Introduction

• Japan’s Historical Development
  – Central Feudalism (~mid-19th Century)
  – Modernization (~World War II)
  – Post-War Reconstruction (~1980s)
  – State in transition?

Centralized Feudalism

• 16th Century to 19th Century
• Warrior class rule
• Development of Commerce
• Isolation

Meiji Restoration in 1868

• Kurobune (Black Ship) and Matthew Perry
• Economic crisis
• Reform
• Emperor’s Rule

Meiji Government

– Catching up with the West
– Modernization
  • Rich Nation, Strong Army
  • Emphasis on heavy industries
    – Steel, Chemical,
    – Ship-building
  • Cotton industry for export

Expansionism

• Annexation of Korea (1910)
• Establishment of puppet regime in Manchuria (1932)
• Invasion into China (1937) and Southeast Asia
  – Legacy of Imperialism

POL 341 Politics in East Asia

III-A Japan
Historical Background and Political Process
US-Japan War
• Pearl Harbor in 1941
• U.S. bombing campaign
• Nuclear bomb in Hiroshima
• Unconditional surrender in 1945

Po st-War Reform
• Allied Occupation
  – End of Emperor System
  – Dismantling Military
  – Article 9 of the Constitution
  – Democratic System
  Universal Suffrage, Freedom of Speech/Press, Separation between State and Religion,

Post World War II Reform

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STRUCTURE OF 1955 SYSTEM

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<td>Big business, small companies, and farmers</td>
<td>Pro-constitution</td>
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Liberal Democratic Party

• 1955 Merger of Liberals and Democrats
• Emphasis on Economic Development
• “Catchall Party”
• Close connection with local politics

LDP supporters

• Big business--against unions
• Bureaucracy (Prime Ministers were ex-bureaucrats)
• Farmers: Nokyo (Farmers' association)--subsidies on rice
• Merchants
### Opposition Parties
- Japan Socialist Party—merger of Left and right in 1955
- Japan Communist Party—decline after militant actions
- Democratic Socialist Party—split from JSP
- Clean Government Party—Soka Gakkai

### Rapid Economic Development: Policy
- Income Doubling Plan in 1960
- Low cost capital (Ministry of Finance)
- Control of foreign currency and technology (Ministry of International Trade and Industry)

### Rapid Economic Development: International Environment
- Korean War in 1950: start up for recovery
- Access to low cost raw materials
- IMF (International Monetary Fund) and GATT (General Agreement on Tariffs and Trade)—Development of free trade
- Undervalued Yen: $1=Y360

### Rapid Economic Development: Consequence
- Second largest industrial economy in the world
- “Wealth”
- Sararii man (salaried workers)
  - Less involved in politics
    - Unpredictable floating votes
  - Decline of agriculture

### End of Rapid Growth
- 1971 Dollar Shock: End of the Bretton Woods system
  - Yen appreciation (y360 to y310)
- Oil crisis in 1973
- Slow growth of global economy

### Crisis
- Inflation—cost push
- Structural transformation
  - Declining industries: textile, shipbuilding, steel
  - Growing industries: auto, home electronics
### Recovery in 1980s
- Reaganomics
  - High interest rate, $ high
- Trade surplus with the U.S.
- Foreign direct investment in the U.S. and Asia

### Trade dispute
- Trade negotiations
  - Auto, Steel, Semiconductor
- Voluntary Export Restraint
- Economic Sanction

### Society and Culture
- Shifting focus from development to welfare
- Spending on education
- Low population growth
- Westernization/Americanization (?)

### Politics in the 1980s
- Continued dominance of the Liberal Democratic Party
- Decline of Japan Socialist Party-- Decline of union support

### Administrative reform in the early 1980s
- Government deficit
- Government workers’ union
- Privatization
  - National railroad
  - Telecommunications
  - Tobacco and salt

### Rapid Economic Development: Problems
- Chaotic urban development-- concentration on metropolitan areas
- Transportation problems
- Environmental pollution-- Minamata mercury poisoning
The Bubble
- Land price hike
- Stock market expansion
- Bank lending
- Foreign investment
- Matsushita/MCA, SONY/Columbia Picture

The end of bubble in 1991
- Recession in US
- Unification of Germany
- Strong yen
- Competition from newly developing countries
- Bad loans

(Resutra) Restructuring
- High debt ratio
- Dual structure--small suppliers associated with big companies
- Permanent employment system
- Early retirement

Society: The Great Hanshin-Awaji earthquake in 1995

Society
- Aum Shinrikyo (Supreme Truth Religion)
  - Sarin gas attack in March 1995
- Bankruptcy of Yamaichi Security in 1997

Change in Politics
- Opposition party victory in 1989 House of Councillors Election
- Series of LDP scandals (corruption)
  - Recruit scandal in the late 1980s
  - Sagawa Kyubin Scandal in 1992
- Breakdown of LDP
End of the 1955 System

- Non-LDP Coalition government after 1993 election
  - JSP, CGP, SD P, New Life (ex-LDP), Harbinger (ex-LDP)
- PM Hosokawa=>Hata
- Collapse of Coalition government

LDP-JSP-Harbinger Coalition government in 1994

- JSP: Social Democratic Party
- Socialist Prime Minister Murayama
- JSP’s policy
  - Anthem and flag, US-Japan Security Treaty
  - Japan’s action during the war

LDP Prime Minister Hashimoto in 1996

- LDP victory in the 1996 election
- LDP “loss” in 1998 House of Councillors election
- LDP Prime Minister Obuchi in 1998 (-->Mori)
- Reformist Prime Minister Koizumi