

Note from John Campbell at submission of this paper for the Japan Considered Project Occasional Papers series.

"Fragmentation and Power" was originally written in the late 1980s as a response to some articles on Japan politics, but I never could get it into shape to be an article. It did circulate around, and Ethan Scheiner picked it up back when he was a graduate student; he kindly offered to work on updating and polishing it as well as adding some good ideas of his own. The result, the paper for an AAS presentation in 2004, is attached. We still intend to work on it so comments are welcome.

Fragmentation and Power:  
Reconceptualizing the Japanese decision-making system

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The 1990s were a contentious period in the study of Japanese politics. Two intertwined debates were at the heart of the “discussion.” First, countering a long-held view of Japanese politics that power centered on the country’s bureaucracy, newer approaches contended that power was in the hands of Japan’s legislators. Second, from the view of the more traditional perspectives on Japanese politics, what was at least as controversial as the *substance* of the new findings was the *way* that these conclusions were reached: Although certainly not averse to developing grand theories,<sup>1</sup> traditional perspectives had followed an inductive approach, while the most publicized challenges of the 1990s utilized a rational choice framework, considering the world through a lens of deductive theory.<sup>2</sup> The intensity of the debates cannot be overstated and the discussion spilled over into larger political science fora.<sup>3</sup> Over time, the furor died down, but effects of the debate lingered. Most striking, the academic discussion of decision-making in Japan has focused ever since—perhaps even more so than before—on the power of bureaucrats and politicians relative to one another.<sup>4</sup>

We revisit this debate, not because we wish to weigh in on the relative power of bureaucrats and politicians, but—to the contrary—because we believe that the debate over the power of bureaucrats and politicians has clouded over too much of what has really been at work in decision-making in Japan. To some degree, focusing on competition between politicians and bureaucrats creates an impression of two wholly distinct groups—with politicians on one side and bureaucrats on the other—when too often in fact alliances of politicians and bureaucrats do battle with alliances of other politicians and bureaucrats. What is at least as important, focusing on the *relative* power of politicians and bureaucrats ignores a much larger issue: whether anyone really is “in charge.” Given van Wolferen’s assertion that Japan is actually an acephalous society,<sup>5</sup> it remains important to link any discussion of the relative power of the different players in Japanese politics to a discussion that takes seriously the question of whether anyone is clearly responsible for decision-making in Japan.

We therefore revisit the debate in the hopes of encouraging scholars to move away from the new starting point, which focuses so pointedly on the relative power of politicians and bureaucrats, and return to a focus in the study of Japanese decision-making that considers more seriously the issue of whether anyone really is in charge. In this paper, we argue that policymaking is not so much the outcome of battles between two distinct groups—politicians and bureaucrats—as it is the product of centralized and fragmented policymaking processes. Decision-making, we argue, is the product of actions made by both “subarena” politicians and

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<sup>1</sup> See especially Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford CA: Stanford University Press, 1982).

<sup>2</sup> See especially J. Mark Ramseyer, and Frances M. Rosenbluth, *Japan’s Political Marketplace* (Cambridge: Harvard University Press, 1993).

<sup>3</sup> See Robert H. Bates, “Area Studies and the Discipline: A Useful Controversy?” *PS: Political Science and Politics* 30, 2 (June 1997):166-169; Chalmers Johnson, “Preconception vs. Observation, or the Contributions of Rational Choice Theory and Area Studies to Contemporary Political Science,” *PS: Political Science and Politics* 30, 2 (June):170-174.

<sup>4</sup> There are many examples in recent years of scholars continuing to give great weight to the bureaucratic-politician power balance. For one of the best examples and best sets of analyses, Gerald L. Curtis (ed.), *Policymaking in Japan: Defining the Role of Politicians* (Tokyo: Japan Center for International Exchange, 2002).

<sup>5</sup> Karel van Wolferen, *The Enigma of Japanese Power: People and Politics in a Stateless Nation* (London: Macmillan, 1989).

bureaucratic specialists and general arena “heavyweights,” such as party and cabinet heads and leaders of the powerful ministries.

We also revisit the debate because of a concern regarding the overly general nature of statements about power in Japan. The extent to which decision-making is decentralized in subarenas or a clear buck (or 100 yen coin) stops with central decision makers does not remain constant, but, rather, shifts over time. The locus and nature of decision-making in Japan varies across policy area and varies over time. Efforts to understand policymaking, we argue, need to recognize such variation.

Perhaps most important, we revisit the debate in the hopes of bringing methodology back to the table. The 1990s’ debate was unfortunate in that it left many observers focusing on one methodological issue—the merits of inductive as opposed to deductive analysis—while ignoring other more important ones. Broadly speaking, methodology is the way we go about studying a problem. The purpose of methodology is to help observers gain greater confidence in the conclusions of their empirical findings. As long as each employs a credible research design to support their arguments, neither inductive nor deductive analysts has an edge over the other in determining the “truth.” However, numerous other issues related to the way that decision-making is studied can lead to biased results. We argue that many important conclusions reached by scholars regarding policymaking in the postwar period in Japan are a result of generalizing from particular policy areas that were quite different from others, an imbalance in the type or amount of information used to compare different periods, not sufficiently taking into account the effects of economic growth on policymaking behavior, and a misdiagnose of policy *activity* as policy initiative. As a result, many analyses of power and shifts in power were overstatements that gave us a biased view of what policymaking in Japan in fact looked like.

Finally, combining these different points, we revisit the debate in an effort to develop a viable framework for understanding policymaking. Our framework takes seriously the effort to distinguish who is “in charge,” the importance of policy change, and critical methodological and research design points—in particular, emphasizing the distinction between agenda-setting and enactment and giving attention to the “substance” of policy.

Based on our framework, we arrive at a new set of interpretations of the nature of policymaking in Japan under its single party dominant system (1955-1993). Contrary to the conventional view of strong central bureaucratic power, we argue that in the 1960s policymaking was quite fragmented. In contrast to substantial literature suggesting substantial politician influence in the 1980s, we argue that there was a decline in the influence of politicians in general in policymaking. Ultimately, then, reconsidering policymaking in Japan is important for more than just abstract conceptualizing: It has substantive implications, as it actually gives us a different perspective on *who* is exerting policy influence and when *changes* in power occur.

## **Literature on Decision-making in Japan**

To understand the workings of a democratic political system, it is important to ask (1) whether anyone is, in fact, in charge and, if so, (2) who that somebody (or somebodies) is. The first question—whether anyone is in charge—has to do with the extent to which authority and power are unified and centralized, on the British model, or fragmented and decentralized, more like the usual understanding of American politics. Much of the second question—*who* is in charge—hinges on the relationship between the key players, who, in the modern state, are typically the elected party politicians and the appointed professional bureaucrats.

Both questions have long been central to the study of Japanese politics. For years the prevailing view was that decision-making was centralized, dominated by a relatively cohesive "power elite" of the bureaucracy, the ruling LDP, and big business. Within that triumvirate, the bureaucracy was generally seen as taking the leadership role.<sup>6</sup> In the 1990s, Ramseyer and Rosenbluth attracted great attention with their argument—based on rational choice analysis—against this prevailing view, explaining that politicians held power and authority in Japan. However, Ramseyer and Rosenbluth were certainly not the first to make the legislator-power argument. Such a view of Japanese politics had actually gained favor in the 1980s.

The view was mainly the product of very clever research during that decade by several prominent Japanese political scientists, including (in alphabetical order) Inoguchi Takashi, Muramatsu Michio, Nakano Minoru, Ohtake Hideo, Satô Seisaburô, Sone Yasunori, and Yamaguchi Jirô.<sup>7</sup> It was also reflected in several articles in English by both Japanese and American political scientists.<sup>8</sup> Anyone who has been trying to puzzle out Japanese decision-making over the years owes a great debt to this research, which combined rich factual detail with sophisticated and nuanced understandings of how politics work. While it is unjust to the diversity and complexity of these individual studies to lump them together, all these authors contributed to an important "new paradigm" of Japanese decision-making, which can be summarized as follows:

First, Japanese politics were more pluralistic than previously assumed: more actors participating, more social interests with influence, more points of access to the decision-making system, more variation in style, participation and outcome among policy areas or from case to case. "Internationalization" meant that even foreign actors played important roles. The extent of pluralism fell short of its pure form—free-for-all interest group competition with virtually no government role—and thus the system was called "patterned," "canalized," or

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<sup>6</sup>For an excellent critique of Japanese and Western writings on these subjects up to the early 1970s, see Haruhiro Fukui, "Studies in Policymaking: A Review of the Literature," in *Policymaking in Contemporary Japan*, ed. by T.J. Pempel (Ithaca NY: Cornell University Press, 1977), pp. 22-59.

<sup>7</sup>E.g. Inoguchi, *Gendai Nihon seiji keizai no kôzu: seifu to shijô* (Tokyo: Tôyô Keizai Shinpôsha, 1983) and (with Iwai Tomoaki) *"Zoku giin" no kenkyû* (Tokyo: Nihon Keizai Shinbunsha, 1987); Muramatsu, *Gendai Nihon no kanryôsei* (Tokyo: Tôyô Keizai Shinpôsha, 1981); Nakano, *Nihongata seisaku kettei no hen'yô* (Tokyo: Toyo Keizai Shinpôsha, 1986); Ohtake, *Gendai Nihon no seiji kenryoku keizai kenryoku*, and ed., *Nihon seiji no sôten* (Tokyo: San'ichi Shobô, 1979 and 1984); Satô and Matsuzaki Tetsuhisa, *Jimintô seiken* (Tokyo: Chûô Kôronsha, 1986); Sone, "Tagen Minshushugi Ron to Gendai Kokka," *Nenpô Seijigaku* (1982), pp. 117-149; Yamaguchi, *Ittô Shihai Taisei no Hôkai* (Tokyo: Iwanami Shoten, 1989). Several journalistic books were also important, notably *Jimintô Seichôkai*, ed. and pub. by Nihon Keizai Shinbun (Tokyo, 1983). For a perceptive review of some of this literature, see Gary D. Allinson, "Politics in Contemporary Japan: Pluralist Scholarship in the Conservative Era -- A Review Article," *Journal of Asian Studies* (48:2, May 1989), 324-332.

<sup>8</sup>E.g. Michio Muramatsu and Ellis S. Krauss, "Bureaucrats and Politicians in Policymaking: The Case of Japan," *American Political Science Review* 78:1 (March, 1984), 126-46, and "The Conservative Party Line and the Development of Patterned Pluralism," in *The Political Economy of Japan Vol 1: The Domestic Transformation*, ed. by Kozo Yamamura and Yasukichi Yasuba (Stanford CA: Stanford University Press, 1987), pp. 516-554; Haruhiro Fukui, "The Policy Research Council of Japan's Liberal Democratic Party: Policymaking Role and Practice," *Asian Thought and Society* 11:34 (March, 1987), pp. 3-30; and several articles in Kenneth B. Pyle, ed., "Special Issue: A Forum on the Trade Crisis" *Journal of Japanese Studies* 13:2 (Summer, 1987), pp. 239-456, especially T.J. Pempel, "The Unbundling of 'Japan, Inc.': The Changing Dynamics of Japanese Policy Formation" (pp. 271-306); and Michio Muramatsu, "In Search of National Identity: The Politics and Policy of the Nakasone Administration (pp. 307-342).

"compartmentalized" competition or pluralism. But in contrast to earlier power-elite or bureaucratic-domination models, Japanese decision-making became seen as quite fragmented.

Second, in the perpetual pulling-and-tugging between the bureaucrats and the politicians for influence, the balance shifted away from the bureaucrats and toward the politicians. As Inoguchi and Iwai explained in 1987, "Policymaking had operated under bureaucratic domination for so many years, but recently many policy areas have seen an explosive growth of the phenomenon of 'party on top, government down' [tôkô seitei] or 'party on top, bureaucracy down' [tôkô gyôtei]—the LDP actively participating and exerting strong influence."<sup>9</sup>

Many of these writings emphasized the *zoku* phenomenon: informal but highly institutionalized participation in decision-making by LDP Diet members who became experts in various policy areas. It was argued that stronger ties between the party and interest groups "fundamentally changed the relative roles and influence of politicians in policymaking . . . [toward] a more equal but specialized relationship between politicians and bureaucrats."<sup>10</sup> Some came to see the politicians as top dogs, or, in one memorable metaphor, "hunting dogs" who fight bureaucrats rather than cooperative "watch dogs" in the policy-making process.<sup>11</sup> This new paradigm of the Japanese decision-making system became a near-consensus among academic specialists on the topic, and even began to replace the older images of "Japan, Inc." and the like in more popular accounts.

The new paradigm literature generated a new sense of policy and power relations in Japan and clearly influenced the work of the 1990s, most notably Ramseyer and Rosenbluth. At the same time, while the new paradigm saw a change in the relative power relations, Ramseyer and Rosenbluth, writing in the early 1990s, saw something quite different.<sup>12</sup> In contrast to the work of the 1980s, Ramseyer argued that politicians had *always* been more powerful but had delegated authority to the cabinet and bureaucrats. To Ramseyer and Rosenbluth, who had power did not change from the 1960s to the 1970s, but overt policymaking activity did: Prior to the 1970s, LDP backbench politicians delegated power to their leaders (who in turn assigned discretion to the bureaucracy). However, with the rise of urbanization in the 1970s and the accompanying perceived need to distribute public goods on a larger scale, LDP leaders cut back on the private goods sought by individual LDP politicians. In response to such moves, Ramseyer and Rosenbluth argue, these backbenchers became substantially more active in policymaking, in particular using Policy Affairs Research Council (PARC) mechanisms to bring themselves (or, rather, their constituents) private goods.

In short, the new paradigm and the rational choice work of the 1990s saw an identical change in behavior—not surprising, since much of Ramseyer and Rosenbluth's work was founded on their reading of the new paradigm—but interpreted the change in very different ways. To Ramseyer and Rosenbluth, in a sense power had always been decentralized—in the

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<sup>9</sup>Inoguchi and Iwai, *Zoku Giin*, p. i.

<sup>10</sup>Muramatsu and Krauss, "The Conservative Party Line and the Development of Patterned Pluralism," pp. 541-42.

<sup>11</sup>Inoguchi and Iwai, *Zoku Giin*, pp. 277-281.

<sup>12</sup>Others offer accounts based on a logic similar to Ramseyer and Rosenbluth—especially Mathew D. McCubbins and Gregory W. Noble, "The appearance of power: legislators, bureaucrats, and the budget process in the United States and Japan," and Mathew D. McCubbins and Gregory W. Noble, "Perceptions and realities of Japanese budgeting," both in Peter F. Cowhey and Mathew D. McCubbins, editors, *Structure and Policy in Japan and the United States* (Cambridge: Cambridge University Press, 1995). However, Ramseyer and Rosenbluth offer the starkest and most detailed picture.

hands of backbench LDP members—but, until the 1970s, had been exerted in such a way as to run through the centralized party leadership and bureaucracy. To the new paradigm literature, change was far more fundamental and real, and occurred along both of the dimensions of interest here: from a more cohesive to a more fragmented system, and from bureaucratic leadership if not dominance toward a much larger role for the LDP in policymaking. Pempel offers a clear-cut distinction, what he calls the "unbundling of Japan, Inc.," seeing decision-making as changing "dramatically" in the first years of the 1970s from a "relatively clear and smooth running system" in which "the several bureaucratic ministries . . . were the primary locus of policy initiative." The new system was characterized as "policymaking by paper clip and bailing wire," the development of autonomous pockets of power bringing more "diversity and division," and "unmistakable signs of a decreasing influence by the national bureaucracy, combined with a rising influence by LDP politicians."<sup>13</sup> Several of the new paradigm scholars associate such milestones as the oil shock (1973), the Tanaka Premiership (1972-74), and the advent of new issues like pollution (1970) and welfare (1972) with this transition. For example, Inoguchi and Iwai contrast the first and second halves of the first three decades of LDP rule, which puts the division around 1970, while Yamaguchi similarly finds a sharp change at the end of the 1960s and beginning of the 1970s.<sup>14</sup>

While Ramseyer and Rosenbluth focus on making general statements about power in Japan and noting what they saw as a behavioral change in the 1970s, the new paradigm gave substantial attention to politics in the 1980s. In particular, the new paradigm saw the 1980s as the culmination of the new-paradigm pattern. There was considerable discussion of the "subgovernment" phenomenon (by that name or another), of the weakness of leadership, and of how powerful LDP *zoku* had become. It is quite understandable that scholars and journalists would highlight the weakness of central leadership vis-à-vis "special interests" and the power of LDP politicians (particularly the *zoku* type) in the 1980s, since incident after incident revealed these patterns. The result, as pointed out most strongly by "revisionists" like van Wolferen, was policy immobilism.

Thanks to the contributions of the 1980s and 1990s, we now have a far more comprehensive and accurate picture of Japanese policymaking than ever before. Moreover, the emphasis in the literature on analyzing how and when things have changed is far more productive than simple attempts to characterize Japanese policymaking as a whole.

Nevertheless, with notable exceptions, this literature in general has left us without a clear guiding *framework* for helping us understand the decision-making process. On one side, much of the literature focused on specific cases that left us with no clear model for understanding decision-making. On the other, in general, attempts to create more coherent, overall statements of policy making, the notable exceptions—models, such as those utilized by Ramseyer and Rosenbluth—tended to overemphasize the undifferentiated shape of all policy-making and ignore the dynamic and varying nature of decision-making.

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<sup>13</sup>Pempel, "Unbundling," pp. 278-9, 281, 293-4. Note that these points about changes in the decision-making system per se are imbedded in a much broader account of change in the overall Japanese political system. Pempel offers a similar analysis in later years. See, in particular, Pempel, *Regime Shift: Comparative Dynamics of the Japanese Political Economy* (Ithaca: Cornell University Press, 1998), especially Chapter 2 (e.g., p. 77) on the 1960's and Chapter 6 on the 1970s and 80s.

<sup>14</sup>Inoguchi and Iwai, *Zoku Giin*, pp. 277-78; Yamaguchi, *Ittô Shihai*, pp. 150-152.

## A Framework for Understanding Policymaking

In an effort to develop a more comprehensive understanding of the policymaking process, we introduce a new framework. However, in developing such a framework, it is important to focus on particular features of the policymaking process, in order to be precise about just what we mean when we say that a particular group is exerting influence or power. That is, we need some theoretical distinctions, ways of deciphering between who is in fact exerting power and what types of power they are exerting.

First, how can we tell whether government is centralized or fragmented, and which actors are playing the biggest roles? The most reliable method is to concentrate on *policy change*. It is when new public policies are started, or old ones ended or altered—or at least when proposals for change are being considered—that we can observe who is participating how in decision-making and what interests are being served. This methodological point is quite similar to the old pluralist-school critique of more static "power-elite" models in the United States.<sup>15</sup> It probably would be generally accepted by the Japan new-paradigm scholars that the centralization-fragmentation question depends on whether important policy-change processes are taking place at the leadership level or down below, and the bureaucrats vs. politicians question depends on which actors are most influential in starting, ending or changing some governmental policy.

Second, we need to distinguish between the agenda-setting and the enactment stages of the policy change process. It is not enough to know who wins, or even who is participating, once some policy change is already being debated. How did the issue come up in the first place, and why that issue rather than something else? In particular, it is important to identify the actor who first brought the matter up (the policy-change "sponsor"). This point is neatly expressed in the familiar byword of American politics that "the President proposes but Congress disposes." *Both* are about power—one cannot sensibly ask which branch of government is stronger in some particular case, or how their power relationship changed over time, without taking into account both the agenda-setting and the enactment processes.

Third, looking at the process alone is not enough. We must also examine the substance of policy changes, from when they are proposed through to enactment (and sometimes before and after those stages). Among policy makers, whose interests are served by the proposal, and by its subsequent modifications? Whose interests would be damaged? We cannot understand the game without being able to see who is on offense and on defense. I'm happy to do whatever you like with it. It's your phrasing and I actually think it makes sense. In fact, it helped me understand what you were saying pretty well, but perhaps we could add an extra sentence for greater clarity.

Fourth, to have any hope of extracting generalizations from the endless complications of actual decision-making, we need a fairly simple framework for *describing* the power relations we witness. We suggest the following: Imagine a decision-making system of two levels—above, a single "general arena" populated by "heavyweight" actors who pay attention to a relatively broad array of issues; below, a multiplicity of "subarenas," populated by "specialized" actors who mostly pay attention to a single policy area. Routine government activities and most policy changes are handled within the boundaries of the specialized arenas, while big policy changes (expensive or controversial) and those that overlap the jurisdictional boundaries of more than one subarena may be dealt with in the general arena.

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<sup>15</sup>Robert A. Dahl's famous *Who Governs? Democracy and Power in an American City* (New Haven: Yale University Press, 1966) was explicitly a critique of power-elite interpretations of American politics.



In Japan at least, *subarenas* are usually defined by the jurisdictional boundaries of government agencies, with perhaps three or four per ministry. They are populated by bureaucrats, *zoku*-type politicians and PARC division members, interest-group representatives, and sometimes academic experts and reporters who specialize in that policy area. These actors are well accustomed to working with each other, and although they may often disagree and even fight, they usually develop at least a common outlook on what problems are important and what policy solutions are plausible in their policy area. When they are relatively cohesive they can be called "subgovernments."

The *general arena* is more amorphous, but one would expect the Prime Minister, other powerful politicians in the government parties, the Ministry of Finance (because of its budgeting authority), perhaps broad-scale interest groups such as big business, and even the opposition parties to be active on a regular basis. The rank-and-file of the LDP might also be a participant when its interests are engaged (e.g. regarding proposals to raise taxes or cut public-works spending). "Public opinion" and the mass media can also be actors in the general arena. Specialized-level actors, or even an entire subarena acting as a cohesive "subgovernment," participate as well when their issues are on the general-arena agenda.

With this framework, we can logically identify five types of policy-change processes:

- 1 The "within-subarena" mode, with policy the result of interactions among specialized bureaucrats, politicians and interest group representatives with little influence from outside forces.
- 2 The "between-subarenas" mode, in which two or more specialized subgovernments contend with one another to control policy.
- 3 The "bottom-up" mode, a subgovernment putting an item on the general-arena agenda, seeking endorsement for its policy preferences.
- 4 The "top-down" mode, general-arena actors attempting to control the agenda of one or more subarenas.
- 5 The "within-the-center" mode, struggles among the heavyweight actors to define central policy.

When most of the significant policy change going on is Type 4 or 5, the decision-making system is centralized; when Type 1, clearly it is fragmented. Types 2 and 3 are in-between cases. Intersubgovernmental conflict often brings participation by upper-level actors, if only as mediators, and in "bottom-up" processes heavyweights can interject their preferences by withholding approval, but in both cases the problems are defined at the lower level and will reflect subarena thinking. In general, assertions about trends along the fragmentation-centralization dimension must rest mainly on changes in the "weights" or proportions among these five types of decision-making.

It follows that assertions about trends along the dimension of bureaucratic-political influence must also be specified carefully. At the same time, the existence of a particular type of policymaking in one area does not preclude a different type in another area at the same moment. For example, the question of whether the Prime Minister and other powerful LDP politicians are becoming active and influential in setting general policy (Type 5) is not directly related to the question of whether *zoku*-type politicians are gaining influence in particular subarenas or, a different question, whether the proportion of subarenas in which politicians are active is increasing (both a change in Type 1 processes). Moreover, an increase in policy activity by *zoku* may not be caused by their becoming more powerful, but simply reflect an increase in the

quantity of the sort of policy conflicts where they tend to play the biggest role. These are generally intersubarena conflict (Type 2), where the weakness of intrabureaucratic conflict-resolution mechanisms will often throw an issue into the LDP structure, and then top-down initiatives (Type 4) which threaten interest groups with close LDP ties.

### **Applying the Framework: Patterns of Policy Change under One-Party LDP Rule**

Given the centrality of the period to the literature, we apply our framework to policymaking over the period of LDP single party dominance in Japan (1955-1993). Based on this framework, as well as taking into account important factors that biased the conclusions of previous work, we offer a new interpretation of Japanese governmental decision-making. In particular, we see substantial differences between our own interpretations and those of previous authors with regard to the 1960s and 1980s. While the conventional wisdom holds that the 1960s were a period of centralized, bureaucracy-dominated policymaking, we see a relatively pluralistic system in which politicians played a central role in the process. And where much work on the 1980s describes a pluralistic, politician-activist system, we find a much more centralized process, where rank-and-file politicians' primary power was in their ability to defend against the activist policymaking attempts of others.

The postwar era divides fairly neatly into decades, punctuated by important transitions.

#### *1950s*

The 1950s were confused, as might be expected given the emergence from the Occupation and the creation of a new party (the LDP) in 1955. However, far from being a period of purely bureaucratic dominance, we see policymaking where, at the top, leading politicians wrangled over foreign and economic policy at the most fundamental level, a process later characterized as the emergence of the "conservative main line" (Type 5). Surely the four prime ministers of the 1950s differentiated themselves in policy terms more sharply than those of any other postwar decade. However, at the lower level, bureaucrats appeared to dominate much specialized decision-making (Type 1), particularly when the agency with jurisdiction had come through the occupation unscathed or strengthened. This was perhaps most clearly the case in much detailed economic policymaking.<sup>16</sup>

In between, there was a great deal of Type 4 top-down intervention by heavyweight politicians. First, the conservative leadership had a substantial policy agenda of its own, the "reverse-course" efforts to roll back occupation reforms that were seen as too democratic. Second, several large interest groups successfully applied pressure via both rank-and-file Diet members and individual leaders—Kôno Ichirô, Ono Bamboku and others were partisans of many causes.<sup>17</sup> Third, a simple concern for votes brought some important policy initiatives, notably

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<sup>16</sup>Calder perceptively notes that it was in policy areas within the jurisdiction of the old Home Ministry, which had been broken up by SCAP, where politicians had the most influence in this earlier period (e.g. regional planning and public works). Kent E. Calder. *Crisis and Compensation* (Princeton, NJ: Princeton University Press, 1988), p. 446.

<sup>17</sup>Farmers, veterans and other war-related groups, private-school teachers, the expropriated landlords, returnee colonists (the *hikiagesha*), small businessmen and doctors are among those who primarily worked through conservative politicians in making fairly radical demands. C.f. Calder.

Prime Minister Kishi's promise of health insurance and pensions for all (*kaihoken kainenkin*) before the May 1958 election.<sup>18</sup>

In short, many policy changes enacted or actively considered during this period (1) came from the general arena rather than subarenas, and (2) reflected the interests of politicians rather than bureaucrats. Putting the two together indicates a high level of policy activity among the most powerful conservative politicians: Prime Ministers Yoshida, Hatoyama and Kishi were all unusually forceful by Japanese standards, and faction leaders too appeared more prone to fight about policy than was later the case.

### *1960s and 1970s*

As noted above, the “conventional wisdom” holds that a sharp transition took place in the Japanese policy-making process in the 1970s. A perception of change away from a centralized, bureaucracy-activist system in the 1960s to a more fragmented, politician-activist system in the 1970s is central to both Ramseyer and Rosenbluth and most of the new-paradigm writings. However, these views overstate the extent of change. As we suggest below, there was far more continuity from the 1960s to the 1970s than earlier work has argued in large part because the decision-making process was *already* quite fragmented and politician oriented in the 1960s.

Indeed, it was the 1960s that were marked by a sharp transition. Policy-making was quite different from the conventional wisdom. To begin with, fewer policy initiatives came from the top in the 1960s. As a deliberate political strategy, Prime Minister Ikeda halted the reverse course, factional strife and its tendency to create policy conflict died down, and the LDP, less worried about its public support, was not as susceptible to big interest group demands or the temptation to buy votes with policy. The income-doubling plan was mainly macroeconomic policy, relying on expansionary fiscal policy and the culture of growth to encourage private industry, rather than requiring detailed intervention into specialized policymaking by the prime minister or other central actors. Most policy change was initiated at lower levels: Type 1, taking place within subarenas; Type 2, squabbles across subarena boundaries, and Type 3, subgovernments appealing to heavyweight actors for approval of some large policy change.

Type 2 and 3 processes were quite significant in policy terms, but did not provoke much controversy because most conflicts could be solved so easily by throwing money at the problem. Admittedly, bitter fights might break out in non-financial areas, such as the running battle between MITI and the Welfare Ministry over environmental policy (Type 2), or MITI's failure to gain general arena approval for the *Tokushinhô* (Type 3).<sup>19</sup> However, in the more common pattern, wasteful duplications of programs in two or more ministries were permitted, and the Finance Ministry approved many enormous budget requests. In fact, in this period MOF progressively gave up most of its real review power over individual programs.

As a result, a high proportion of policy-change decisions were left up to the subarenas (Type 1). Certainly bureaucratic agencies took the lead in most instances, but the major structural *change* was the increased role of the LDP Diet members in the relevant PARC

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<sup>18</sup>Calder lists many other "compensatory" policy changes with this motivation in his second "crisis" period, 1958-1963.

<sup>19</sup>McKean and Johnson.

divisions and other organs, plus less formal *zoku*. Their new aggressiveness was due to increased policy sophistication and the availability of money (it is no coincidence that the frequency of PARC meetings peaked during budget compilation every year). This pattern was well established by the mid-1960s, although it should be emphasized that subarenas varied enormously in the balance of political and bureaucratic influence and in the extent to which their relationship was cooperative or conflictive.

Campbell's research on budgetary politics, based on interviews and newspaper articles on the yearly budget process back to 1954, provides substantial evidence that the decision-making system of the 1960s was not wholly unified and dominated by bureaucrats.<sup>20</sup> Campbell demonstrates that the Japanese decision-making system was fragmented into a pattern of "subgovernments" made up of agencies, specialized LDP politicians and interest groups—sometimes in alliance, sometimes with much internal division. Partly because of weak coordination mechanisms and leadership, conflicts between subgovernments appeared very difficult to resolve.<sup>21</sup> While bureaucrats may have held the upper hand in the mid-1950s in many subgovernments, the LDP gained rapidly, due to the bureaucrats' need for support and the politicians' own increased policy expertise.<sup>22</sup> That is essentially the *zoku* phenomenon, which perhaps got started around 1956, when Tanaka Kakuei led a walkout of public-works Diet members from a meeting of the PARC Construction Division that was insufficiently aggressive about the highway budget.<sup>23</sup>

Increased LDP power meant a decline in the ability of the center—in this case, the Ministry of Finance—even when backed by the Prime Minister to control the budget. While Muramatsu and Krauss date the beginning of the trend toward LDP power in budgeting to 1968,<sup>24</sup> and Yamaguchi emphasizes the end of the balanced budget in 1965, already in 1961 a typical observation was: "the 'budget-compilation authority' is clearly vested in the government by the Finance Law, but this year for the first time the lead in budget compilations from start to finish has been taken by the LDP."<sup>25</sup> The Finance Ministry continued to lose ground throughout the decade, and when it tried to halt ever-rising expenditures by launching the "break-fiscal-rigidification campaign" in 1967, it did so by in effect handing nearly all decisions on particular programs over to the subgovernments and the LDP in a vain attempt to reassert its authority over fiscal policy.<sup>26</sup> Only in 1974 did the Finance Ministry make much of a comeback.<sup>27</sup>

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<sup>20</sup> John C. Campbell, *Contemporary Japanese Budget Politics* (Berkeley: University of California Press, 1976).

<sup>21</sup> *Ibid.*, pp. 37-42.

<sup>22</sup> *Ibid.*, pp. 115-134.

<sup>23</sup> *Ibid.*, p. 119, citing *Mainichi Shinbun*, January 20, 1956. The beginnings of *zoku* have been variously discussed. Ishikawa and Hirose say the early usage of this term referred to the *giin zoku* that helped manage Diet business, and Inoguchi and Iwai argue that the classic "watchdog" *zoku* type, representing a one-hand-washes-the-other (*michitsumotaretsu*) alliance of interest group, bureaucrats and politicians, was not much in evidence before the first oil shock. Ishikawa Masumi and Hirose Michisada, *Jimintô--Chôki Shihai no Kôzô* (Tokyo: Iwanami Shinchô, 1989), p. 38; Inoguchi and Iwai, *Zoku Giin*, p. 278. Our view is that there were many examples of *zoku* in the 1960s. For many illustrations, see Young H. Park, *Bureaucrats and Ministers in Contemporary Japanese Government* (Berkeley: University of California Institute of East Asian Studies, 1986).

<sup>24</sup> "Bureaucrats and Politicians."

<sup>25</sup> *Asahi Shinbun*, January 19, 1961 (evening); also see Suzuki Yukio, writing in *Nihon keizai shinbun*, January 13, 1961.

<sup>26</sup> Campbell, *Budget Politics*, pp. 241-48, 270-71.

It might be noted that these examples are primarily concerned with budgeting, which is but one among several types of decision-making. However, the bulk of Japanese domestic policymaking, including the main negotiations over initiation of a new program or a major expansion, *actually took place in the budget arena* in this period.<sup>28</sup> Many of the thorniest public policy problems facing the Japanese government in the 1960s were the direct result of LDP-interest group alliances exerting their power through budgeting. Notable examples were the "three 'K's," the high and rapidly growing expenditures on *kome* (rice subsidies), *Kokutetsu* (the National Railroad), and *Kenpo* (health insurance)—all apparent by the mid-1960s, and all areas where LDP politicians clearly were more powerful than the Agriculture, Transportation and Welfare Ministries which held formal jurisdiction.

In short, the budget arena was quite central. Also, it seems unlikely that things were as different in most other arenas as came to be argued. There are many anecdotes from the early period that demonstrate both fragmentation and party power—for example, the process leading to the enactment of the National Pension in 1959 was almost chaotic, and was dominated by LDP politicians rather than bureaucrats despite its many difficult technical aspects.<sup>29</sup> Another example is the course of labor policy change (particularly the issue of public employee unions) researched by Harari in 1965-67, which concludes that "the findings of this case study are congruent with the findings of other recent studies of the dominant role of the Liberal Democratic party in the policy-making process."<sup>30</sup> The cases described in Pempel's 1977 edited volume on policymaking—most of which took place prior to 1970—include many examples of strong LDP influence, and of highly fragmented or compartmentalized decision-making.<sup>31</sup>

The picture of relatively consensual and bureaucracy-dominated decision-making in the 1960s does accord with many *general* assessments made at the time—images of domination by the bureaucracy, or the ruling triumvirate, or "Japan, Inc" were in fact the conventional wisdom of the time. However, these images were contradicted by most of the *specific* studies of policymaking carried out in those years. This is made clearer by Thayer's observation in his study of the LDP, which was based mainly on interviews in 1964-66: "no bureaucrat who hopes to have ministry ideas translated into law will fail to touch base early and often with the party organs."<sup>32</sup> Indeed, in his 1977-published review, Fukui describes the studies put out on Japan's

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<sup>27</sup> Ibid., pp. 257-262.

<sup>28</sup> Itô Daiichi, "The Bureaucracy: Its Attitudes and Behavior," *The Developing Economies* 6:4 (December, 1968), pp. 446-467.

<sup>29</sup> For a brief account, see Itô Daiichi, *Gendai Nihon Kanryôsei no Bunseki* (Tokyo: Tokyo Daigaku Shuppankai, 1980), pp. 272-316.

<sup>30</sup> Ehud Harari, *The Politics of Labor Legislation in Japan: National-International Interaction* (Berkeley: University of California Press, 1973), p. 177. Many of these other studies, incidentally, were of foreign policy decision-making, in which the main finding was often that factional battling within the LDP dominated policy. The classic argument is Donald Hellman's *Japanese Foreign Policy and Domestic Politics* (Berkeley CA: University of California Press, 1969), which is based on a mid-50s case, but according to Frank Langdon remained applicable through the 1960s—he notes of LDP factional conflict that "it is this internal equilibrium within the ruling party which represents a great constraint in foreign policy-making." Frank Langdon, *Japan's Foreign Policy* (Vancouver: University of British Columbia Press, 1973), pp. xiv, 5.

<sup>31</sup> Pempel, ed., *Policymaking*, op. cit.

<sup>32</sup> Nathaniel B. Thayer, *How the Conservatives Rule Japan* (Princeton: Princeton University Press, 1969), p. 226, in a section mainly on the Policy Affairs Research Council. He quotes *Asahi* reporter Ikeda Kanjô in 1966: "The Conservatives are more concerned with policy than most people give them credit for." P. 216.

policy-making process: "Collectively, they draw a picture of Japanese policymaking characterized by fluidity, complexity and variability, rather than by the regularity, stability, and constancy which the power-elite perspective projects."<sup>33</sup> And, Pempel, in the same volume, argues that it is "impossible to sustain any claim that policymaking in Japan involves the largely harmonious interaction between government and society that is implied in the notion of 'Japan, Inc.' In short, there is tremendous diversity in Japanese policymaking, defying most existing generalizations."<sup>34</sup>

To be sure, there certainly was change in the 1970s. The early 1970s did bring a surge in bottom-up pressure (Type 3) in at least two areas. In environmental policy, the combination of media attention and progressive local government activism (an administrative as well as political threat, since the national government could not deal with increasingly tough local regulations) tipped the balance against MITI and business interests. It appears that Prime Minister Satô, recognizing this trend, played the key behind-the-scenes role in breaking the old inter-subgovernment stalemate and facilitated the burst of highly detailed legislation produced by environmental specialists in 1970.<sup>35</sup> In social policy, the enormous pension expansion of 1972 stemmed mainly from a new interest among the general public, which energized the subgovernment (the Welfare Ministry's Pension Bureau, the unions and Nikkeiren) and brought a positive response from the new Prime Minister, Tanaka Kakuei; the push for "free" medical care for the elderly, on the other hand, had bypassed the subgovernment (which mostly opposed it) and impacted directly on the LDP. These big new policies, and smaller Type 3 budget grabs like the sharp increase in veterans' benefits in the 1973 budget, were made possible in part by an extraordinarily permissive fiscal policy, itself caused largely by the political "crisis" of opposition party threats plus factional battles over the post-Satô premiership.<sup>36</sup>

Here, for the first time in a decade, Type 5 policy conflict among heavyweights in the general arena had a big impact on domestic policy. Tanaka's campaign for the LDP presidency was based on an explicit big-government platform, centering on his "restructuring the archipelago" plan for which "an enormous amount of money would be required," mainly in public works.<sup>37</sup> It was popular with the public and, naturally, rank-and-file LDP Diet members, and helped Tanaka vanquish both rival candidate Fukuda Takeo and the Ministry of Finance. But while the restructuring plan looked like a comprehensive top-down policy (Type 4), its effect was mainly pork-barrel: It liberated the bureaucrats, politicians and interest groups in all the construction-oriented subarenas.

The drop in economic growth and therefore tax revenue growth associated with the 1973 oil shock deflated all this expansionary exuberance, but it mattered less than one might expect for the decision-making system. What should have happened was more and better top-down policy, establishing priorities and limiting or redirecting at least some subarena-level programs (Type 4). Many government and private reports urged such action, and the Ministry of Finance tried to intervene in the worst cases, but for the most part the subgovernments were already

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<sup>33</sup>Fukui, "Studies in Policymaking," p. 47.

<sup>34</sup>T.J. Pempel, "Conclusion," in *Policymaking*, pp. 308-323, at 311.

<sup>35</sup>Imamura Tsunao, "Soshiki no Bunka to Kôshô," in Tsuji Kiyooki, ed., *Gyôseigaku Kôza* vol. 2, *Gyôsei to Soshiki* (Tokyo: Tokyo Daigaku Shuppankai, 1976), pp. 183-87.

<sup>36</sup>Calder, *Crisis*, p. \_\_, though note the burst of compensatory policy activity began well before the date he gives for the beginning of the third crisis (\_\_\_\_, 1972).

<sup>37</sup>Tanaka book

strong enough to rebuff such efforts. The fact that prime ministers and other high-level politicians were so absorbed in factional battles throughout the decade no doubt inhibited much Type 5 attention to policy problems, preventing in particular any active support for policy interventions which might be unpopular with lower-level LDP Diet members. Opposition party strength in the Diet had a similar effect.

As a result, with the brief exception of the tight 1974 budget process, Type 1 decision-making within specialized arenas could proceed without much reference to general arena preferences or the implications of slower economic growth. Even Type 3 requests by subgovernments for program approvals or more money were often granted. Budget expenditures rose at nearly the rate of the 1960s, in a relatively balanced fashion with each ministry or policy area sharing the largess fairly equally.<sup>38</sup>

Certainly, the new-paradigm pattern of subarena autonomy, weak leadership and LDP power was at its height in the late 1970s, well symbolized by the embarrassing failure of Prime Minister Ōhira and the Finance Ministry to enact a value-added tax in 1979. But the general pattern of decentralized policymaking, based on substantial politician power had been established in the previous decade.

Why was there this overperception of change from the 1960s to 1970s? We can suggest several mutually reinforcing reasons. First, the new paradigm was based on much more intensive scrutiny of the decision-making process than had previously been carried out by Japanese scholars. (Ramseyer and Rosenbluth's analysis is similarly affected, as it appears to base its statements of increased politician activity on the information in the new paradigm literature.) Satō and Matsuzaki's computerized data-files on LDP organs and individual Diet members, Inoguchi's dissection of each policy *zoku*, Muramatsu's systematic interview surveys of bureaucrats, politicians and interest-group representatives, Ohtake's detailed case studies—all represent a high-point of sophisticated political science research in Japan, and produced information of far greater depth and breadth than is available for earlier periods.<sup>39</sup>

This imbalance can produce inferences about change that are plausible but impossible to demonstrate. For example, in their excellent analysis of "patterned pluralism," Muramatsu and Krauss are on safe ground in citing survey data from the late 1970s to show that established interest groups work mainly with bureaucratic agencies while less institutionalized groups pursuing newer policies are more likely to approach politicians. However, lacking equivalent surveys from the past, their assertions about change rest mainly on others' somewhat tenuous generalizations about how things used to work.<sup>40</sup>

Second, the extent to which Japanese policymaking was governed by "consensus" in the pre-1970 period has often been exaggerated in large part because of an overemphasis on a particular policy area. Looking back, it is easy to perceive the goal of economic "catching-up" as

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<sup>38</sup> Lincoln.

<sup>39</sup> Some of these studies do produce good long-term time-series data, such as Satō and Matsuzaki's statistics on meetings held by Policy Affairs Research Council bodies, which lead to well-grounded generalizations about changes in particular decision-making patterns. Some of these changes occurred in the early or mid-1960s, consistent with the argument here. *Jimintō Seiken*, chap. 4; in English, see their "Policy Leadership by the Liberal Democrats," *Economic Eye* 5:4 (December, 1984), 25-32.

<sup>40</sup> "The Conservative Party Line and the Development of Patterned Pluralism," *op. cit.*, p. 539. Note that on the dimension of relative politician-bureaucratic influence, these authors see the LDP as well able to compete with the ministries by the mid 1960s. "Bureaucrats and Politicians," *op. cit.*

overwhelming, and to infer further that the field of industrial policy was the dominant concern of the Japanese government. It is true, as Chalmers Johnson has shown, that industrial policy decision-making was bureaucratic-dominated in the sense that LDP politicians did not play a major role,<sup>41</sup> and it also should be noted that monetary policy was similarly dominated by the Ministry of Finance and Bank of Japan.

Nevertheless, one should be careful not to overly privilege economic and industrial policy, lest they give the impression that Japanese policy as a whole looked more unified and bureaucratic than it may truly have been. From the viewpoint of contemporary participants, industrial policy was just one among many sectors of government attention, and a very atypical one. Decisions were being made, and policy change occurring, in many fields in the late 1950s and the 1960s—land-use planning, compulsory and higher education, medical care, farm incomes, labor relations, development of the transportation network, environmental regulation, pensions, small-business promotion, and so forth.

The first point to make about these diverse policy areas is simply that they were so diverse: Different actors participated in each; no actor (except perhaps the Finance Ministry's Budget Bureau) substantially participated in all; and the degrees of conflict and styles of decision-making were quite different. Second, LDP politicians were more active and influential in most of these areas than in, say, industrial policy (though again it was different LDP politicians in each). Third, policy in these areas was not typically aimed at promoting economic growth. Mostly it served other, more pluralistic goals, often including compensation for those not sharing the benefits of growth.<sup>42</sup>

Fourth, decision-making in the 1960s was in large measure an *effect* of rapid growth. It was because so much tax revenue was generated that all this policy activity could go on in a fragmented, compartmentalized fashion without much open conflict. For example, budgeting in this period was extraordinarily "balanced," with proportional allocations of the growth increment among policy areas regardless of differences in need or priority—a very convenient, though expensive, method of avoiding or papering-over conflict.<sup>43</sup>

To summarize, work on Japanese decision-making underestimated the extent of fragmentation and LDP influence prior to 1970 for several reasons. The obscuring of much implicit conflict within and among subgovernments by the effects of economic growth, the disproportionate attention to the industrial policy subgovernment in which politicians were not active, and the imbalance in the quantity of decision-making research between recent years and the earlier period all contribute to a somewhat distorted picture of decision-making in the 1960s as essentially unified, consensual and bureaucratically dominated. We might also add in a

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<sup>41</sup>Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford CA: Stanford University Press, 1982). The question of whether the relationship between MITI and big business was as cooperative as alleged is open to more debate: see e.g. Richard J. Samuels, *The Business of the Japanese State: Energy Markets in Comparative and Historical Perspective* (Ithaca NY: Cornell University Press, 1987).

<sup>42</sup>Kent Calder, *Crisis and Compensation* (Princeton NJ: Princeton University Press, 1989) emphasizes the LDP role in pushing such policies, as does recent work on "social contracts" by Mike Mochizuki and Sheldon Garon (in Andrew Gordon, ed., *The Postwar as History*, forthcoming). Of course, that is not to say that economic growth was not also an important goal, for the bureaucracy or "Japan, Inc." as in the traditional view, or as a "strategy for coping with the political challenges and dilemmas faced by the conservative political elite," the core of the LDP's *hoshu honryū* or "conservative policy line." Muramatsu and Krauss, "The Conservative Party Line and the Development of Patterned Pluralism," p. 517.

<sup>43</sup>Campbell, *Budget Politics*.



couple of natural human tendencies: to see the past as more coherent and easily explained than the bewildering present, and to seek out ever-fascinating change rather than boring continuity.

Finally, we can generally agree with the proposition, common to all this research, that the quantity, range and complexity of the policy issues facing the Japanese government have expanded over the years, and this expansion has been accompanied by changes in politics—accommodation of more diverse social interests in policymaking, broadening of the LDP's support base, increased policy conflict. Moreover, the early 1970s, when new demands were mobilized and resource-scarcities developed, can well be seen as a significant period of acceleration for these trends. However, considerations of what the decision-making system was doing are separable from the question of how it does them. Our contention is that in at least two important dimensions—the extent of fragmentation, and the roles played by LDP politicians and bureaucratic agencies—the structure of the Japanese decision-making system had already been well established at least by the mid-1960s.

### 1980s

Our analysis of the 1980s is also markedly different from the conclusions of work in recent decades. Where other work on the 1980s sees an increase in politician power, we see a greater *centralization* of power.

The new paradigm came to the fore in the early 1980s, and many of the examples cited in this literature were drawn from the period of, roughly, the Suzuki and Nakasone cabinets. Indeed, most of these writings assumed long-term linear trends toward pluralism and decentralization on the one hand and more power for politicians over bureaucrats on the other, rather than cycles or just short-term ups and downs. Therefore, it was logical that the new paradigm saw the 1980s as the culmination of the new-paradigm pattern. Many focused on the “subgovernment” phenomenon and the decentralization of power. For example, Sato and Matsuzaki draw a useful distinction between “fragmentation” and “compartmentalization,” applying to the U.S. and Japan respectively, but the two patterns are similar in the crucial dimension for our purposes, which is the relative weakness of centralized control.<sup>44</sup>

However, some of the writers of the time also emphasized what would seem to be a contradictory trend, toward strong and active leadership and “comprehensive” rather than fragmented policy initiatives.<sup>45</sup> Curtis, for example, notes the ways in which the LDP *leadership* in the 1980s imposed spending restrictions and resisted the efforts of numerous LDP politicians to protect their individual interests, constituents and pet projects.<sup>46</sup> It is with this latter interpretation that we agree. But, interestingly, as we explain below, it is precisely because of the increased central agenda setting, which forced *zoku* politicians to go on the “active defensive,” that other analyses perceive a more pluralistic, politician-active system during the decade.

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<sup>44</sup> *Jimintô Seiken*, pp. 168-172.

<sup>45</sup> See, for example, Pempel, “Unbundling,” p. 295 and Muramatsu, “Nakasone Administration,” p. 326.

<sup>46</sup> Gerald L. Curtis, *The Japanese Way of Politics* (New York: Columbia University Press, 1988), especially p. 78.

Three factors in the early 1980s produced a countertrend toward stronger central leadership and a corresponding weakening of the subgovernments and the LDP. Deficits and the fear of corporate tax hikes activated big business, which pushed for spending restraint. Japanese export strength and its own economic weakness activated the United States, which pushed a variety of trade issues (as well as defense initiatives). Issues of economic austerity and of handling international pressure were both centralizing. The third factor was the rise to power of Nakasone Yasuhiro and his presidential leadership style. As a result, heavyweight actors behaved like active policy makers (Type 5) in forming relatively effective coalitions. These coalitions dominated the policy agenda for subarenas (Type 4) more extensively and consistently than at any time since the 1950s.

The ceilings on budget requests imposed by the Finance Ministry were as important as specific policy initiatives from the top. The ceilings specified size but not content, leaving it up to the specialized bureaucrats, politicians and interest groups in each subarena to renegotiate long-established bargains about who got what. The pace of Type 1 policy change accelerated sharply, and it appears that the general shakeup of the system and the incentives that resource shortages gave to specialized actors to find new missions or defend old ones also brought more Type 2 disputes between subarenas (and thus more *zoku* activity, since it is in jurisdictional battles that these champions of subgovernments become most conspicuous).<sup>47</sup>

The policy-change pattern which greatly diminished in the 1980s was Type 3, bottom-up initiatives from subgovernments seeking general-arena approval. These were clearly inhibited by resource scarcity and the anti-big-government mood of the times. The level of activity in the other four types grew—the decision-making system operated at a higher level of energy—and as a result the pace of overall policy change increased.

Critical to our new interpretation is our focus on policy change, the distinction between agenda-setting and enactment and the importance of whose “interests” are at stake in any given issue. Human nature often has a tendency to try to describe events as the outcome of monotonic trends, and it is therefore tempting to describe policymaking behavior in the 1980s in Japan as the result of a multi-year trend toward greater politician activism. However, we see no such trend from the 1960s to the 1980s that increased the activity level of individual politicians. There were of course many “incidents,” which were a result of a great deal of policy change that was being undertaken or at least discussed in this period. In short, there were many active issues. We postpone the question of why all this activity occurred for a moment, and instead ask where all these potential policy changes came from. What actors within the decision-making system were the main sponsors pushing these issues on the agenda?

This begins with the issue of whether anyone was attempting to be “in charge.” Paradoxically enough, the main reason for the new attention to policymaking in the 1980s was a trend toward *centralization*, or rather of *attempts* to impose more centralized and “comprehensive” policies on the entire government—that is, more “top-down” policymaking: What was new in the 1980s was more, rather than less, top-down leadership. As Pempel perceptively observes, the conflict between attempts to impose comprehensive policies across the entire government and resistance from well-established pockets of autonomous power was “the overarching tension affecting public policy formation in Japan.”<sup>48</sup>

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<sup>47</sup>C.f. Inoguchi, *Zoku Giin*. Another oft-noted cause of increased interjurisdictional conflict is greater complexity of government policy and the development of technology leading to new fields, such as telecommunications. Cite?

<sup>48</sup>“Unbundling,” p. 295.

In our terms, compared to earlier periods, the early 1980s saw more Type 5 decision-making, heavyweight actors talking seriously about large-scale policy change, and also much more Type 4 decision-making because their policy-change proposals—mostly about fiscal and administrative reform, and then trade liberalization—greatly affected interests throughout the governmental system. Many subarenas were energized by the intrusion of issues pushed down by general-arena actors. When the specialized bureaucrats, politicians and interest groups reacted and tried to fight back against these proposals, they naturally attracted press attention; to the extent their efforts succeeded, they looked quite powerful.

It is because the subgovernments came under attack that their considerable power became obvious. It is certainly true that the attempts to make comprehensive policy failed often enough to indicate that the subgovernments were frequently capable of defending themselves against attacks from the center. But *any* success for comprehensive policymaking must indicate, at the level of the overall governmental system, a stronger central structure relative to the power of the peripheral subgovernments. Despite the attention they received, the subgovernments were therefore *less powerful* relative to the center than they were in the 1970s, when by all accounts there was a real paucity of policy leadership in Japan (and if our earlier arguments here are correct, they may have been less powerful than they were in the 1960s as well).

Schoppa's detailed case study of education *zoku* in the 1980s is illustrative.<sup>49</sup> Similar to many new paradigm authors, Schoppa argues that in the 1980s, the active presence of *zoku* made it more difficult for the LDP to coordinate its policies, and offers the example of the education *zoku* defeating Prime Minister Nakasone's education reform plan. However, a number of points in Schoppa's analysis are quite consistent with our discussion here. To begin with, the education reform plan had been *initiated* by the center, not the party. The case of education reform was simply one more example of an increasing number of issues that threatened LDP politician interests and created the *appearance* of greater politician activism. There were more areas under contention and of course the *zoku* were likely to win some of them. Education reform was one that the sectional interests won—but Schoppa himself agrees that Nakasone won a number of these sorts of battles.<sup>50</sup> Indeed, even in the case of education reform, the prime minister's office was able to impose budgetary restrictions on the MOE (Type 4 policymaking).

Our proposition that the LDP rank-and-file politicians *lost* power in a relative sense is based on a similar logic. Certainly the politicians participated in more policy changes, simply because there were more policy changes in the 1980s. Moreover, to the extent that "between-subgovernments" (Type 2) policy conflict increased disproportionately, party organs naturally became more prominent. It had long been true in Japan that subgovernmental disputes were more easily worked out through intraparty processes than inside the bureaucracy, which lacked any effective mechanism for resolving conflicts of interest among ministries.<sup>51</sup> Within the LDP, these processes include maneuverings among the divisions and special committees of the Policy Affairs Research Council (PARC), power battles between the *zoku* attached to each ministry, and mediation by senior "policy-type" (*seisaku-tsû*) Diet members. So an increase in Mode 2 decision-making automatically meant that LDP Diet members would be more *active* and

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<sup>49</sup> Leonard J. Schoppa, "Zoku Power and LDP Power: A Case Study of the Zoku Role in Education," *Journal of Japanese Studies* (17:1, 1991).

<sup>50</sup> *Ibid.*, p. 106.

<sup>51</sup> See John C. Campbell, "Policy Conflict and its Resolution within the Governmental System," in *Conflict in Japan*, ed. by Ellis S. Krauss, Thomas P. Rohlen and Patricia G. Steinhoff (Honolulu: University of Hawaii Press, 1984), pp. 294-334.

*prominent* than earlier, *but not necessarily more powerful* relative to other actors. That judgment requires seeing who wins or, still more fundamentally, what the fight is about.

This brings us to the relationship between politicians and the bureaucracy. In general, whenever there is much policy conflict, politicians become more prominent. For one thing, in Japan as elsewhere, at a given level of disputation bureaucrats will tend to portray an issue as technical and apolitical, while politicians are more likely to emphasize fighting for some sort of principle or interest. Within most subarenas, *zoku* and PARC Division Diet members carry out the role of spokesmen for bureaucrats and interest groups *vis-à-vis* outsiders, as when striving for higher budgets and in jurisdictional disputes between subgovernments. When specialized interests are under attack, these politicians have all the more reason to fight back publicly, at least to demonstrate how committed and sincere they are. One of the leading policy pushes was the Rinchô “administrative reform” movement, which sought to restrain budget growth overall and in sectors like public works, subsidies to local government, and agriculture. As a Rinchô member recalled, “when we met with members of the LDP PARC, we were simply bombarded with a barrage of rebuttals on almost every issue of reform.”<sup>52</sup> Appearances aside, it is likely that obtaining some loophole or other specific concession in the midst of an austerity campaign will be valued even more highly by constituents than getting a new program approved when times are flush.

Most *zoku* participation in policy change during the 1980s was similarly defensive, attempting to preserve as much of the status quo as possible. Much was in response to attacks from above (Type 4), although sometimes specialized politicians would be defending their turf against intrusion from another subgovernment (Type 2). Yet another common pattern was spontaneous resistance from the LDP rank-and-file reflecting constituency interests (election districts or pressure groups) against some proposal from above.<sup>53</sup>

Welfare-related policy areas in the 1980s provide numerous examples of central, bureaucracy-led policy planning and success in the face of politician opposition. Both Muramatsu and Pempel mention the Ministry of Health and Welfare, with its large entitlement programs, as one of the most important targets of Administrative Reform; it was seen particularly as struggling against major cutbacks in health care and pension policy.<sup>54</sup> Inoguchi and Iwai argue that welfare is the area of strongest *zoku* influence over policy, with the bureaucrats relatively weak.<sup>55</sup>

Nevertheless, in the 1980s, the Ministry of Welfare played an active role in the legislative process and regularly got its way. Old age policy, the segment of social welfare which attracts most attention in Japan, provides a useful set of examples that support these conclusions. In the 1980s, there were major policy changes in health care and pensions, aimed largely at restraining

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<sup>52</sup>Miyazaki Teru, quoted by Park, *Bureaucrats and Ministers*, p. 190. As one example, Miyazaki mentioned watering down a Rinchô proposal on the vehicle weight tax from “review and revise” (*minaosu*) to “discuss” (*kentô*), under pressure from the highway *zoku*.

<sup>53</sup>Inoguchi and Iwai call such uprisings “hunting-dog *zoku*” in distinction from the smaller and more stable ministry-connected “watch-dog *zoku*,” although we would question (1) whether the term *zoku* is appropriate, lacking a “family” connection with a ministry and (2) whether the phenomenon is particularly recent. *Zoku Giin*, pp. 257-73.

<sup>54</sup>Muramatsu, “National Identity;” Pempel, “Unbundling.”

<sup>55</sup>At least up to the 1986 election, when the changes described below had already been enacted. *Zoku Giin no Kenkyû*, pp. 194-98.

current and future spending, but these were not forced on a recalcitrant bureaucracy. Quite the contrary: Rinchô's recommendations in these areas were written by past and present Welfare Ministry bureaucrats, partly to further their own campaigns for policy change. Examples include the Health Care for the Aged Law (*Rôjin Hokenhō*) of 1983,<sup>56</sup> "radical reform" (*bappon kaikaku*) of health insurance as a whole in 1984—both of which, among other things, introduced new patient co-payment systems—and other measures including a series of moves to create new quasi-nursing homes, alter fee and cost schedules, and create a new agency within the ministry to centralize old-age health policy. Every one of these reforms was favored, not opposed, by Welfare Ministry officials. Most had been widely discussed and some actually attempted in the 1970s. As a whole, they expanded rather than contracted bureaucratic control over health care, at the expense of the employment-related health insurance institutions and particularly the Japan Medical Association, which mainly represents private practitioners. Both are powerful interest groups which in the past had used their ties to the LDP to advance their interests, and certainly to prevent Welfare Ministry interference.

1985 pension reform was similar. The law brought a measure of unity to Japan's extraordinarily fragmented public pension system by introducing a first-tier "basic pension" for all individuals, with additional benefits for many provided by various systems as a second tier. This concept had been favored by Welfare Ministry officials and other specialists since the early 1950s; it finally succeeded because the Pension Bureau—after seeing an earlier attempt to restrain costs by raising the pensionable age go down to defeat due to LDP rank-and-file opposition in 1979—managed to dominate the political process from agenda-setting to enactment.<sup>57</sup> There was some help in these cases from individual LDP Welfare *zoku* leaders like Hashimoto Ryûtarô, who was sympathetic to ministry interests as well as playing a major role in Administrative Reform. But the initiative for these policy changes, their contents, and even strategic management of the decision-making process were all overwhelmingly in the hands of the bureaucrats. The overall LDP role here can be characterized as mildly obstructionist; one factor that made enactment possible was that the usual LDP clientele-representation opposition to such reforms was relatively weak. This was largely due to the political conditions of the 1980s, particularly the Administrative Reform campaign, which the Welfare and Finance Ministries could take advantage of to achieve their own goals.

Social policy may be an extreme case, and we would not characterize the 1980s as an era of bureaucratic domination of the public policy agenda. Nevertheless, looking at process, government ministries were among the more active participants in agenda setting, and looking at substance, many of the proposals discussed and even enacted were quite in line with the preferences of at least some government officials, including those in the spending ministries.

Another example is foreign affairs. While generally stressing the presence of increased pluralism and party power vis-à-vis the Ministry of Foreign Affairs (MFA) in the 1980s, Fukui also observes that during that period "the MFA has gotten its way on most issues taken up in the Diet," and "the MFA's coordinator role has been maintained and even strengthened in some respects." Similar to the Welfare Ministry examples, in both MFA cases an important factor was greater effort and skill in politicking by the bureaucrats.<sup>58</sup>

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<sup>56</sup>See John C. Campbell, "Problems, Solutions, Non-Solutions and Free Medical Care for the Elderly," *Pacific Affairs* 57:1 (Spring, 1984), 53-64.

<sup>57</sup>The information here on old age policy is drawn from John C. Campbell, *How Policies Change: The Japanese Government and the Aging Society* (Princeton NJ: Princeton University Press, 1990) and Kato Junko, *Nihon no seisaku kettei katei*, unpublished Master's Thesis, Tokyo University.

<sup>58</sup>Forum, pp. 371, 376.

The choice of issues areas to pursue can also tell us something about who is exerting influence. Naturally, several problems were thrust onto the government's agenda almost directly from the environment: Economic fluctuations or pressures from abroad were simultaneously recognized by all participants as requiring some sort of response. This path to the agenda does not tell us much about who within the Japanese decision-making system is dominating the agenda. These aside, a plausible listing of the issues on the top-level policy agenda would include then: multiple attempts to enact a valued-added tax, taxing small savings accounts; "liberalization" of education; the expansion of Japanese defense; election reform to prevent political corruption; trade and financial liberalization; a host of initiatives associated with administrative reform; social welfare constraints, through reforms in health insurance and pensions; the privatization of public corporations, especially the National Railroads and liberalizing trade under American pressure.<sup>59</sup> Who put these issues on the agenda? What interests did they serve?

The majority party is in fact an unlikely candidate. From its creation through the 1980s, LDP pressure on public policy—whether manifested by the party rank-and-file, *zoku*, PARC divisions or (to a lesser extent) the party leadership representing the membership—had been in the opposite direction. Specifically, the balance of LDP opinion generally favored lowering taxes, not raising them; protecting tax-free savings accounts; leaving education much as it is (perhaps with a little more ideology); spending below 1 percent of GNP on defense; more spending in general and in particular for agriculture, public works and subsidies; higher benefits and lower burdens in welfare programs; and protecting money-losing local railroad lines. While each of these policy areas had its own complexities (for example, the intraparty politics of education and defense were characterized by a few right-wingers versus a majority of politicians who were not very interested but favored the status quo), these simple propositions generally represented the weight of LDP influence over the years. Nearly all the policy changes being discussed in the 1980s thus ran *against* traditional LDP preferences. Moreover, an examination of the political process would reveal that the LDP as an organization was not responsible for pushing *any* of these proposals for policy change onto the agenda. In fact, in most cases it resisted, with more or less success.

Did the politicians then suddenly change their minds? Some did, mainly in response to the new economic environment of the 1980s, or to appeal to the more urban elements of the electorate. Others found it possible to voice doubts about, say, the merits of the welfare state, which they had felt inhibited in mentioning back in the early 70s. Such attitudes among politicians were important in gaining acceptance by the party of *some* of these policy initiatives.

Yet, this was hardly the case for all of the issues. Moreover, it is hard to see much change in real political action: In reality, the LDP was not responsible for pushing *any* of these proposals for policy change onto the agenda. In fact, in most cases it resisted.

Applying Ramseyer and Rosenbluth's analysis here would lead us to that the reason for the policymaking shape of the 1980s that we describe here was that the backbenchers realized a need to delegate power to the leadership and bureaucracy—in essence, the coolies were hiring someone to whip them and keep them in line. However, here, our analysis and Ramseyer and Rosenbluth's quickly diverge. Unlike Ramseyer and Rosenbluth, our explanation of change does not suggest changing demographics, but instead posits the greater assertion of central power (even if backbenchers are attempting to reject the center's efforts). Also, here, Ramseyer and Rosenbluth's analysis makes much less sense: If the backbenchers were delegating authority to

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<sup>59</sup>This list is obviously arbitrary, but all these issues did receive intense attention by high-level decision makers, and we do not find other issues in the cases described in the works cited here which seem to meet that criterion.

the leadership and bureaucracy, in the 1980s why would the leadership and bureaucracy raise issues (only to be defeated) that the backbenchers do not want (and then defeat)?

We argue that it was not so much greater politician power but quite the opposite. It is precisely because so many issues that threatened LDP interests were being considered that party politicians appeared so active in decision-making in the 1980s. The fact that they were in many battles, and won some of them by preventing or watering down reforms, certainly does indicate the presence of LDP power. But the fact that it also lost many—or still more significantly that it was always on the defensive because virtually none of these battles were of its own choosing—indicates that the LDP may have actually been *weaker* as an initiator of policy than it had been in years. After all, in the past, several policy changes had been put on the agenda and enacted primarily as a result of pressure from party politicians: many of the "reverse-course" initiatives of the 1950s, the party's key role within the establishment in pushing for welfare expansions in the early 1970s, and innumerable budget grabs (many with nothing but indifference or opposition from the bureaucracy) throughout the period. It is noteworthy that there were almost no such cases in the 1980s.

Who then were the sponsors of all these policy changes? For one, the Prime Minister. Nakasone was almost solely responsible for the controversies over educational reform and higher defense spending, and was a prime mover of Administrative Reform. The prime minister is of course from the LDP, but in general, party leadership is but one of the roles for chief executives; while some may sometimes act as representatives of their party, most often Japanese (and American, British and Soviet) chief executives are better seen as actors in their own right.

Another initiator of these policy changes was big business. The Administrative Reform campaign, with Keidanren playing such a major role in Rinchô, was the most systematic and comprehensive intrusion of the *zaikai* into domestic policymaking in many years. Much of the impetus for the campaign stemmed from business fears of higher taxes, and the content of many specific reforms, such as deregulation and the privatization of NTT, mainly reflected long-held business views.<sup>60</sup> A third "sponsor" was international actors: On many occasions the United States has functioned virtually as a participant in the Japanese system, particularly as an initiator or sponsor of contentious issues.<sup>61</sup> A fourth initiator, with regard to political morality, was a combination of the mass media and the opposition parties.

Also, more often than has been recognized, the Japanese bureaucracy played a major role in setting the policy agenda of the 1980s. The obvious case is the Ministry of Finance: The themes of the Administrative Reform campaign, other than big-business initiatives, were almost entirely old Finance objectives, virtually a replay of its abortive "Break Fiscal Rigidity Movement" of 1967.<sup>62</sup> For example, Rinchô prominently attacked the "Three Ks" (kome, Kenpô, Kokutetsu), which since the 1960s had symbolized the Finance Ministry's consistent inability to overcome LDP support for high spending on rice subsidies, doctors' fees under health insurance, and wasteful railroads. Centralized Type 5 and especially Type 4 policy-making were

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<sup>60</sup>See John C. Campbell, "Government Responses to Budget Scarcity: Japan," *Policy Studies Journal* 13:3 (March, 1985), 506-524.

<sup>61</sup>This point, emphasized in many new-paradigm writings, was best developed in I.M. Destler, Hideo Sato, Priscilla Clapp and Haruhiro Fukui, *Managing an Alliance: The Politics of U.S.-Japan Relations* (Washington DC: Brookings Institution, 1976).

<sup>62</sup>See Campbell, *Budget Politics*, pp. 241-48, especially the list of eleven specific goals in that campaign, almost all of which were revived in the 1980s.

predominant as central bureaucrats and the LDP leadership increased the liberalization of agriculture.

Type 4 and 5 policymaking was also very clearly at work with Tax reform. For some time, tax reform was often cited as a demonstration of party power because the various proposals were substantially worked over in the PARC Tax System Research Commission.<sup>63</sup> But its main provisions—particularly the Value Added Tax and taxation of small savings accounts—had been top policy priorities of the Finance Ministry since the 1970s; both had earlier failed mainly because of LDP opposition.<sup>64</sup> The bill was turned over to the LDP precisely in order to get the politicians on board early and minimize their resistance. The party "ideas" embodied in the bill were the loopholes—for example, exclusion of small businesses from the VAT and of senior citizens from the tax on interest. Withdrawal of the tax bill in the Nakasone cabinet was a disastrous defeat for the Finance Ministry and the Prime Minister, and a victory for the rank-and-file of the LDP, which as usual was representing constituency desires. However, the fact that the issue was being discussed at all demonstrates that control of the policy agenda was in other hands. Moreover, in the end, the bill passed, largely, Kato argues, through the efforts of MOF bureaucrats who attracted politicians to their cause by providing them with the expertise necessary to wield influence within the Diet.<sup>65</sup>

What of the other ministries? The Administrative Reform campaign, as its name and certainly its rhetoric indicate, was aimed at big government, especially the allegedly bloated bureaucracy. Muramatsu's formulation is that Administrative Reform was an attempt at comprehensive policy change aimed at the "periphery" of ministries which mainly represent special interests (and spend money).<sup>66</sup> Certainly many aspects of the campaign, including the tight ceilings on budget requests, cutbacks in administrative perquisites, and various specific program reductions, did cause considerable pain to bureaucrats in the spending ministries. But it is notable that officials and ex-officials from the same affected ministries were prominent in writing most specific Rinchô recommendations—that is precisely why its report was hailed by many observers as being "more realistic" than that of the First Temporary Commission on Administrative Reform back in the 1960s. And in fact, more than a few of the policy proposals floating about during Administrative Reform actually were cherished goals of various ministries.

We can also offer a more "systematic" analysis to all of this by drawing on a set of brief case studies assembled by scholars attempting to demonstrate increased LDP power. Inoguchi and Iwai, and Muramatsu and Krauss present a number of cases that are intended to indicate greater LDP power.<sup>67</sup> The list is not intended to be comprehensive. Rather, we use them because, as part of an effort to demonstrate increasing politician power, they can be used as "critical" cases: If decision-making in Japan in the 1980s was politician-led and fragmented, it surely would have been so in these cases.

[Table 1 about here]

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<sup>63</sup>See Kishiro Yasuyuki, *Jimintô Zeisei Chôsakai* (Tokyo: Tôyô Keizai Shinpôsha, 1985).

<sup>64</sup>Yamaguchi, *Ittô Shihai*, pp. 238-258; Junko Kato, *The Problem of Bureaucratic Rationality: Tax Politics in Japan* (Princeton: Princeton University Press, 1994).

<sup>65</sup> Kato, *The Problem of Bureaucratic Rationality*.

<sup>66</sup>Muramatsu, "National Identity."

<sup>67</sup> Here we draw from Inoguchi and Iwai, *Zoku Giin* and their unpublished English language article on Zoku and Muramatsu and Krauss, "The Conservative Party Line and the Development of Patterned Pluralism."



Table 1 lists the cases and illustrates our point: The LDP may win many battles, but it initiates few of the issues. Looking at Table 1, the LDP's relative weakness as an agenda-setter becomes clear. In only five cases was the LDP (or a group within it) either the sole or a joint initiator or sponsor of a policy change, bringing the issue to the agenda. Moreover, although here the evidence can be a bit tricky to interpret, in just six cases (the + signs) did the balance of opinion in the LDP favor the policy change (as opposed to the status quo). Ultimately, in twelve of the fifteen cases the view preferred by the LDP prevailed. However, this last point is far from impressive given these cases were not selected randomly, but were picked as illustrations of increased *LDP politician power*.

Finally, with these points in mind, let us return briefly to the centralization issue in the 1980s. On the one hand, one is struck by the purposeful role played by what Muramatsu calls the "central structure," a new alliance of the Prime Minister plus a few hand-picked LDP leaders, the Ministry of Finance, and the business elite.<sup>68</sup> It is tempting to suggest that "Japan, Inc." was not only alive and well, it might have been stronger in the 1980s than at any time in decades. But this also highlights the importance again of distinguishing between agenda-setting and enactment. While the policy *agenda* was dominated to a remarkable extent by comprehensive proposals offered by this "central structure," policy *outputs* look much more fragmented.

## Conclusion

As Japan entered the 1990s, interest groups were notably less active in trying to influence the government, in part because the "rigidification" of budget allocation made it more difficult for groups to influence government decisions,<sup>69</sup> thereby maintaining the decline in Type 3 decision-making. However, the inability of the center to contain the splintering of its forces caused the LDP great problems in the early 90s. The PKO bill was introduced by the center, but its passage ultimately depended on changing the views of Kōmeitō members to support the legislation. While also pushed by the LDP leadership, electoral reform was to a large degree at the initiative of young turks in the party, something of a Type 3 initiative. The inability of the leadership to maintain party discipline on the issue led to the failure of the electoral reform initiative, as well as the splitting of the party as several dozen party members voted in favor of a no-confidence motion against the Miyazawa government. These defectors formed their own center-right parties and after new elections were held in 1993, the first non-LDP coalition government in 38 years was formed under the leadership of Prime Minister Hosokawa.

While clear single party dominance ended in 1993, the framework that we have used here to analyze policymaking under such dominance can certainly be applied to the post-1993 Japanese policymaking world. For example, the Hosokawa/Ozawa-led coalition could be characterized as Type 5 where policy is debated within the center, along with substantial Type 4 agenda-setting, where central groups sought to impose legislation, but other groups—who happen to be part of the government, but are at the same time somewhat peripheral members within it—resisted the top-down efforts.

However, we leave to future work such an application of the post-1993 world—we close this paper instead with a discussion of just what is ultimately at stake in all of this.

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<sup>68</sup>"Nakasone Administration," p. 326.

<sup>69</sup> Mabuchi Masaru. "Shizuka na yosan *Leviathan*, Winter, 1998.

Our emphasis on policy change, the distinction between agenda-setting and enactment, and the “substance” of policy is extremely important. Only by examining policy change can we see when attempts are being made to exert power. Only by distinguishing between agenda-setting and enactment can we see what type of influence different groups are exerting. And only by considering the substance of legislation—whose interests are served by it—can we understand fully who it is that is actually exerting real influence.

Such an emphasis is largely in research design, but it has an important effect on our substantive interpretations. For example, the distinction between agenda setting and policy outputs reveals the most basic way in which, as many observers have noted, Japanese politics became more “Americanized” in the 1980s. That is, the chief executive played the major role in pushing problems onto the agenda, but policy communities (or subgovernments) tended to dominate the production of policy solutions.<sup>70</sup> The second half of this proposition—the importance of subgovernments—has probably been truer of Japan than of the United States for decades. Contrary to the conventional wisdom, the importance of a “central structure” in agenda setting, applied better to Japan in the 1980s than in the 1970s (and probably than in the 1960s as well). Indeed, based on our framework for analyzing policymaking, we arrive at very different interpretations from those presented in previous work. Far from seeing a centralized, bureaucracy-dominating decision-making system in 1960s Japan, we find a pluralistic policymaking system, where politicians exerted great weight. In the 1980s, a period where many saw more politician-run, pluralistic policymaking, we find that decision-making was far more centralized.

However, the emphasis on research design and good methodology is important for more than just the substance of a researcher’s findings—it is also critical to the acceptance received today by the social scientist working on a particular geographical area. In recent years, a backlash has emerged against area studies. “Theorists” within the social science world have come to increasingly view area studies with skepticism, criticizing “their resistance to the search for theory and to the use of rigorous methods for evaluating arguments.”<sup>71</sup> As a result, it is more important than ever for the area studies social scientist to utilize well thought-out research design and methodology. Such designs are important for “getting the story right,” but they are also becoming increasingly critical to bestowing legitimacy upon area studies social science in the eyes of the broader social science community.

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<sup>70</sup> For work on the U.S., see John W. Kingdon, *Agendas, Alternatives and Public Policies* (Boston: Little, Brown, 1984).

<sup>71</sup> Robert H. Bates, “Letter from the President: Area Studies and the Discipline.” *APSA-CP: Newsletter of the APSA Organized Section on Comparative Politics* 7(1996): 1-2.