

A PRELIMINARY NOTE ON THE STATE IN CONTEMPORARY JAPAN

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I *The Postwar Capitalist State*

To speak of the State in Japan today implies making an analysis of the profound social and political changes brought about by the so-called Japanese postwar economic miracle. Before World War II, Japan was not a fully developed capitalist country, with many pre-modern elements remaining both economically and politically. After 1945, Japan was occupied by the Allied Forces, and industry was reduced to ashes. Today, Japan is the number three economic power in the world, and her international status has clearly changed.

In the economic field, the share of Japanese GNP in terms of total world production was 3.5% in 1955, and rose to 9.5% in 1979. Japanese industrial exports accounted for 4.3% of total world trade in 1955, and 13.3% in 1980. In the military field, Japan is now the eighth ranked military force in the world, although she has no nuclear weapons and her military expenditures have been held to under 1% of the GNP. In the political and diplomatic field, Japan has been called a dependent supporter of U.S. world policy, but has become more outspoken in international affairs in accordance with her economic success, and the relative decline of her partner, the United States. Japan is now one of the most developed capitalist countries in the world, and she is often labeled the Asian military policeman for the western world by other Asian peoples.

The postwar state in Japan can and must be called a capitalist state. The State, before the defeat of 1945, was often considered to be a pre-modern or absolutist state, because the system retained traces of feudalism, and the landlord-tenant relationship existed in agriculture.

In the prewar system, sovereignty was exemplified by the Emperor (Tenno), who was the supreme commander of the Imperial Military Forces, and whose approval was required to appoint a cabinet. The Diet had no real legislative rights, because the Emperor had independent legislative rights, including the right to veto bills of the Diet. In practice, the State was ruled by elder statesmen and the military, and the people had very limited chances of having their interests represented politically, although male franchise was enacted in 1925, and cabinets made up of the representatives of two political parties were formed from 1924 to 1932. These limits to democratic government during the modernization of Japan was one of the main reasons for the militarization and development of Fascism during the war.

However, the Japanese State prior to 1945 also had another face, which facilitated and regulated the development of capitalism. The State promoted industrial activity, an equal educational system, the introduction and the assimilation of western technology,

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and overseas expansion. Thus, Professor Chalmers Johnson called Japan a 'developmental state' in his book, *"MITI and the Japanese Miracle."* This accumulative function of the State survived up until the postwar era, and is characteristic of the economic growth since the 1950's.

The history of Japanese society after the Meiji Restoration of 1868, was in a sense, a full scale attempt to set up a capitalist society. However, the State after 1945 must be distinguished from the prewar State, at least in terms of the international environment, and the internal organization of its political system. After World War II, Japan was occupied by the Allied Forces of the anti-fascist states, but the true occupation power was the United States, which became the hegemonic power in the postwar capitalist reconstruction of the world. In opposition to the socialist rebuilding led by the Soviet Union, the United States carried out the demilitarization and democratization of Japan, which determined the following line of development, and resulted in the formation of a capitalist state.

The capitalist state after World War II has some distinctive characteristics. As the result of the war, capitalist countries in Europe were destroyed. Some Eastern European countries developed a socialist economic system, influenced and led by the Soviet Union. Former colonial countries sought and realized political independence. The international state system after the war has changed through this world-wide building of nation states. For example, United Nations membership totalled 51 in 1945, and now consists of approximately 160 nations. The reconstruction and development of the postwar capitalist system should have taken this new international relationship of forces into consideration.

An imperialist war between western superpowers is not likely, because it may lead to a socialist revolution or to the destruction of the countries involved. In addition, aggression or annexation of other nations is not impossible, but it involves great danger. Thus, the postwar capitalist countries have chosen to form an alliance against the socialist bloc nations and the Third World. This alliance of postwar capitalist states has two important pillars, the IMF-GATT system and the nuclear military network. The IMF-GATT system was the basis of capitalist reconstruction, in which the United States organized and initiated a new imperialist bloc for mutual trade and economic expansion into the Third World. This system can be called the imperialist economic alliance.

This postwar imperialist alliance has of course, some inner contradictions, but has not led to war or other antagonistic conflicts. This economic alliance is accompanied by several military alliances for the defense of common interests. This military alliance stretches across the world in the form of NATO, the Treaty of Mutual Cooperation and Security between Japan and the U.S., ANZUS, etc. in opposition to the Warsaw Pact of socialist states. This military side of the imperialist bloc can be called the anti-communist nuclear military alliance.

In terms of the economic alliance, the relative power of the United States has declined, but militarily, America continues to be the superpower because of its nuclear power. Many capitalist states are under the umbrella of American nuclear weapons, and there are some countries where the U.S. Forces maintain bases. Japan is one of the most important military bases for U.S. world strategy.

The inner structure of the postwar capitalist state has also experienced some basic changes. Mass democracy with universal suffrage and basic labor rights has become popular in all advanced capitalist countries. All state activities are checked and legitimized

by this democratic political process. The Japanese Nation experienced democracy for the first time after the war and during the American occupation. The Western European nations, with long labor movement traditions, and through struggles, stabilized their democratic political systems after the Nazi experience.

Even more remarkable is the growth of economic functions by the postwar capitalist state. In some countries such as Japan, Germany, and Italy, where capitalism was late in developing, the state played a large role in the process of industrialization. After socialist economic planning began in the USSR, and because of the Great Depression in 1929, capitalist countries introduced Keynesian fiscal and financial policies to avoid economic crises, and to maintain capital accumulation.

The capitalist state, which was once considered a passive instrument separated from the market mechanism, began to intervene actively in the process of accumulation. The postwar capitalist state can be considered to be an interventionist state in terms of accumulation. However, the state can not freely manipulate capital accumulation. It can only modify the economic cycle, and moderate the crisis, and all state activities, including these interventions in the economic process must be legitimized through the democratic political process. In this sense, the postwar capitalist state is an interventionist accumulative state, and is also a state legitimized by the democratic process. This combination of intervention in the economy and legitimization through mass democracy, was a new trend in the history of capitalism.

The former liberal state of England or North America in the 19th century, were not democratic, because they lacked real universal suffrage for workers, women and blacks, and were organized to advance the power and wealth of the privileged class. This liberal state maintained free economic competition, although it sought to facilitate capital accumulation. Some capitalist states such as Japan and Germany were certainly interventionist in terms of their own economies in the 19th century, but they were neither democratic nor liberal. The civil society, located between the economy and the state, and mediating these two areas comprising the social formation, was not organized democratically in the 19th century. However, through the efforts of the labor movements and through democratic struggles, all people have gained political rights in the 20th century. This civil society is the focus of the contradiction between the accumulative and legitimate function of the capitalist state, and is where class struggle and popular-democratic struggle take place. The civil society in Japan have matured after 1945 through the occupation and through economic growth.

II *Economy, Civil Society and the State*

We now find four common characteristics of the postwar capitalist state, (1) the imperialist economic alliance, (2) the anti-communist nuclear military bloc, (3) intervention by the state in capital accumulation, (4) legitimization through popular democracy. Each capitalist state has these characteristics to some degree, defined by the international relationships of the forces, and by the stage of world capitalist development. However, the form of each state differs.

For an analysis of the concrete state-form, we need to examine some relative factors:

(a) the state's international position in the imperialist economic alliance, (b) its role in the anti-communist nuclear military bloc, (c) the structure of capital accumulation and reproduction, (d) its traditions, social make-up, and struggles of civil society, and (e) the manner in which its economy, civil society, and state combine and interact.

(a) The position of Japan in the imperialist economic alliance has changed greatly due to the high rate of economic growth from 1955 to 1973. During the occupation by the United States, Japan experienced agricultural reform, dissolution of the *Zaibatsu* (financial groups), and radical change in its economic structure. Under the pressure of the Cold War, the U.S. sought the reconstruction of Japanese capitalism. Economic assistance from the U.S. and American procurements during the Korean War provided the basis for economic growth. The U.S. held Japan up as a model for Asian modernization (or rather Americanization), and Japan played this given role superbly.

During the Vietnam War, and with the decline of the dollar, Japan became an independent partner of the U.S. Japan's high rate of economic growth was itself one factor in the American decline. The Japanese GNP passed the West German GNP in 1968, and continued a path of relatively higher growth after the oil shocks. The Japanese economy has become one of the three pillars in the capitalist world. The IMF-GATT system collapsed after 1973, but the Japanese economy is closely linked to the U.S. and the EC. It is well known that Japan is a country that imports raw materials and exports manufactured goods. The East Asian countries are an important market for Japan, but the advanced capitalist countries are also indispensable trading partners for Japanese exports.

Japan has a policy of living by trade, and must continue to maintain this policy. In recent years, Japan's trade disputes with the U.S. have often been reported, but Japan cannot withdraw from the imperialist alliance under the hegemony of the U.S. She will be more deeply committed to the rebuilding of world capitalism, and her position will surely rise in accordance with the American decline and the difficulties facing the EC.

(b) In a military sense, Japan remains in a secondary position in the anti-communist bloc. The surrender of Japan in 1945 was decided after the dropping of the atomic bomb by the U.S. on Hiroshima and Nagasaki. The main policy of the U.S. occupation was the demilitarization of Japan. The 1946 Constitution of Japan states that "We, the Japanese people, desire peace for all time, and are deeply conscious of the high ideals controlling human relationships, and we have determined to preserve our security and existence, trusting the justice and faith of the peace-loving peoples of the world." Article 9 further states that "the Japanese people forever renounce war as a sovereign right of the nation and the threat or the use of force as means of settling international disputes." In the framework of the Constitution, the defense of Japan depends largely on the U.S. Forces, which even now has over 100 bases and over 40,000 military personnel stationed in Japan. Japan presently maintains the Self-Defense Force, which grew out of the National Police Reserve in 1950, and the Peace Reservation Corps in 1952, and was formally established in 1954. This Self-Defense Force now has 240,000 members, but its very existence is cast in doubt by the wording of the Constitution. In addition, it is deeply dependent on the U.S. Forces because of the Treaty of Mutual Cooperation and Security between Japan and the U.S. This military specialization, brought about by the limitations imposed by the Constitution, and the dependence on the U.S., is one reason for Japan's efficient economic growth since the Nation has avoided wasting funds on armaments. In regard to nuclear weapons, the

experience of Hiroshima and Nagasaki remains so strong, that over 70% of public opinion is opposed to nuclear rearmament. Japan is even now under the umbrella of U.S. nuclear power and military strategy, but it is being strongly demanded by the U.S. and other capitalist states that Japan must play a larger role in the defense against the communist threat, in accordance with her economic power.

The Japanese ruling class would like to see an expansion of armaments to fulfill Japan's responsibility as an economic superpower in the imperialist bloc, to defend her own rights and interests in Asia, and to continue her economic growth by developing the domestic munitions industry, if the Japanese people permit it.

(c) The economy in Japan has become fully industrialized. The primary industrial sector of production is the heavy and chemical industry, and the main components of the growing export market are automobiles, electrical machinery and instruments, and precision machinery, etc. This configuration is typical of contemporary advanced capitalism. In addition, information intensive industries, which produce industrial robots, computers, and semiconductor devices are being developed as future strategic industries. However, the inner structure of Japanese capitalism has some weak points. Japan lacks raw materials and energy. A large part of her food is dependent on imports. This structural weakness is well known. In addition, while the labor force in Japan has been both diligent and obedient, which surely accounts for one source of the rapid economic growth, this economic growth has produced a new lifestyle and a new level of consciousness in workers. Today, numerous public opinion polls show that many Japanese feel they worked too hard during the period of high growth, and they now desire more leisure time. The dual structure of Japanese industry is also well known. Many medium and small-sized enterprises depend on the large companies, and subcontract work from them. The wages and working conditions in these medium and small-sized enterprises are very inferior to those of the large companies. Japanese capitalism is further troubled by over-production, which is also the case in other countries. Because of world-wide recession, there is no special remedy for escaping from the structural crisis facing world capitalism. The ruling capitalists in Japan are planning to increase exports, and to stimulate the domestic market through regional development and urban-renewal. The State supports this plan and provides various means to increase production. However, the future of capitalism in Japan is not as clear as it is in other capitalist countries.

(d) To be exact, the nature of Japanese society following the period of economic growth has drastically altered. Society before World War II was in general rural and patriarchal. Defeat in war swept away the basis of old social relationships. The high economic growth has basically changed the social structure and brought about new modernized social relationships. The clearest index of this change is the great migration of the population to the cities. The percentage of the population in cities was only 27.8% in 1945, but rose to 75.9% by 1975. This urbanization was of course a result of structural changes in the economy. In the Table of Industrial Nomenclature, the composition of employment is as follows:

	Primary	Secondary	Tertiary
1950	48.3%	21.9%	29.8%
1960	32.6	29.2	38.2
1970	19.3	33.9	46.8
1982	9.7	34.2	56.1

This national migration and change in the industrial structure shows that the lifestyle of the Japanese people underwent a profound and radical transformation. The Americanized lifestyle, characterized by electrical appliances, private cars, nuclear families, and commercial advertising, was popularized not only in cities, but also rural regions. Many people enjoy material wealth and a variety of lifestyles, but lack a sense of community. They have become egoistic and materialistic because of these sudden changes in their environment. Industrialization and urbanization have resulted in material abundance within the civil society. People have learned to satisfy their desires, seek a happy family life, and demand leisure time away from their places of work and away from family and social obligations. Given this civil society, political socialization of the citizens does not meet the needs of a democratic society. Japanese women have for the first time in history political rights. Labor unions and socialist parties can function legally. But the political side of civil society in Japan has numerous problems.

One of these problems is the so-called tradition of Japanese collectivism. This collectivism represses free representation of individual interests or values, and voluntary groups and even political parties tend to seek orderliness and harmony rather than the free exchange of ideas.

Another tradition is authoritarianism. This is in one respect a historical product of the Imperial System, but in another respect it is a new product of the management in large, centralized companies, which developed during the period of economic growth. For example, workers can not freely disagree with their superiors, not because of class-conscious hostility, but because of the fear of losing their jobs and their status. The material side of civil society has matured, but the subjective side lacks a sense of individuality. Civil society in Japan presents a complex and incomprehensible obstacle to analysis.

(e) In the theoretical abstract model of the social formation, the existence of the state is constrained by the economy, and mediated by the civil society (John Urry, *The Anatomy of the Capitalist Societies*, p.116). The articulation of these three areas of social formation differs in each country. In Japan, we can see that the State is relatively autonomous in terms of the economy and civil society. This autonomy originated from the decisive role the State played in the development of the Nation. The capitalist economy in Japan could not have developed without the support and inducements of the State. Civil society could not be autonomous because of the repressive Imperial System of authoritarianism. Japanese society has long been controlled in a vertical manner. This tradition is reflected in all social relationships even today. The State is not a simple instrument of the capitalist class, but is the specific material condensation of a relationship of forces among the classes and class fractions (N. Poulantzas, *State, Power, Socialism*, p.129). Thus, an analysis of the contemporary Japanese State must be an explication of the combination of these three areas, and the relationship of forces in each area.

III *The Entrepreneurial State*

We will now deal directly with the State in Japan. For an analysis of the concrete form of the State, we use four indexes: (1) the mode of political representation of forces in civil society, (2) the social basis of state power, (3) the mode of state intervention in the

economy, and (4) the arrangement of state apparatuses and personnel, as suggested by Nicos Poulantzas and Bob Jessop. Poulantzas claims that the state is the specific material condensation of the relationship of forces among the classes and class fractions. He also claims that condensed within the state are, for example, differentiation in the power bloc and relationships of force among its components; shifts in hegemony from one class or fraction to another; changes in the character and representation of social classes, in the relations of the power bloc with supporting classes (petty bourgeoisie, peasantry), and in the organization of the working class and its strategic relations with the bourgeoisie, and that these are all imprinted in the organization of each state apparatus; in the relative autonomy of the state with regard to the dominant classes; in the functioning and the form of contradictions within the state; in the configuration of its organizational framework and the domination of one particular apparatus over others; in shifts in the limits between repressive, ideological and economic apparatuses; in permutations in the various functions of the state; and in the organization of state personnel (*ibid.*, p.159). Bob Jessop has added the non-class popular-democratic relationship of force to the class (and class fraction) relationship of Poulantzas, and he provides an original framework for state analysis, by summing up the recent development of the new Marxist state theory. Jessop's theses are as follows: (1) The state is a set of institutions that cannot, qua institutional ensemble, exercise power, (2) political forces do not exist independently of the state: they are shaped in part through its forms of representation, its internal structure, and its forms of intervention, (3) state power is a complex social relation that reflects the changing balance of social forces in a determinate conjuncture, and (4) state power is capitalist to the extent that it creates, maintains, or restores the conditions required for capital accumulation in a given situation, and it is non-capitalist to the extent that these conditions are not realised (B. Jessop, *The Capitalist State*, p.221).

Guided by these theoretical suggestions of the so-called relational theory of the state, we can now sketch the outline of the State in contemporary Japan.

(1) Political representation in Japan was concentrated in the Diet as mandated by the 1946 Constitution. Article 41 of the Constitution says that the Diet shall be the highest organ of state power, and shall be the sole law-making organ of the state. In this legal framework, various political parties struggle with each other for a dominant role in the Diet through the electoral process.

Contemporary party politics in Japan is characterized by the fact that the Liberal Democratic Party (LDP) has continued its dominant role for 30 years. However, the share of the LDP vote, and the position of political parties in Japanese politics are declining. The LDP is the party closest to the monopoly capitals, and works in combination with the state bureaucracy. The political funding of the LDP is dependent on the large companies. The long reign of the conservative LDP government has created two ambivalent results. The first is the close interaction and relationship among large companies, high government officials, and the LDP, which is deeply rooted in the political process. The second fact is that the majority of people left out of this dominant structure have become non-political or apolitical. They do not support any party and do not take part in elections. This is one long-range tendency in Japanese politics.

The centrist parties (the Komeito, the Japan Democratic Socialist Party-DSP, and the Social Democratic Federation-SDF) have made efforts to assume power through coali-

tions which exclude the LDP, but the gap between the LDP and the other parties is so great that the policies of these centrist parties have become more and more similar to those of the LDP, and so they struggle among themselves for a place of coalition with the LDP. The leftist parties (the Socialist Party of Japan and the Japanese Communist Party) are not strong enough to threaten the dominant position of the LDP. They remain as opposition parties only to prevent re-militarization and to check the reactionary policies of the LDP. Although the SPJ is the second strongest party in the Diet and exercises the strongest influence in the trade union movement, its power is weakening along with that of the LDP. The JCP has a policy similar to that of the Euro-communist parties, but its share of the vote is about 10%, and by the end of the period of economic growth, this influence could not be extended. The actual threat to the LDP is the non-party forces, which sometimes take part in elections and so weaken the absolute majority of the LDP.

Party politics in the American or European manner has not been realized in this 30 year period, notwithstanding the great changes in society. This is a clear example of the disfunction of democracy in Japan.

Of course, there are many interest groups and struggles which influence the political process and policy-making. Group politics in Japan had developed before World War II, but the postwar situation is essentially different. Firstly, as a result of the collapse of the Imperial System, and the democratization brought about by the American occupation, people had, for the first time, the right of free speech and association. Secondly, the working class has used these rights, and so trade unionism has become popular. Thirdly, the large economic organizations and the farming organizations are major pressure groups which support the LDP and the cabinet, as they did in the prewar era. However, the social base and activity of these groups is much greater now than it was before the war. Fourthly, during the period of economic growth, the new social movements opposing environmental pollution and nuclear war have arisen outside of the political parties. These types of groups are a new phenomenon of the postwar years. However, these groups themselves are often authoritarian and un-democratic, the common relationship between these organizations and the political parties is not autonomous, and their role in policy-making is limited to an oppositional one.

In recent years, together with these modes of political representation (parliamentarism and pluralism), a new political mode can be found. This is a type of neo-corporatism. The government formed an extraordinary public administrative council in 1981, as public financing experienced difficulties due to overspending by the government, and by the issuing of deficit financing bonds during the 1970's. This council consists of representatives from large enterprises, trade unions, the mass media, academic figures, and former government officials. The composition of this council is similar in nature to the European tripartism. This council has reported to the Prime Minister that the number of public employees should be reduced, and that the priority of public expenditures should be re-examined. This plan for the reform of public administration has been put in operation, and the wages and the number of public workers have been restrained. This mechanism of policy making is similar to neo-corporatism, and the results are similar to the income policy of European countries, because Japanese public workers form the basis of the labor movement, and their wage standards strongly influence the wage scales of private enterprises. Thus, one journalist called this council 'a legislative organ that is not subject to the vote of

the people.' Two national trade unions which sent representatives to this council agreed to cooperate in this reduction in the number of public workers. However, this mode of representation in Japan has some important differences from the European neo-corporatist system. It is certain that the Japanese system has common characteristics with the European system in its tripartite composition, in the decision-making process for economic policy, in the function of cooperation between capital and labor, and its form of non-parliamentalist legitimation. However, labor representation is not as strong as in European tripartism, because the trade unions only account of 30% of the workforce in Japan, and the unions themselves are divided. European neo-corporatism was built during the period of economic growth as a mechanism of the welfare state, usually with the government in power being a social democratic party. Japan has never experienced either a welfare state or government by a social democratic party, although the Socialist Party was in cabinet twice during the American occupation. In European neo-corporatism, workers have gained some expansion of rights or improvements in working conditions in exchange for wage restraints. Japanese workers are forced to accept not only cuts in wages, but also restraints of rights and a worsening of labor conditions. In the European experience, the neo-corporatism among labor, capital, and the state, has stirred up resistance of the non-class social movement against the monopoly representation of capital and organized labor. The Japanese system is accompanied by a type of national conservative movement, and non-class social movements are supporting administrative reform in favour of the so-called cheap government. Thus, there is a kind of neo-corporatism in Japan, but it must be called quasi-corporatism, because labor is too weak to pressure for, and achieve their minimum rights in opposition to the capitalist powers and the State.

(2) The social basis of state power in Japan is now being rearranged. The power at the time of the occupation from 1945 to 1952 clearly belonged to the U.S. However, the mode of occupational administration in Japan was indirect as opposed to that of Germany. The occupational powers controlled and used former leaders of the ruling classes as long as they obeyed the commands of the Allied Forces. The Emperor was left as the symbol of the State to unite the Japanese People. Military cliques and war criminals were purged, but most high government officials and business leaders survived as the agents of the U.S., or as direct executors of occupational policies. De-militarization and democratization were the main slogans of occupational policy, and the people, released from the old forms of statism, accepted them favourably. After the new Constitution was adopted in 1946 and formal independence took place in 1952, the State had to legitimize its own activities through the democratic political process.

In the political process, the medium-sized constituency system was beneficial for the LDP, because the LDP had absolute influence in rural electoral districts. The LDP is essentially a party representing the interests of monopoly capitals and a agent of the imperialist economic and political alliance, but LDP Dietmen were also the interest mediators of farmers and small and medium-sized businesses, especially in rural districts. During the period of rapid economic growth from 1955 to 1973, the political mechanism of interest mediation and redistribution, in exchange of voting support for the LDP, developed and spread. This mechanism created the social basis of the postwar state.

The support for the state power was supplied mainly by the traditional middle class. However, economic growth has destroyed this basis. Urbanization has meant the decline

of the rural community and of the agricultural mode of life. The support of farmers given to the LDP is not sufficient to ensure stability of the government. The ruling political bloc consists of monopoly capitalists, party leaders of the LDP, and high governmental officials. This bloc required a new social basis after the oil shock of 1973. The new support for the LDP and the capitalist system has been found in a sector of the working class. So-called Japanese management and Japanese collectivism offered the best conditions for the new corporatist strategy. Workers in large companies accept relatively better wages and working conditions. Their trade unions are organized in each corporation and cooperate with the capitalists. Middle managers especially, believe that their interests are the same as their companies and the State. Workers in small enterprises tend not to be organized into trade unions, and they, especially the younger workers, are often indifferent to political problems. Thus the State is seeking to secure its new social basis among the new middle class and white collar workers. This attempt is now underway.

(3) State intervention in capital accumulation has not been uncommon in Japan since her start toward industrialization. Economic officials were not relieved of their posts by the occupation as opposed to the political and military leaders. The State in Japan has always been in the center of economic development. When we look at official statistics for national financing in the capitalist world, it appears that public financing does not play a great role in the national economy of Japan, as it does on other capitalist countries. Japanese governmental expenditures totalled only 10.1% of the GNP in 1981, while they were 19.1% in the U.S., 20.7% in Germany, and 24.3% in the U.K. The number of governmental officials is also lower in Japan than in other capitalist countries. This suggests that Japan has a relatively inexpensive government in relation to other capitalist countries. But this does not suggest that the State in Japan has no great role to play, or is liberal. Although there are few national enterprises and public corporations, the economic growth in Japan can not be considered apart from the role of the State. The secret is in the manner of state intervention.

Intervention in Japan is not direct, as opposed to intervention in other capitalist countries. The Japanese method works through the use of indirect administrative guidance. The government strongly influences the business world. The well-known Ministry of International Trade and Industry (MITI) presents the business world with indexes concerning the economic plan, and offers suggestions on ways to fulfill the plan. Private enterprises follow these guide lines in the collective interest of the business world. This technique of administrative guidance was handed over from the prewar bureaucracy to the postwar economic bureaucracy. Moreover, the accumulative function of the state represents itself in terms of the component of public financing. Public investment occupies the central position in the national financing of Japan. Only a small share of this expenditure goes for social welfare or social services, and the greatest share is for regional development or the industrial infrastructure. Private enterprises, above all the large companies, gain enormous benefit from these public expenditures. The tax system is also of great advantage to large companies. The government often controls even the production of each industrial sector. More important is the small amount of welfare and military expenditures. Public finances in Japan on the whole, favor large companies, and all of these systems affect economic development. Thus, when we see the depth of state intervention in the process of capital accumulation, and the composition of national financing

in the capitalist world, we can distinguish three types of capitalist states. The U.S. in the 1960s was a typical military state, because her military expenditures were enormous as the largest nation in the imperialist bloc, and her armament industries were at the center of the national economy. The U.K. in the 1960s was a welfare state, because a large share of state expenditure went for social security and welfare, and the pressure of wage increases made high economic growth impossible. Japan in the 1960s was a typical entrepreneurial state with no real welfare and heavy armament outlays, which allowed her to expand the rate of capital accumulation and gain an international market. While the U.S. developed into a relatively welfare state during the Vietnam War, and the U.K. attempted to become an entrepreneurial state characterized by new liberalism, Japan remained the most profitable type of capitalist state, the entrepreneurial state.

(4) The state is not monolithic, but is an ensemble of institutions. These institutions can be divided into some functional state apparatuses. We can distinguish a repressive, ideological, economic and welfare-representative apparatuses. The army and the police are typical repressive apparatuses, the public schools and the media are ideological, the ministry of Finance and MITI are economic, and the Diet and the Ministry of Health and Welfare can be welfare-representative for the people. This does not suggest that each apparatus performs only one function. For example, the Diet is a representative apparatus for citizens, but it also functions ideologically to maintain domination. The Ministry of Labor is welfare-representative, but it can also function accumulatively in the administration of labor market. In Japan, the main function of the state is the playing of a dominant economic role.

In prewar Japan, the repressive state apparatus was enormous and played a dominant role. Repressive organizations were destroyed by the occupation during the demilitarization, but were then reconstructed and reinforced at the time of the cold war. However, the repressive state apparatus in the postwar era is, as a whole, a marginal and concealed organ of day-to-day domination, although it became greater in the 1970s, and will have to face the people if a political crisis arises.

The welfare-representative apparatus in Japan plays a great ideological role in terms of domination, but the Diet is actually not in the center of policy-making, and the welfare system in general, is relatively undeveloped compared with Europe and the U.S. This apparatus is often useful for class, and popular-democratic struggles, but its status within the state system is in practice not very high.

The ideological apparatus in Japan is very wide-spread in civil society. The educational system under the control of the Ministry of Education and the mass-media networks of television and newspapers have great influence on the ideological relationship of the forces. However state control over these apparatuses is not easy to accomplish. The mass-media is often the cause of problems for the business world and the State, because it can become a weapon in the struggle against state domination. The educational system is also ambivalent for the ruling class. The public school system has been developed since the start of Japan's modernization. Though the postwar educational system is a product of the democratization mandated by the U.S., it is suitable to the new democratic constitution. Especially important is the role of teachers and their trade unions. The Japan Teachers Union is one of the most active trade unions in Japan. This activism is also found in other unions within state organizations. Workers in the State form the main stream of the leftist

labor movement. They support the leftist parties in the representative state apparatus, and attempt to create more democratic services for the people.

Thus, the most important section for domination by the State is now the economic organizations. The economic apparatus of the State in Japan collects the best talent for capitalist development. These state personnel have close contact with the business world, they supply many statesmen to the LDP, and organize all state apparatuses through the compilation of the budget and the planning of state strategy. In so far as Japan has succeeded economically in the postwar capitalist world, the State in Japan can be called an entrepreneurial state.

However, numerous contradictions exist within the State. For example, there is the conflict between high governmental officials and public workers. Bureaucratic conflicts among the sections are often the focus of political struggles. These conflicts are reflected in the contemporary strategic choices that must be made among a stronger military, the continuation of the entrepreneurial state, and a welfare orientation by a new reformist government. The ruling bloc attempts to step toward a more military state. But the civil society created by the entrepreneurial state is one obstacle to this course, because the majority of the Nation becomes now the young generation, who has not experienced the World War II nor the occupation by the U.S., and whose concerns are narrowly focused on their non-political private life.

An analysis of these areas will be taken up in a future work.