not to lose sight of the fact that Japan remains a major and dynamic economic power, with a basically democratic structure of government and liberal values. Difficulties and pitfalls lie ahead, but the political system has repeatedly demonstrated its capacity to overcome crises and achieve reasonably satisfactory solutions to problems. Sophistication and experience, as well as resourcefulness and ingenuity, lie embedded in the Japanese system.