Week 3 preview Nasrul Dom


Found in chapter 17 of A Companion to Japanese History, Bai Gao’s The Postwar Japanese Economy is an exploratory study of the movement of the Japanese economy from the postwar period till early twenty-first century. Through the lens of a globalist perspective, Gao’s analysis examines the relationship and interplay between international and domestic factors. By focusing on four specific periods and covering themes such as high growth and stagnation, Gao’s article provides an intellectual and historical overview of the Japanese economy.

Questions:

- What is this “continuity-discontinuity debate” that Gao talks about in p. 302? What perspective does he use when examining the debate and how does he feel towards it? (p. 300-303)
- In the second section on high growth (p. 303 onwards), Gao mentions the high growth rates of the Japanese economy. What are some of the debates that Gao introduces? (p. 304)
- According to Gao, what are some of the factors of stagnation of the Japanese economy?
- Does Gao feel that the Japanese economic system will turn into a liberal market economy? What are your opinions on his points suggested in p. 310?
- Linking back to previous week topics: how do institutions like Bretton Woods System and GATT/WTO bolster the neoliberal ideology?

Terms:

- Keiretsu: network of companies with close business relationships that support each other
- Bretton Woods System: Shared experiences after WWII led to the idea of establishing rules of monetary and financial order amongst countries. Often seen as a predecessor to international organisations like the IMF.
- General Agreement on Tariffs and Trade (GATT): With 100 over participating countries, GATT is a multilateral agreement that aimed to reduce tariffs, eliminate preferences, and any trade barriers. After eight rounds of negotiations, the agreement concluded in 1994 with the formation of the World Trade Organization (WTO).
- Plaza Accord: Signed in 1985, Plaza Accord was a pro-growth agreement by the G5 nations: West Germany, US, France, Japan and the United Kingdom.
- Dodge Line: refers to a monetary and financial policy recommendation drafted by Joseph Dodge, an economist, to help Japan gain economic independence after the war.


During the 2009 election, the Liberal Democratic Party’s (LDP)’s historic loss became the subject of T.J. Pempel’s inquiry. Pempel observes the emergence of a distinctive brand of political economy – the marriage of high growth and pork politics - in Japan during LDP’s uninterrupted rule from 1955 to early 1990s. This combination of productivity-centered socio-economic policies and localized protection in exchange for electoral support kept the party in power. However, the party was split into two camps - productivity advocates and pork advocates - and as Pempel argues, this unresolved tension led to the eventual electoral downfall of LDP.

Questions:

- What is the 1955 system and how did it kept the LDP in power? Give examples with relation to the text. (Refer to p. 232)
- Why was it that merging of ‘pork and productivity’ was possible before the early 1990s economy collapse?
- Pempel suggests that there are two structural changes that generated problems for the previously working system of blending of political control and economic growth. What are these changes that caused the system to fail? Also, what are some of the other issues that were mentioned that led to the failure of the system? (refer to p. 242 and or other sections like p. 245)
- What does Pempel think of Koizumi’s policies and what does he think of his successors? (Abe, Aso etc)
- Pempel suggests in the conclusion that the 2009 elections could possibly usher in a new era with a different direction in Japanese politics. What was this new direction that Pempel cautiously suggests? With the knowledge of present day Japanese politics compared to the time of writing (2010), what do you think of Pempel’s concluding statement? Is there a regime shift? (refer p. 254)

Terms:

- Pork Barrel Politics: Also known as patronage politics where governments launch projects that benefit a group of citizens/voters in return for the group’s electoral support or campaign fund donations.


In chapter 8 of Yoshio Sugimoto’s Introduction to the Japanese Society, he discusses the relationship between the three power centers of the Japanese establishment - the public bureaucracy, parliament and big business. Aptly titled ‘Collusion and Competition in the Establishment’, the article shows how the respective organizations are in competition yet mutually dependent. Sugimoto extends his analysis by assessing the media’s role in the Japanese establishment and concludes with his opinion of how power relations over the Japanese economy will change in the future.

Questions:
Sugimoto spends a large portion of the chapter talking about bureaucracy as possibly the biggest factor in influencing Japan. What are some of the reasons that bureaucracy wield such a strong influence?

What are the problems of the developmental state model and how have politicians sought to curtail the problem? How have the bureaucrats responded to it? You may wish to refer to Koizumi’s reforms mentioned in the article (p. 231)

What are the zoku politicians and how have they contributed to LDP’s problems and ‘money politics’? (p. 237)

What is the kisha kurabu (reporter’s club)? How has it been used to exert influence? Discuss the relationship between the media and political and economic institutions.

What are the five rifts that Sugimoto feels will clash in the coming future? Are there any other potential issues that has surfaced recently but not covered in the article?

Discuss the competing political economies and how parties are divided on the issues.

Consider the title of this chapter, what does ‘collusion’ suggest about the political culture of Japan?

Terms:

- **Amakudari**: (lit) descend from heaven. Used to refer to high ranking bureaucrats who retire from the ministry and get high level positions in various businesses. This leads to collusion between bureaucrats and businesses
- **Jiban**: Solid bloc of voters
- **Kouenkai**: Supporters’ Association

### Supplementary reads

   
   [Abstract from the article]

   At his peak, the exceptional political performance skills and distinctive political program of Hashimoto Tru made him Japan’s most popular, and potentially most influential, politician. This article describes his meteoric political career as a classic case of Japanese-style populist neoliberalism, featuring populist criticism of unions and public sector employees, neoliberal market-oriented policy-making, and comprehensive regional restructuring. Like Ronald Reagan and Koizumi Junichir, who effectively meshed populist with neoliberal practices, Hashimoto has maintained strong political support by combining outstanding political performance skills with a signature policy, unifying Osaka City and Osaka Prefecture, to create a distinctive policymaking agenda. The aggressive and impatient political style of Hashimoto has often resulted in poor policies, but has bolstered his popularity by creating an image of decisive and effective decision-making, although his political weaknesses became increasingly apparent in 2013.


   Three paradigms of globalisation: suggested by scholars like Pieterse. Refers to cultural rejection, homogenisation, and lastly hybridisation. Used to clarify the term mentioned by Gao on page 310 of Gao’s essay.

### Supplementary Videos

[https://www.youtube.com/watch?v=Njp8bKpi-vg](https://www.youtube.com/watch?v=Njp8bKpi-vg)

(Japan’s Debt Problem Visualized) - for optional discussion if class is interested in understanding how Japan became heavily indebted

[https://www.youtube.com/watch?v=1Jb1qJAVt0](https://www.youtube.com/watch?v=1Jb1qJAVt0)

(20 years after Bubble Burst - Short Report)

[https://www.youtube.com/watch?v=wF_CLzbQKak](https://www.youtube.com/watch?v=wF_CLzbQKak)

(Video by the Ministry of Agriculture, Forestry and Fisheries)