

UNIT 6 ECONOMIC AND POLITICAL REFORMS

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6.0 OBJECTIVES

In this unit you will learn about the reforms that have taken place in the People's Republic of China since the death of Mao Zedong and the coming to power of Deng Xiaoping and a new group of leaders. After going through this unit you will be able to:

- understand the historical background of adapting the free market economy into the socialist system;
- see how the reformist regime has justified the integration of a free market economy into the socialist system;
- comprehend how limited political reforms have been a necessary condition but not a sufficient one to carry out the economic reforms;
- grasp the impact of these reforms on the social life of the Chinese people particularly the present generation.

6.1 INTRODUCTION

The history of post-liberation China has been a history of oscillations between two extreme policies. Throughout its existence since 1949 the two major goals of the Chinese Communists have remained egalitarianism and economic modernization. These goals have remained opposed to each other. As a result, when emphasis was given to one, the realisation of the other suffered. The priority of the Chinese Communist Party has constantly shifted from the social revolution to economic development. The goal of achieving the two at the same time has so far been elusive. Post-Mao reforms came after a period of revolutionary politics of the Great Proletarian Cultural Revolution when class struggle, egalitarianism and political commitment were given priority. From this period of revolutionary politics, the pendulum again swung to emphasis on gradual social change on the basis of fast economic development. The reforms in the political and economic field have been introduced with this end in view.

6.2 HISTORICAL REVIEW 1949-78

To understand the post-Mao reforms in correct perspective it is necessary to understand the direction in which economic and political changes have taken place in China since 1949. The period from 1949 to 1992 can thus be divided into the following broad phases: 1) 1949-1952; 2) 1953-1957; 3) 1958-1960; 4) 1961-1965; 5) 1966-1976; 6) 1976- to the present.

- 1) 1949-1952: is the period just after liberation when China was economically backward. Almost 90% of the population lived in rural areas. Inflation was astronomical. Small scale agriculture, obsolete production techniques and methods were the rule in rural areas. Modern manufacturing industry was extremely limited.

In this period the Chinese Communist Party applied the theory of New Democratic politics. It did not yet attempt to build socialism, but rather a society of transitional nature in which common aspirations of the four revolutionary classes—industrial proletariat, peasants, petty bourgeoisie and the national bourgeoisie, could be realised. Economic reconstruction was given great importance during this time. The main aim was to get the basic machinery of economy and administration running, and initiating certain socially progressive measures like the agrarian reform whereby rural lands and goods of landlords were taken up without indemnity and forced labour and feudal services were abolished.

- 2) 1953-57 was the period when China clearly modelled itself on Soviet Union both economically as well as politically. In principle the first Five Year Plan favoured heavy industry, emphasis was placed on technical specialization, institutional structures and making education available for a large number of people. The political system was based on hierarchies of party and state. The country was run by the party in accordance with the principle of democratic centralism. China's economy made spectacular but uneven progress during this period. The agricultural sector suffered as against industry. In 1955 agricultural cooperatives were established, replacing the powerful rule of the centre. This was the beginning of the radical change that prepared the way for the Great Leap Forward in 1958.
- 3) Great Leap Forward (1958-60) was an alternative to the development strategy imported from the Soviet Union, based on the premise that China possessed a large population which was politically and socially conscious and hardworking. With their concerted efforts the problem of limited capital would be overcome and it would be able to bring about a transformation of the whole country in a short period of time. This had to be done by "walking on two legs", i.e., industry was to retain priority but agriculture had to become the basis for progress. Theoretically it was not unreasonable but it attempted to transform China at a very fast pace. The movement lasted for two years after which its catastrophic results seemed evident. Along with the Great Leap in the economy the Commune system was extended all over China in 1958. Power was decentralised making local units important. The people's commune was made the basic unit of the socialist social structure.
- 4) 1961-1965: The aggravation of the economic situation in early 1961 made it clear that the economic policy pursued in the years of Great Leap should be readjusted. Along with the revision of economic goals the system of people's communes was also reorganised and a period of consolidation followed. However, during the period between 1961-1965 there was constant political struggle over the kind of policies that ought to be followed.
- 5) 1966-1976: The Great Proletarian Cultural Revolution which began in May 1966 aimed at changing the ideas, values and habits of mind that were a part of China's tradition and creating a new socialist culture. In the political field, the Red Guards (revolutionary youth) and revolutionary rebels under the guidance of the new Cultural Revolutionary Group destroyed the party and government apparatus. Revolutionary Committees were set up instead. These Revolutionary Committees were small groups consisting of representatives

from new revolutionary mass organisations, the PLA and revolutionary cadres. Political consciousness was given more importance than any kind of expertise in a particular field. However, the extreme leftists policies of putting politics in command and humiliating and abusing people in senior positions, particularly intellectuals led to total chaos. In economic terms, although agriculture suffered only marginally, production in several industries fell significantly. There was similar significant decline in foreign trade. This was mainly due to political disruption and the policy of isolation practiced by China. The increase in the productivity was further undermined by the security of job and livelihood available to all workers. On the other hand, there was no scope for encouraging entrepreneurship, as one had to produce as prescribed by the state. Thus during the Cultural Revolution while communication had provided for certain basic necessities for most of the people, the centralised command economy led to accumulation of heavy machinery and capital, consumption was kept to a bare minimum and living standards remained stagnant or even declined. This kind of ossified economy did not serve the requirements of the new and developing forces of production. The need was now felt for the growth of consumer industry and accelerated economic growth. The situation was therefore, ripe for Deng Xiaoping to swing the pendulum in favour of reformed politics and economic liberation.

- 6) Looking back at the period between 1949-1976, one is struck by the fact that the Communist Party has repeatedly been experimenting with establishing a more egalitarian society on the one hand and economic modernisation on the other hand. The aim has always been to achieve both the goals together, but emphasis has always alternated from the one, to the other. Great strides had been made in both the directions but in general in the periods in which radical social policies have been emphasized, there has been chaos in the country. Undoubtedly people have attained a high degree of social consciousness and there has been institutionalization of collective action and interest in different forms.

There was a section within the Communist Party which wanted to attain the goal of socialism through economic modernisation has always been evident, but it could regain substantial power only after the death of Mao and the arrest of the 'Gang of Four' in the second half of 1976. Even after that, the immediate successor was Hua Guofeng who was not too inclined towards reforms. By 1978, Deng Xiaoping managed to remove all opposition and consolidate his position. The reform programme was launched only after that.

Check Your Progress 1

- Note: i) Space is given below for your answer.
ii) Check your answer given at the end of the unit.

- 1) What were the economic problems faced by China in 1978 which necessitated the reform?

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6.3 ECONOMIC REFORMS

The new leadership made economic development and the Four Modernisation as its chief goals. In 1978, a new ten-year plan, was announced. It was designed to hasten the development of agriculture, industry, national defence and science and technology. Emphasis was laid on pragmatism, harmony and order, in contrast to conflict and ideology in the previous ten years. From 1980 on, this new

leadership repudiated both the Maoist model that emphasized collectivism and egalitarianism and the Soviet model that considered centralised state planning and state administration of economy for providing the framework for a socialist economic infrastructure.

As the new leadership's declared target was to make China a "modern" socialist state by the year 2000 by quadrupling her 1980 gross industrial and agricultural output value, a number of wide ranging steps were taken to correct the old policies that were considered a handicap to the achievement of this goal. The new economic policy was to be guided by a four word directive. These were "readjustment, reformation, consolidation, improvement". This meant adjustment of the basic national economy that had been upset in the wake of the "extreme leftist" policies pursued during the Cultural Revolution "reformation" of the existing over-centralised, rigid, bureaucratic system of economic management; "consolidation" of enterprise management and "improvement" of production standards, technology, economy, and management of existing enterprises. These principles were formulated at the working conference of the Central Committee of the CCP in April 1979.

It was according to the principles laid therein that reform of the Chinese economic system began to take shape in both rural as well as urban areas.

6.3.1 Rural Reforms

One of the major changes in the agricultural sector was in management of rural production. It was realised that though working together for common benefit solved the problems of limited investment, it did not have much incentive for those with greater entrepreneurial ability and were hard workers. Material incentives were therefore restored to the peasantry.

Production responsibility system: The first step in this direction was a gradual return to family farming through the contractual production responsibility system or the household contract system. The concrete measures the Fourth Plenary Session of the 11th Central Committee of the Chinese Communist Party passed were the "Decisions on a Number of Questions Relating to the Speeding up of Agricultural Development". Under the system, the state planners first advised each production team on planning the production of an area in general. The production team then entered into a contract with the state on the amount to be supplied by it as its quota. It would then enter into contract with various households or groups. These contracts stipulated exactly what commitments under what conditions the contracting parties took upon themselves and in what proportion they shared in the output or income. The team then allotted land, drought animals and small and medium sized farm implements to the households. Beyond the commitments laid down in the contract, the peasants were free to take decisions regarding time spent on production and the order in which work was performed. The greatest incentive that was offered was that they were free to dispose of the total volume of output above the quantity to be sold to the team under the contract. They could consume it, feed it to their animals or sell it in the free market. They could even sell it to the state procurement agencies, in which case they received a premium much exceeding the official procurement prices.

This system was at first introduced in certain problem regions where it was difficult to do farming, but the concessions offered in this system produced an almost irresistible demand from the farmers for the general extension of such contracts throughout the country. Though there was a lot of opposition from the ranks of cadres to this system, it seems to have delivered the goods as the production from rural areas registered substantial increase.

Break up of communes: As a result of this system, the responsibility of the production team increased and the role of the commune declined. By 1983-84, the rural communes were completely dismantled. First, they were divested of their administrative functions which were taken over by the revived township government. Its economic responsibilities took names like the "industrial—agricultural—commercial—trusts". Though the post-Mao leadership severely criticized the communes, yet the communes had undoubtedly made a

great contribution to the development of Chinese socialism. They had helped construct large scale water conservancy projects, transform land and develop rural industries.

Diversification of agricultural production: Along with reforms in the system of management of agriculture, reforms were also carried out in the agricultural structure by changing the grain cultivation mono-culture to diversified agriculture-cultivation of vegetables and other crops, forestry, animal husbandry, fishing and other side line occupation. These products could be sold to free markets locally. This greatly helped farmers to raise their incomes.

Rise in production: Under the impact of these reform measures the development of rural economy considerably accelerated in 1983 and 1984, so much so that the output of agriculture and the rural sideline activities achieved record results in almost every field. The total value of agricultural output increased by 9.6% in 1983 and by 17.6% in 1984. In 1984, crop production increased by 9.9%, animal husbandry by 13.4%, the value of sideline activities by 47.9% in a single year. In 1984, for the first time in the history of China, the annual output of grain exceeded 400 million tons, that of cotton 6 million tons, i.e. the grain production was higher by more than 100 million tons, cotton by more than 4 million tons, than 6 years earlier in 1978. The average per capita rural income increased tremendously.

Rural towns and township enterprises: With increased purchasing power many peasants built better homes and bought themselves luxury articles such as cassette recorders, television sets and refrigerators. This in turn led to the growth of rural towns which absorbed surplus rural labour and led to the growth of light and service industries in the countryside. Now these township enterprises are hailed as important pillar of Chinese economy and a major source of farmer prosperity. Since 1978, China's township enterprises have recruited some 6.7 million rural labourers annually and in 1990 these enterprises had a staff of 92 million employees, greatly easing the pressure created by surplus labour force.

Technological reforms: Agricultural production reached a climax in 1984 and suffered a setback in the years that followed. However, it has again reached an all-time peak. This has largely been due to improvement in agricultural technology. Unlike the Cultural Revolution period, mechanisation of agriculture is no longer considered a negative point in this overpopulated country, though the leadership has not disregarded the need for labour-intensive production, mechanisation of agriculture is being promoted and it is believed that greater production would benefit all. Agricultural research is encouraged and attempts made to popularise modern means of production, better quality of seeds and fertilisers.

6.3.2 Urban and Other Economic Reforms

Compared with the success in the country side, reforms in the urban industrial and commercial sectors were slow to take hold.

Breaking up of the iron rice bowl: The most important step was giving up of extreme socialistic egalitarian thinking, popularly expressed in the phrases "everybody eating out of one big pot" and the "iron rice bowl". Under the old system the state guaranteed the salaries of an economic unit regardless of the quality of its produce or the fact that it was running at a loss. The workers and management therefore, did not feel any sense or responsibility, all were assured a part of the "big pot" and the workers could neither be fired for poor work or their salaries reduced for low performance, therefore their "rice bowls" (jobs) were said to be made of "iron". This system has been gradually reformed to encourage the workers producing more. They are given incentives. Wage laws have been reformed now to the extent that workers not producing results can also be thrown out. The pay package has also increased to a great extent.

Management responsibility system: To raise industrial production, first of all attempts were made at improving management conditions of state enterprises, by increasing enterprise autonomy and making the economic units responsible for their profits and losses. The state withdrew from direct involvement with the

affairs of economic units. The units had to manage their own finances, no loans were to be under-written by the state, they had to deal with the banks directly and suffer the consequences of bad management.

At the same time, state gave up its claim over the profits of any economic unit, it only laid claim to the taxes. This left the units with the profits which they could use to increase the salaries of efficient workers and management and upgrade their machinery and technology.

State planning combined with market regulation: Along with greater autonomy to enterprises, market mechanisms or market forces were allowed to regulate the quality of goods, their prices and distribution to a greater extent. State planning has not been given up totally but it coexists with the market economy.

It was clearly stated by the government that the “socialist planned economy is a planned economy based on public ownership, in which the law of value must be consciously followed and applied. The full development of a commodity economy is an indispensable stage in the economic growth of society and a prerequisite for our economic modernization.”

Price reforms: The necessity of price reforms was also evident to the reformers and so an effort was made to rationalise the price system. From 1954 to 1984 prices had been kept stable through government economic control agencies. Market regulation of prices was negligible. From 1979 the procurement prices of agricultural products were raised. At the same time, with the spread of contractual responsibility system, the free market trade of agricultural produce also expanded, therefore prices were affected by the demand and supply of goods. In 1985 therefore, dual pricing was introduced to help in the process of transition from the old economic system to the new one. This dual pricing was to cushion the shock of such a great change in the pricing system, and also to avoid an even greater inflation. State subsidies for grains and essential goods are now gradually being removed, giving greater weightage to market regulation.

Emphasis on light industry: The imbalance in the economy with its stress on heavy industry was also sought to be removed. A conscious attempt was made to slow down the expansion of heavy industry, an emphasis laid on the development of agriculture and light industry. The overall growth rate was quite impressive. In the five years from 1979-1984 light industry grew at a progressive annual rate of over 11% and heavy industry over 5%.

Private enterprises: Reforms were also introduced in the service industries sector—individually owned private enterprises were encouraged in this field. These enterprises were initially only on a small scale, dealing with repair work, restaurants, tailoring, small retail outlets, transport and the like. These brought new life to the local economic scene. These private enterprises are now growing in scale. This freedom for private enterprises has helped to increase the incomes of urban households. Urban salaries were also improved. All this has led to growth in consumption. Greater emphasis on development of light industry has also led to a sharp increase in the quantity and quality of consumer goods available.

Foreign trade: The most spectacular reform in the economic field was the “opening of the door” to foreign trade, technology and investment. This was in sharp contrast to the earlier policy of self sufficiency, which lasted until 1970 when a cautious move to rejoin the world began. However, before 1979, all Chinese foreign trade was centrally controlled and planned. Imports were allowed only to the level of exports. Foreign trade was therefore, very limited. After 1979 foreign policy laws have been liberalised.

Foreign investment: Foreign investment has also grown tremendously especially so in joint ventures. In order to provide the best of conditions to the foreign enterprises, certain areas were earmarked for joint ventures. These were the four special economic zones—Shenzhen, Zhuhai, Shantou and Xiamen (later also Hainan). Fourteen other cities were also marked out for special economic development. In these zones advantageous conditions were created for investment of foreign capital. At the same time, income-tax law of the PRC concerning joint

ventures between Chinese and foreign firms was also laid down. The main aim of the joint ventures is to help import of technology which would help in faster rate of modernisation of Chinese economy, strengthen the weak points of Chinese economy, i.e. metallurgy, telecommunications, mining, transportation, oil exploration, and nuclear power stations. Recently, the Yangpu development zone of Hainan Island has been earmarked for leasing for upto 70 years to foreign countries.

Public finance: Stock exchanges have been set up in Shanghai and Shenzhen and securities issued to the public to finance certain enterprises.

The Economy has thus been reformed beyond recognition since 1978. Free markets have grown, foreign trade increased. Production in both agricultural and industrial field has grown. It is a growing, developing economy in which fruits of development are distributed unequally. Entrepreneurship is being encouraged and foreigners are repeatedly invited to invest more and more in high technology so that China becomes a modernised developed country.

Check Your Progress 2

Note: i) Space is given below for your answer.

ii) Check your answer with the answer given at the end of the unit.

1) Name the 'Four Modernization'.

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2) What were the 'four words' (directive) to guide the new economic policy?

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3) Explain briefly the production responsibility system.

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4) In what ways has the economy reformed?

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6.4 POLITICAL REFORMS

Introduction: The new leadership that came to control political power with Deng Xiaoping consisted mostly of people who had suffered greatly during the Cultural Revolution. They wanted to not only overthrow those who had committed atrocities in the name of Cultural Revolution but also create an institutional framework wherein the political excesses of the kind experienced during the Cultural Revolution would not recur. At the same time, it was also realised that economic reform and modernisation were not possible without reforms of political nature. Reform of the existing ideology, party system and the administrative set up were to provide the basis on which economic reform would be carried on. It was in this situation that political reforms were effected.

Problems: Deng Xiaoping himself listed the main drawbacks of the established political system in his speech entitled "on the reform of the system of party and state leadership". The main problem that he saw as hindering the development of the great advantages of socialism were: "bureaucracy, over-concentration of power, patriarchal methods, life tenure, in leading posts and privileges of various kinds". The main forms in which these problems were manifested were "standing high above the masses, abusing power; divorcing oneself from reality and the masses... sticking to a rigid way of thinking... suppressing democracy, receiving superiors and subordinates, being arbitrary and despotic and so on."

Party reforms: As the Chinese Communist Party is at the centre of the Chinese political system, any reform of the system was impossible without bringing about changes in the Party, in its leadership, its structure, its scope of authority and work style. The first major task was to re-establish the legitimacy of Chinese Communist Party. This was done by making a reassessment of the work done by Mao Zedong and the Gang of Four. The Gang of Four was blamed for all the excesses during the Cultural Revolution. The assessment of the role of Mao Zedong was very difficult task, not only because of his following but also because it was difficult to denounce him without denouncing the Party and the Communist revolution in China. This problem was overcome by dividing Mao's life into his good early phase and a bad later phase. His outstanding role and service in the victory of Chinese revolution and in establishing foundations of socialism was acknowledged while his grave mistakes were condemned. Mao's life and contributions were assessed as 70% good and 30% bad. Mao Zedong Thought was also separated from Mao Zedong's deeds, indicating that while there were mistakes in what he did, his thought was still relevant and constituted the most important aspect of party ideology. Thus it was said "Mao Zedong thought is Marxism-Leninism applied and developed in China, it constitutes a correct theory, a body of correct principles and a summary of the experiences that have been confirmed in the practice of the Chinese revolution and is a crystallisation of the collective wisdom of the Chinese Communist Party".

Resolution of differences within the party: The next step was to emphasise that differences within the Party which were to be resolved peacefully and not by humiliating and publicly parading those who held different opinions. Thus differences were to be resolved through discussions. The CCP Central Committee acknowledged that it has been partly responsible for the breakdown of collective leadership during the Cultural Revolution. As a result, changes were made in the party leadership. As it was felt that Hua Guofeng also had close connections with Mao and the Gang of Four and secondly as he was not in favour of long ranging reforms, he was removed from his position as the Chairman of the Central Committee and of the Military Committee. Hu Yaobang was elected party Chairman and Deng Xiaoping, Chairman of the Military Committee. The composition of the standing committee of the Political Bureau and of the Presidium of the Central Committee also changed as a result of distribution of functions. As a result of these events and personnel changes, a relatively unified ideological and political platform was created for the evolution of a policy of reform.

Party membership: To regain the confidence of the public, eligibility for party membership was redefined. More educated, competent and younger cadres were

sought to be recruited. The system of life long tenure of party leaders and cadres was put to an end. In order to pacify those affected by this policy Deng Xiaoping proposed the induction of old cadres into advisory committees. Deng himself gave up the post of Vice-Premier and became the Chairman of the Military Commission (though in reality Deng continued to have complete control over everything). However, a number of senior members of the party were not willing to give up their posts. There was opposition to this policy at lower levels as well, where a compromise solution was found in retaining the older cadres but at the same time recruiting new ones for the same posts.

Party Discipline: Another remedial measure taken to ensure party discipline was the setting up of a Discipline Inspection Commission headed by Chen Yun. Under its supervision disciplinary Inspection Committees were set up at provincial and county levels to remove the errant members.

Despite opposition to these measures as a result of efforts made during the five years from 1981-1985 more than a million senior CCP cadres were pensioned off. In September, 1985, 131 high ranking veterans resigned, though many of them retained their perquisites as members of a new Central Advisory Commission of the CCP.

Separation of functions of party and government: The over-concentration of power in the hands of party officials was sought to be contained by separation of the functions between the party and the Government. It was emphasised that the Party should guide and not interfere in carrying on the day-to-day administration.

Legal system: As the new leadership wanted institutionalisation of reform policies, it called for the re-establishment of a formal legal system. This was not only to provide safety for the individual but was also necessary for dealing with foreigners and for the independent handling of management functions. The Ministry of Justice which had been abolished in 1959 was reinstated in 1979. In the 1980s there was an enormous expansion of the legal system, to cover not only criminal matters, but also a wide variety of civil matters, such as commercial law, contract law and family law, especially divorce. Peoples courts were set up at different levels. At the same time, People's Procuracies were established. Professional lawyers were permitted at all the levels.

As all vestiges of legal independence had been withdrawn during the Cultural Revolution, this was a major change. It had led to the training of a large number of people as lawyers. A number of universities started law departments as a consequence. During the 1980s the general trend was that of recognising the principle that law should be independent of party or state and individual leaders have continued to use the legal system to promote the party's, the state's or their own political power. However, during the period following the Beijing massacre at Tiananmen Square this trend seems to have been reversed.

Revision of the constitution: In 1982, the constitution was revised. The major changes brought about by the introduction of the new constitution were the following:

- 1) The office of the President of the People's Republic of China was reintroduced in order to represent the country in domestic and foreign affairs.
- 2) A central Military Commission was set up to head the military of the country, thus technically bringing it out of the purview of the party.
- 3) Powers of the standing committee of the National People's Congress were enhanced making it the chief legislative body.
- 4) It was stipulated that all citizens were equal before the law and guaranteed freedom of person, personal dignity and privacy of correspondence.

Electoral law: Individual rights were thus given respect within the socialist framework. A greater degree of opening up within the political field was displayed by the introduction of electoral reforms. A new electoral law passed in May 1979 provided for a seemingly representative government. At the lowest level were congresses in every commune (later every administrative township). Above these were 2756 country congresses elected directly for three years. Above these were

congresses with five year terms in China's 29 provinces, autonomous regions and 3 municipalities of Shanghai, Beijing and Tianjin. At the top was the National People's Congress. Above the country level the deputies were elected indirectly from the people's congresses immediately below it. The party called this as democracy under the leadership of centralism. It was made clear that this did not mean setting up bourgeois parliamentary democracy. It has been repeatedly emphasised that this socialist democratic system in which election expenses are borne by the state is much better than the capitalist democracy where money plays a major rôle in the elections.

In the political field, an attempt has been made to decentralise power and set limits to the interference of the Communist Party in the day-to-day functioning of the government. The legal system and electoral laws have been democratised to some extent. However, it has been made clear that no reforms can disregard the four cardinal principles, namely, Marxism-Leninism-Mao Zedong Thought, CCP leadership, people's democratic dictatorship and socialism.

6.5 ASSESSMENT

Production: What are the achievements of the reform policy? As already mentioned earlier, as regards production, both agricultural and industrial productions have increased tremendously over this period. Grain output increased from 304.8 million tons to 394.1 million tons between 1978 to 1988. Production of oil bearing crops, sugar and meat (especially pork) has also gone up. In the industrial field, steel, pig iron, cement, chemical fibres, motor vehicles have all shown increase. Overall production has grown as never before in Chinese history. Per capita GNP has grown from 372 Yuan in 1978 to 880 Yuan (1965—244 Yuan).

Foreign trade: China had been virtually closed to foreign trade during the period of the Cultural Revolution. Though she opened to foreign trade in 1970, it was only in the post-1978 period that foreign trade has increased at a tremendous pace. Foreign trade turnover grew from 20.6 billion US dollars in 1978 to 102.8 billion US dollars in 1988. An average growth of 17.4%.

Consumer goods: Production of consumer goods has also shown tremendous increase, making them easily available for the domestic market. Output of certain consumer goods:

	1952	1965	1978	1988	
Sewing Machines	0.1	1.2	4.9	9.8	Million pcs
Bicycles	0.1	1.8	8.5	41.4	-do-
Washing Machines (household)	-	-	0.0	10.5	-do-
Television Sets (colour)	-	-	0.0	10.3	-do-

With the availability of these consumer goods the living standards of the people have risen. The public is in general very keen to buy these machines which make daily life much more pleasant, relieving them of a number of burdensome tasks.

Increased purchasing power: Production of consumer goods and marketing them in the domestic market would not have been possible had the wage policy not been revised. Higher pay packets as well as freedom to earn more through sideline occupations has tremendously increased the purchasing power of the Chinese. Where earlier none except the very few high ranking cadres had the modern amenities like a refrigerator, television set, tape recorder etc, these are now common to every home not only in cities but even in most villages.

On the whole there is a shared sense of prosperity among all large sections of the people of China as opposed to the shared poverty of the earlier period. The Chinese now take pride in growth and development of their economy and have a keen desire to see their country reach the state of a developed country very soon. Opening up to the outside world has made them very conscious about China's status in the world.

DRAWBACKS

Inflation: No policy can be absolutely foolproof. The reform policy led to increased production in various sectors of the economy and also increased the purchasing power of the people but the supply of a large number of commodities could not keep pace with this increased purchasing power. This resulted in the overheating of the economy and rising inflation.

Growth of inequalities: Emphasis on economic development, encouragement to individual initiative and growth of competition has necessarily meant the reappearance of various kinds of inequalities in China. Increased trading and engagement in service industries has meant more money in the hands of a few. The most conspicuous reason for the growth of unequal incomes is the joint ventures with foreign countries. A Chinese worker working in these firms get a much heavier pay packet than any one holding a managerial post in a local company. All this has led to the reappearance of a stratified society against which the Communist Party had been struggling since and even before liberation.

Regional Disparities: Regional disparities have also crept up. The policy of creating special economic zones has led to a faster pace development in the coastal regions as most of these zones are located along the eastern coast. This seems to negate Mao's principle of removing the contradictions between the coastal region and the hinterland. The idea of zonal development has meant that there is unequal development even within a region; while certain areas have reached heights of modernisation, areas close by still remain quite backward.

Consumerism: Exposure to the world, growth of light industries and small enterprises has led to an increased growth of consumerism. Television advertisements attract the children to buy a variety of sweets and toffees and a wide range of products from dresses and shampoos to fashionable eating places and exclusive furniture which made people run after a number of luxuries and things that are not particularly in line with a simple living.

Corruption, nepotism and social degeneration: Economic disparity, consumerism and greater demand and shortage of supply has in turn led to a rise in corruption, nepotism and social degeneration. Those with high connections try to get better jobs, contracts with foreign firms. The children of the elite in the party thus manage to send their children abroad to study, make contacts there and set up business ventures.

New economic incentives led to an alarming rise in economic crime, some 14,700 criminal cases were reported to have occurred in state grain bureaus alone between October 1983 and April 1984. At least 30,000 other economic crimes, the results of "bureaucracy and malfeasance" were reported during this period. Social life has changed completely, discos and karaokes have become very common with the youth. America has become an ideal with them and couples walking hand in hand on the streets is seen as a sign of social progress. The Chinese Communist Party started in the mid-1980s an anti-spiritual pollution campaign whereby it tried to sift the pros and cons of the capitalist societies and acquire only the pros, leaving out the cons but this has not always been possible.

The increased concentration of economic and political power in the hands of a few and its misuse has been one of the main reasons alongwith the demand for greater political freedom which led to a number of student uprisings throughout the late 1980s. The first organised demand for liberal democracy of the Western type was raised by the students and intellectuals in December 1986. Criticism of the government and demand for greater individual freedom reached its climax in April-June 1989 when massive student demonstrations were organised in several cities. The most prominent of these was the one held at Tiananmen Square in Beijing. The use of force against student demonstrators clearly indicates that those in power in the party were not in favour of such a complete transformation of the political system. If however, the party is able to distribute economic benefits more equally and create institutions for voicing public opinion, there could be a stable and prosperous future for China.

On the whole, considering the fact that China is a developing country, the economic reform policy has enabled it to make great strides in economic development. It has gained a respectable position in the world market. Several leading American, European and Asian nations are showing interest in strengthening economic ties with China. However, it is only Japan, Taiwan and Chinese from Hongkong who are making large scale investments. Volume of trade between India and China is also growing and appears to have a bright future. Some Indian enterprises both from public and private sector, are setting up joint ventures with the Chinese.

While the attempt at opening up the economy by China have been appreciated by America and Europe, they hesitated to invest during the late 1980s because of the prevailing political situation. The West still believes (so does a sizable section of the Chinese population) that the pace of political reforms is very slow, and therefore economic interaction between China and the West has not yet picked up despite repeated assurances by the Chinese government that there would be no going back from economic reform for at least another 100 years. This is based on the premise that only greater economic prosperity through reform would lead to a more equal distribution of the benefits of economic growth.

Check Your Progress 3

Note: i) Space is given below for your answer.
ii) Check your answer given at the end of the unit.

- 1) What are the main problems in the political realm identified by Deng Xiaoping which necessitated political reform?

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- 2) What areas have been touched by the political reform?

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6.6 LET US SUM UP

In this unit you have studied the economic and political reforms being carried out by the Chinese government under the leadership of Deng Xiaoping. Economic reforms have touched all aspects of life. A balance has been sought by creating a mixture of planned and market economy. The incomes of people has gone up and so have the living standards though not without problems of inflation, corruption and social disparity. The political reforms have been introduced only to the extent that they create environment for greater economic modernisation. No attempt, however, is being made in turning China into a liberal democracy of the Western type.

6.7 KEY WORDS

and Technology. These have been the main goal of economic reform in the post-Mao period.

Production Responsibility System: Household or Management made responsible for the production. As long as each family unit or household performs its state-assigned task, it is free to spend the remainder of its members' time as profitable as it wished.

Special Economic Zones: Cities chosen by the Chinese government to accept direct foreign investment, designed to increase Chinese exports and act as a bridge for the adoption of foreign technology.

Opening Up: Allowing trade with foreign countries and foreign investment in Chinese industries.

6.8 SOME USEFUL BOOKS

Dutt, V. P. and Gargi. *China since Mao*.

Fairbank, John. *The Great Chinese Revolution 1800-1985*.

Gray, Jack. *Rebellions and Revolutions: China from the 1800s to the 1980s*.

Mackerras and Yorke. *The Cambridge Handbook of Contemporary China*.

Talas, Barna. *Economic Reforms and Political Reform Attempts in China 1979-1989*.

6.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) In 1978 the Chinese economy had gone through different phases like the First-five Year Plans, The Great Leap Forward and the Cultural Revolution. The policies of the last two adversely effected China's economic growth. Egalitarianism being the hallmark of the period, the lives of the Chinese people did not benefit materially. Wages were low and so was production both in the industrial and agricultural sectors. The State's ideology led to its opposition to individual material incentives and free enterprise which brought stagnation to the economy. To overcome these problems reforms were necessary.

Check Your Progress 2

- 1) Modernization of Industry, Agriculture, Defence and Science and Technology.
- 2) Re-adjustment, Reformation, Consolidation, Improvement.
- 3) It involves a return to family farming in rural areas and freedom to industrial enterprises. The producers are free to sell their produce in the open market after they have met the state's quota. Peasants are allowed sideline incomes to supplement their regular income.
- 4) The economy has been reformed. Free markets have grown, foreign trade has increased. Production in both agriculture and industrial field has grown. It is a growing, developing economy in which fruits of development are distributed in accordance with the principle of capability. Entrepreneurship is being encouraged and foreigners are invited to invest more and more in high technology, so that China becomes a modernized developed country.

Check Your Progress 3

- 1) Bureaucracy, over-concentration of power, patriarchal methods, life tenure in leading posts and various kinds of privileges.
- 2) The Party, government, legal system and electoral laws. The Party's day-to-day interference in government has been limited. The legal system and electoral laws have been democratized.

UNIT 7 FOREIGN POLICY

Structure

- 7.0 Objectives
- 7.1 Introduction
- 7.2 Factors determining China's Foreign Policy
- 7.3 Relations with South Asian Neighbours
 - 7.3.1 Relations with India
 - 7.3.2 Relations with Pakistan
 - 7.3.3 Relations with Bangladesh and Nepal
- 7.4 Relations with ASEAN Countries
- 7.5 Relations with Super Powers and West European Countries
 - 7.5.1 Relations with Soviet Union
 - 7.5.2 Relations with United States
 - 7.5.3 Relations with West European Countries
- 7.6 Role in the United Nations
- 7.7 Let Us Sum Up
- 7.8 Key Words
- 7.9 Some Useful Books
- 7.10 Answers to Check Your Progress Exercises

7.0 OBJECTIVES

This Unit aims at providing an account of China's foreign policy—its interaction with other countries including the immediate neighbours. After going through the Unit you would be able to:

- identify the main characteristics of China's foreign policy;
- explain the forces and factors determining Chinese behaviour in international relations;
- recognise the causes underlying difficulties and problems with great powers as well as with immediate neighbours;
- evaluate China's position and status in the community of nations.

7.1 INTRODUCTION

China is the largest country of the Asian continent and most populous in the world. In terms of its geographical size, it is next only to Canada and is nearly three times as large as India. China is situated in the centre of the world's largest continent and the bulk of the Asian continent lies within the scope of Chinese cultural influence. The countries situated in China's periphery are weak and small and more vulnerable to Chinese influence. China's significant socio-political status is given recognition by the United States and other great powers.

China's recorded history spanning over four thousand years is the history of a great country that flourished economically and culturally even at the earliest stages of civilization. For most part of its history, China however remained in self-imposed isolation with fewer contacts with the outside world. The Chinese were made to believe by the contemporary Chinese emperors that China was a celestial empire endowed with all things in abundance and desired nothing from outside.

During the nineteenth century the rise of British colonialism in the proximity of China and the emergence of a militant Japan posed a challenge to China's position

in the region. Military debacles suffered by China in its confrontations with Britain and Japan led to decline in Chinese influence. In 1911, the overthrow of the monarchy led to the founding of Republic of China under the leadership of Sun Yet-Sen. The Bolshevik Revolution in Russia in October, 1917 had its influence on China as well which culminated in the rise and growth of armed revolutionary movement led by the Communist Party of China under the leadership of Mao Zedong. The Kuomintang and the Chinese Communist Party worked together until parting of their ways in 1927. Subsequently, the Chinese Communist Party launched armed struggle against the Chiang Kai-Shek led Kuomintang Party which was then in power. The struggle finally culminated in the establishment of People's Republic of China in October, 1949 under the aegis of the Chinese Communist Party with Mao Zedong as its Chairman.

7.2 FACTORS DETERMINING CHINA'S FOREIGN POLICY

Foreign policy of a country is a composite response to domestic and external factors. In the external realm, operation of a country's foreign policy is facilitated at three levels: global, regional and bilateral. Framing and implementation of any country's foreign policy does not take place in a void or vacuum. Rather it is the tangible outcome of certain basic factors like geopolitical realities of the region where that country is located, its scramble for security, its domestic requirements and quest for economic development and its commitment to ideology. In a similar way, China's foreign policy has been governed by certain basic tenets which have remained constant despite variations in ways and means in attaining them. These variations have been influenced by changing circumstances both at home and abroad.

Since the founding of the Communist regime in People's Republic of China in October, 1949 concern for security has been the main bulwark of China's foreign policy. Over the past four decades, the Chinese leadership has shown remarkable capacity for adaptation to changing circumstances and for employing various tactics to attain the goal of national security. The factors that have influenced the Chinese foreign policy are: national interest, nationalism, historical experience and cultural values, revolutionary strategy, the theory of contradiction and the theory of the three worlds and the leadership and decision making powers. Since the advent of the communist regime in 1949—and even prior to that Chinese policy has been functioning within a framework based on Chinese understanding of the dominant global trends. An analysis of the Chinese foreign policy during the past four decades shows that this framework has been clearly modified at the end of nearly every decade since the 1950s. During the decade of 1950s, the Chinese foreign policy operated within the bilateral framework, with Beijing firmly aligned to the socialist camp under the aegis of Soviet Union. The Sino-Soviet schism in 1960s motivated China to renounce bloc politics. In the Chinese view, the Soviet Union during 1960s had become revisionist and henceforth China considered that the mantle of defending socialism had fallen on its shoulders, despite the fact that it was intensely embroiled in domestic trouble as a sequel to the Cultural Revolution. The decade of 1970s witnessed China's strategic alignment with the United States, its induction into the United Nations and also the formulation of Three Worlds Theory: the First World of super powers, the Third World of the vast majority of developing countries of Asia, Africa and Latin America and the Second World juxtaposed as an intermediate between the two, primarily consisting of Japan and Europe. China was seen as part of the Third World.

The decade of 1980s was marked by traumatic changes in the regional as well as the global scenario and the period witnessed a shift in emphasis from political to economic and technological issues. The growing economic might of Japan and Western Europe and the growing US-Soviet detente, provided the framework for a new multipolar configuration of power. By the mid 1980s, the Chinese leadership had started believing that it would not be the military factor, but economic and technological capability which determine the superiority or otherwise of a country. Thus from then onward the Chinese started analysing global trends and the international situation with a view to formulate a world view that would accordingly shape their strategy and determine their foreign policy.

The onset of 1990s has been characterized by remarkable events like unification of two Germanys, collapse of erstwhile Soviet Union and emergence of Russian Federation, Baltic states, and five Central Asian Republics as sovereign independent countries, division of Czechoslovakia into Czech and Slovak Republics, the gulf war, and move for a United States of Europe after the signing of Maastricht Treaty and the urge for a new world order. China's response to these developments is closely linked to its foreign policy.

Check Your Progress 1

Note: i) Use the space provided below each question to give your answer.
ii) Check your answer with the answer given at the end of the unit.

- 1) What have been the main stages of shift of emphasis in the foreign policy of China?

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7.3 RELATIONS WITH SOUTH ASIAN NEIGHBOURS

During the Cold War rivalry between United States and Soviet Union, South Asia had increasingly become a significant region in global politics. The strategic significance of South Asia has not diminished with the collapse of the Soviet Union. The region figures more prominently in the strategic calculations of the United States, China and Russia, the successor states of Soviet Union. China shares borders with Bhutan, Nepal, India and Pakistan. This makes China a pre-eminent power in the region.

India and Pakistan are two prominent powers of South Asia. Regional developments attract China's attention and similarly Chinese moves have their bearings on this region. During the 1960s and 1970s China vied with India for enhancing its influence in South Asia, demarcated the region into Indo-centric and Sino-centric. India's military debacle during the outbreak of Sino-Indian hostilities in October, 1962, resulted in the augmentation of Chinese influence in the region. The resultant outcome was China's improved relations with Pakistan, Nepal and Sri Lanka during that period.

Following the Sino-India rapprochement from the beginning of 1980s, China has followed a policy of forging friendly relations with all the countries of South Asia and is committed to resolve the outstanding border issues especially with India through peaceful means.

7.3.1 Relations with India

China's relations with India are marked by various ups and downs. Though both countries share a long legacy of history with cultural and economic linkages dating back to centuries, yet there have been quite a few irritants, especially the border dispute which have marred the otherwise friendly relations between the two countries. India was the second among the non-communist countries to recognise the communist regime in the Beijing in 1949. India also displayed ample enthusiasm in getting China admitted to the United Nations.

During 1950s, the heyday of the Cold War, China subscribed to Mao's theory of two camps and India's policy of non-alignment was not appreciated by Beijing which was ideologically more inclined towards the Soviet Union. India's condemnation of the American policy during the Korean crisis in 1950 and support

for China brought New Delhi and Beijing closer to each other. However, what stood in the way of good neighbourly relations was the issue of Tibet. The Tibet issue was a British legacy by which India had inherited certain special political interests and extra-territorial privileges like owning some rest houses, stationing of armed guards and maintenance of its own postal communication at certain points. Hence, Chinese military action in Tibet in October, 1950 alarmed India.

However, both countries tried to narrow down their differences in April, 1954 on the basis of *Panchshila* or Five Principles of Peaceful Co-existence. Thereafter began a short-lived phase (1954-58) of Sino-Indian friendship. During this phase Chinese Premier Zhou Enlai visited India and Indian Prime Minister Jawaharlal Nehru also visited China. This phase did not last long, and by 1959, in the wake of border disputes and armed clashes, the two Asian giants were drifting towards a war which ultimately broke out in October, 1962.

India suffered a military debacle during the Sino-Indian war of October, 1962 and the unilateral ceasefire by China by October end 1962 though brought the armed hostilities to standstill but initiated a cold war between the two. It brought India-China friendship to an abrupt end and the era of *Panchshila* was replaced by an era of confrontation. During this period, the United States and Soviet Union provided military and economic assistance to India. However, the phase of Indo-American friendship proved very short while India's relations with Soviet Union became durable in the subsequent period. China moved closer to Pakistan which was already having strained relations with India.

In the aftermath of the Cultural Revolution (1966-69) China pursued the policy of breaking international isolation by cultivating friendly relations with the countries of Asia and Africa. China's open support to Pakistan during the Bangladesh Crisis in 1971 reduced any possibility of thaw in Sino-Indian relations. China's open support to Naxalites in India and insurgency in the North-Eastern states of India during late 1960s and until early 1970s also marred any chances of the process of normalization of relations between the two countries.

Until the mid-1970s, the prospects of normalization of relations between the two countries had not shown any helpful sign. But by 1975-76, both countries seemed enthusiastic to restore normal relationship. It was in 1976 that both China and India restored diplomatic relations at ambassadorial level. Following this, restrictions on trade, banking and shipping were removed and functional contacts resumed. In February, 1979, India's Foreign Minister visited China.

The desire for bringing their mutual relationship on an even path being strong between the two countries, the only irritant was the ticklish problem of the border. By 1981 both sides seemed interested in sorting out the border issue which led to the first round of talks of experts of the two countries in December, 1981 at India's behest. At this juncture China seemed to be in favour of the *Status quo*. China offered a package deal which *inter alia* implied Chinese recognition of the MacMahon Line in the east as the border between India and China in exchange of India recognising Aksai Chin as part of China.

During December, 1981 at the first round of Sino-Indian talks on the border issue, both sides stuck to their respective positions. While China favoured the acceptance of *status quo*, India showed its strong reservations over such acceptance without any comparable concessions. The second round of talks held in May, 1982 made no appreciable progress on the boundary question. The various subsequent round of talks have been held between India and China but there has been no agreement on the question of border. However, both countries have entered into various agreements to cooperate in the fields of trade, commerce, science and technology and culture. In 1988 Indian Prime Minister, Rajiv Gandhi visited China and in December, 1991 Chinese Premier Li Peng visited India.

During Prime Minister Rajiv Gandhi's visit to China in 1988, both countries has agreed to set up a Joint Working Group to go into the border question. The two countries also agreed to resolve the remaining bilateral issues in terms of trade and cooperation in science and technology. During the Chinese Premier Li Peng's visit to India in December 1991, both countries reaffirmed their faith in

expediting the meeting of the Joint Working Group and increased economic cooperation between the two countries. Proposals like confidence building measures (CBMS) including reduction in armed forces along the Sino-Indian border have been mooted. Thus chances of resolving the border issue have become bright.

7.3.2 Relations with Pakistan

China's relation with Pakistan developed in the post Sino-Indian border dispute period when both countries signed the border agreement in 1963. Pakistan's relations with India were already strained mainly on the question of Kashmir. Thus this relationship was based on the old adage, an enemy's enemy is friend. Another objective of China cultivating friendship with Pakistan was to obliterate the influence of Cold War military alliances like SEATO and CENTO of which Pakistan was a member and to bring Pakistan under Chinese sphere of influence in order to enhance its image in the Islamic World.

China provided military and economic assistance to Pakistan especially in the latter's wars against India in 1965 and 1971. When the United States imposed an embargo on the supplies of American weapons to Pakistan, China came to its rescue. Pakistan also played a significant role in bringing Sino-American rapprochement.

Between 1965 and 1992, China has provided massive military and economic assistance to Pakistan. China has significantly contributed in modernizing Pakistan's defence by supplying sophisticated weapons. It has also made considerable contribution to Pakistan's nuclear programme. In late 1980s, when the United States imposed ban on the further supplies of sophisticated conventional weapons to Pakistan, it was China which filled in the gap. Despite its eagerness to normalise relations with India, China has not envisaged any laxity in its special relationship with Pakistan.

7.3.3 Relations with Bangladesh and Nepal

During the initial years of the birth of Bangladesh (1971-74), there were no diplomatic relations between Dhaka and Beijing mainly because of China's refusal to recognize the newly born Bangladesh. However, following the establishment of diplomatic relations between China and Bangladesh in 1975, their relations have shown steady improvement in almost all spheres. China has made available economic assistance as well as some military aid to Bangladesh. There have been frequent exchange of visits at the highest levels between the two countries. However, Sino-Bangladesh relations did not attain the level of warmth as the Sino-Pakistan one, it is perhaps because of Bangladesh's "uncertainty" and its policy towards China in the light of its dependence on India. While dealing with Beijing, Bangladesh has been cautious enough not to offend India and the Soviet Union. Since China has reiterated on many occasions its desire to foster closer relations with the countries of South Asian region, Sino-Bangladesh relations have also made steady progress.

China's relations with Nepal, got underway with the onset of 1960s. Prior to Second World War, Nepal's interaction with the outside world was mainly confined to British-India and Tibet. It was only after the Second World War that Nepal gradually opened up itself to the outside world. During 1950s, Nepal's relations were predominantly with India and it maintained a lowkey level relationship with China. In the early part of 1960s Nepal forged closer relations with China but India remained a pre-eminent factor in determining Nepal's relations with China.

China made efforts to bring Nepal under its sphere of influence by providing economic assistance and supporting Nepal's peace zone proposals. But following the normalization of Sino-Indian relations, China has reconciled to India's pre-eminent position vis-a-vis Nepal. However any disruption in Nepal-India relations is likely to bring Nepal closer to China.

Check Your Progress 2

Note: i) Use the space given below each question to give your answer.

ii) Check your answer with the answer given at the end of the unit.

1) Why and when China's relations with India deteriorated?

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2) Why has China maintained friendly relations with other neighbouring countries of South Asia?

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7.4 RELATIONS WITH ASEAN COUNTRIES

Association of South-East Asian Nations (ASEAN) comprising Indonesia, Malaysia, Philippines, Singapore and Thailand, was formed on 8 August, 1967. China's relations with the ASEAN countries shifted from hostility in 1960s to rapprochement since the mid-1970s. During the peak years of the Cold War in 1950s and 1960s, the growing American involvement in South-East Asia, formation of the South-East Asia Treaty Organization (SEATO) and the US military bases in Thailand and the Philippines provided China the main plank to condemn the South-East Asian countries. The formation of ASEAN had evoked adverse criticism from China. Besides, the launching of ASEAN coincided with China's Cultural Revolution and active American involvement in the Vietnam war. Thailand's geographic proximity to China and the former's close military relations with the United States has been a cause of concern for China. Accordingly, China's attitude toward Thailand depended on its perception of whether and to what extent its security was being threatened. Thus, in the broader perspective, China perceived inception of the ASEAN as an organization "propped by the US imperialism to serve its war efforts" in Vietnam. Following China's induction into the United Nations in 1971 and Sino-US rapprochement in 1972, China's attitude towards ASEAN also underwent a change. During 1974-75, Malaysia, Thailand and the Philippines had established diplomatic relations with Beijing. Indonesia and Singapore established diplomatic ties with China in late 1980s.

From late 1970s until 1980s, China maintained tacit alliance with ASEAN countries against Soviet-Vietnam entente and it was perceived as a mixed blessing by ASEAN member countries. However, the ASEAN countries viewed the China-Vietnam belligerence with varied Scepticism. For Thailand, Beijing's belligerence with Vietnam was useful because of the threat of another Chinese incursion thus engaging a massive portion of Vietnamese forces far away from Thailand's borders, on the other hand, Indonesia and Malaysia viewed with suspicion the Chinese willingness to intervene in Vietnam. This suspicion was underlined by Beijing's reluctance to renounce its support for communist resurgence in the region who had traditionally maintained links with China.

Besides, Malaysia and Indonesia also entertained apprehensions that persistent Thai help to the Khmer Rouge could lead to renewed Vietnamese incursions into Thailand, which in turn, would result in an ever increasing Chinese influence.

Consequently in March, 1980, Malaysia and Indonesia, at a meeting at Kuantan,

devised a way to block such a prospect by asking China to reduce its pressure on Vietnam in exchange for a lessening of Vietnamese closeness to the Soviet Union. Until the late 1980s, the Kuantan principle remained the only plausible alternative to a confirmation of the status-quo in the ASEAN-China relations. However, the United States had not endorsed the Kuantan initiative because of growing Sino-US entente. Following the disintegration of Soviet Union, preceded by the withdrawal of Vietnamese forces out of Cambodia and restoration of democracy in the country, the prospects of further normalisation of relations between China and ASEAN member countries have brightened.

Check Your Progress 3

Note: i) Use the space given below each question to give your answer.
 ii) Check your answer with the answer given at the end of the unit.

1) Why were China's relations strained with the ASEAN in 1960s?

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2) What is Kuantan Initiative?

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7.5 RELATIONS WITH SUPER POWERS AND WEST EUROPEAN COUNTRIES

After having examined China's relations with important neighbours of South Asia and ASEAN, now let us examine China's relations with super powers and West European countries.

7.5.1 Relations with Soviet Union

Emergence of the People's Republic of China in 1949 coincided with the occurrence of some significant changes in the international situation. The most significant was the advent of cold war rivalry between the United States and the Soviet Union that affected the entire globe. The other important change was the emergence of independent countries first in Asia and then in Africa. According to Arnold Toynbee, the factor that governed the international system in the late 1940s was that the victors of the Second World War failed to maintain their war time cooperation and consequently the world was repartitioned into two hostile camps.

During the formative phase of its foreign policy, China hardly had any diplomatic option in choosing between the two camps. In view of the United States support to Taiwan and pursuit of the policy of global containment of communism, PRC could not come to terms with Washington. And China now could look upon Soviet Union for help and assistance. Consequently, China chose to align with the socialist camp under the Soviet leadership. The basic premise of Chinese foreign policy in this period has been well expressed in the following statement of Mao:

"lean to one side, and we are firmly convinced that in order to win victory and consolidate it we must lean to one side... all Chinese without exception must lean either to the side of imperialism or to the side of socialism. Sitting on the fence will not do nor is there a third road... We belong to the side of the anti-imperialist front headed by the Soviet Union and so we can turn only to this side for genuine and friendly help, not to the side of the imperialist front."

Relations between China and Soviet Union became closer and friendly after the conclusion of Sino-Soviet Treaty of Friendship, Alliance and Material Assistance on 15 February, 1950. Another agreement for long-term Soviet credits to China was also concluded. Soviet support against any threat to China especially from Japan was also affirmed. The control of Chinese Eastern Railway was transferred to China. Between 1950-59, Soviets helped in modernising the organization, training and equipment of the Chinese armed forces. Apart from providing military assistance, Moscow also made available considerable economic and technical assistance to China.

Relations between China and Soviet Union however, started deteriorating from 1959 onwards thereby culminating in almost complete rift in 1962. Ideological differences between the two countries provided the starting point. The Soviet leadership that succeeded after Stalin's death in 1953 revised Leninist doctrine concerning war. The essence of the new Soviet view was recognition that the existence of nuclear weapons had lessened the acceptability of risks of general war. However, the Chinese declined to accept the new Soviet interpretation of Leninist doctrine and called the Soviet as "revisionist". China, on the other hand, advocated the use of force, including nuclear weapons, in the "wars of national liberation"

Apart from the ideological problems, conflicting territorial claims, Soviet reluctance in providing nuclear technical know-how to China and Soviet termination of agreement in 1959 to provide technical assistance to China further widened the chasm between the two countries. The parting of ways began to seem permanent to both China and Soviet Union. Moscow's overtures to Washington in the aftermath of Soviet leader Nikita Khrushchev's visit to the US in 1959 and armed skirmishes along the Sino-Soviet border in 1960 further sharpened the rift between the two which was officially formalized in view of the Cuban missile crisis of October, 1962. From then onward the Chinese stepped up their criticism of Soviet Union.

After the formalization of Sino-Soviet split, the growing US-Soviet detente was viewed by China as a means to the encirclement of China and as a struggle for hegemony. With the escalation of the Vietnam war, the Chinese misapprehensions about Soviet-American relations further grew. The Soviet endeavours of cultivating friendly relations with India, Mongolia and other countries of Asia were viewed in Beijing as the flanks in the encirclement of China. During the latter half of 1960s, the Chinese viewed Soviet policy toward North Vietnam as "Sham support and real betrayal". It also accused Moscow of using the so-called "united action" to control North Vietnamese and of creating differences between the Chinese and Vietnamese people in order to undermine their military unity.

Following the Sino-US rapprochement in early 1970s, the Chinese attitude toward Vietnam war also underwent a change and the Soviet Union was no longer accused of being an accomplice of the United States in the war. While China's criticism of United States became very mild, it accused Soviet Union of "Socialist hegemony". Therefore Soviet invasion of Afghanistan in December, 1979 was viewed by Beijing as a threat to international peace and security and also interpreted Soviet military presence in Mongolia as a threat to China.

Perceptible change in Sino-Soviet relations occurred during the 1980s especially in the context of leadership changes in both countries. Low-level normalization of relationship talks were initiated in October, 1982 and continued at six-month intervals thereafter. Both countries signed a number of economic accords during 1984-85. In March, 1985, the Soviet Communist Party General Secretary Mikhail Gorbachev called for "a serious improvement in relations with China". In 1987,

both countries held two rounds of negotiations on the border issue resulting in improved relations.

7.5.2 Relations with United States

In view of Mao Zedong's "leaning to one side" policy of aligning with the Socialist camp led by the Soviet Union and US policy of global containment of communism under the Truman doctrine, there existed no diplomatic relation between People's Republic of China and the United States. Another significant irritant between the two was the US support to Chiang Kai-Shek's Taiwan. When the Communist forces led by the Mao scored victory over the Kuomintang forces of Chiang Kai-Shek in 1949, the latter fled to Taiwan. Hence there emerged two Chinas—Mainland China or People's Republic of China (PRC) and Taiwan or the Republic of China. The Communist leadership in Beijing argued that Taiwan was not an independent territory but part of Mainland China. Beijing debunked the theory of two Chinas and regarded itself as the real China. United States not only recognized Taiwan but maintained political, economic and defence relations with it. Washington did not recognize the Communist regime in Beijing and even thwarted the latter's induction into the United Nations by using its veto power in the UN Security Council. It was argued in Washington that Taiwan was an essential link in the US defence system in the Pacific. In the wake of Sino-US rapprochement in 1972, and induction of PRC into the United Nations in October, 1971, relations between Beijing and Washington have considerably improved. But the Taiwan issue is still an irritant for both the countries.

Outbreak of armed hostilities between North Korea and South Korea in June, 1950 further hardened American attitude towards China. North Korea was being supported by the Soviet Union and China while USA came to rescue South Korea. The Korean war which lasted for three years and claimed 50,000 American lives made United States change its position from passive neutrality in the PRC's affairs to pursuing an active policy of weakening and isolating China.

The Chinese intervention in the Korean war had enhanced its prestige in the communist world and it also assumed the status of a great power. Though United States had succeeded in getting China being branded as an "aggressor" in the United Nations, but China won the admiration and sympathies of many countries of Asia. United States succeeded in persuading the Philippines, Thailand and Pakistan to join in an alliance against China as South-East Asia Treaty Organization or SEATO which was formally launched on 8 September, 1954. Philippines and Thailand had already provided military bases to the United States and they had to join the SEATO while Pakistan joined it because of its regional problem with India not because of threat from China.

During 1960s, China was more preoccupied with the Soviet Union especially in the aftermath of Sino-Soviet split, and growing US-Soviet detente was seen as super power's collusion to encircle China. The later half of 1960s witnessed China embroiled in internal political upheavals unleashed by the Cultural Revolution in 1966 and thus it had placed itself in a self-imposed isolation from any role in world affairs. However, by late 1960s, Washington had been sending friendly overtures to China which were looked upon with suspicion initially by the latter. The formalization of Sino-Soviet split made China realize that in historic, geo-political and other terms, the Soviet threat to China was more imminent than the United States. Besides, Beijing had started realising that the solution of the Taiwan problem could be achieved by reaching an understanding with United States.

With the good offices of Pakistan, United States and China started negotiations for normalization of bilateral relations. The visit of Chinese table tennis players in April, 1971 to USA, which came to be known as pingpong diplomacy paved the way for this process. An announcement was made in Washington on 15 July, 1971 that US President Richard Nixon would visit China in the spring of 1972. The visit of President Nixon to China in February, 1972 paved the way for Sino-US normalization and rapprochement. The joint communique issued after Nixon's China visit, also known as the Shanghai communique, affirmed US interest in a peaceful settlement of Taiwan question "by the Chinese themselves" and progressive withdrawal of US forces from here. It was a big diplomatic gain for China.

On 1 January, 1979 the Sino-US relations were formally normalized when the two countries exchanged ambassadors. And there has been no looking back since then.

China's relations with United States have passed through two distinct phases ever since the normalization: the anti-Soviet United Front (1972-81) and the independent foreign policy (1982-89). During early 1970s, China still mentioned "US hegemonism" in their foreign policy pronouncements. But after the death of Mao Zedong and Zhou Enlai in 1976, attacks on American foreign policy started disappearing as China sought to ally with any anti-Soviet government and movement world-wide.

In the post-Mao period and with the elimination of the "Gang of Four", the Chinese Communist Party adopted the programme of "Four Modernizations" in 1978. These "Four Modernizations" level of foreign policy implied:

- a) Rapid economic construction and modernization of China;
- b) A peaceful external environment for pursuing the tasks of development and modernization;
- c) Reducing security problems—first with the Western countries then with the neighbourhood and finally with the Soviet Union and socialist bloc; and
- d) Achieving the unification with Taiwan, Hongkong and Macao and firmly establish one China with Beijing as its capital.

Attainment of these objectives as goals warranted China's close relationship with the capitalist world headed by the United States. Thus China's drive for modernization, its disenchantment with Moscow and open conflict with Vietnam, provided greater impetus to forge "the United Front" with the United States and its allies. China has facilitated direct dialogue between the United States and North Korea. At the United Nations, it cooperated with the US on issues ranging from Namibia to the two Gulf Wars—first between Iran and Iraq, and then between Iraq and the Allied forces led by United States. In return the United States has backed China's recently adopted developmental goals, kept up the flows of capital and technology to China and helped to overcome problems over trade and Taiwan.

Defence cooperation between China and United States started developing after the 1980 visit to Beijing by US Defence Secretary, Harold Brown. This cooperation gradually developed in three directions: exchange of high level visits, military to military functional exchanges and technology transfers. Between 1985 to April, 1989, the US military sales to China, limited to defensive weapons, added upto about \$ 800 million in long term programme.

There has been manifold increase in overall bilateral trade between China and United States. At the time of rapprochement the trade in two-way turnover stood at \$ 96 million in 1972 and by 1979 it reached \$ 2.3 billion. By 1989 Sino-American trade had reached to \$ 17.8 billion thus registering 700 per cent increase during the past two decades. China has emerged as the tenth largest US trading partner and the United States, in turn, had become China's second largest trading partner and foreign investor after Hongkong. In 1988, American investment in China grew from 400 to 630 projects with a commitment of \$ 3500 million. China also enjoys the Most Favoured Nation (MFN) status with the United States.

A brief disruption in otherwise smooth Sino-US close relations was envisaged in the aftermath of June, 1989 developments—when Chinese authorities quelled a student's demonstration in Beijing's Tiananmen Square with a strong hand and adopted repressive measures.

United States along with other member countries of the Group of Seven (or G-7)—comprising the United States, France, West Germany, Britain, Japan, Canada and Italy—condemned the repression in China and suspended bilateral aid, trade and defence cooperation with Beijing. However, in the wake of conciliatory moves pursued by China in its domestic affairs led the United States to remove some of the sanctions by November, 1990. Human rights situation in China is a significant factor in shaping the Sino-American relations.

7.5.3 Relations with Western European Countries

In recent years there has been an appreciable upsurge in China's relations with the nations of Western Europe, both on a bilateral basis and within the broader framework of the European Community (EC). During the cold war years, there were almost negligible political interaction between China and Western Europe as the relations were often characterised by mutual suspicion. This situation continued until the early 1970s. Placement of Western Europe in Chinese foreign policy was subjected to variations in China's theoretical orientation of its external relations from time to time. In 1950s when China adhered to "two camp concept," Western Europe was considered to be a subordinate part of the US-dominated "imperialist camp". Thus China denied itself the pursuit of an independent foreign policy toward Western Europe.

Sino-Soviet rift coming to open in early 1960s made the Chinese to put forward a new "three zone" interpretation of the international system in 1964 in which Western Europe was depicted as part of a "second intermediate zone", comprising of smaller developed capitalist countries. In 1974 when China modified this theory and advanced the thesis that the international system now consisted of "Three Worlds", Western Europe along with Japan was placed in the Second World, allegedly seeking an independent role in world affairs.

Following the Sino-American normalization in 1972, China started establishing contacts with the West European countries. Chinese embassies throughout Europe were expanded and upgraded in the course of 1970s and in 1975, Chinese ambassador to Belgium was accredited concurrently to represent China's interests at the EC in Brussels.

Countries of Western Europe are a potential source of defence supplies necessary for China in modernising its armed forces. China remains militarily weaker than either the United States or the present day Russian Federation. Imbued with this primary concern, political and military leadership in China has pursued a two-pronged approach simultaneously; a skillfull manipulation of the shifting the balance of power and steady build up of the weapons industry and the military forces.

The major EC countries with their advanced weapons industry suits China very well to meet latter's defence requirements. Though there exists defence cooperation between China and United States but expanded areas of cooperation between China and EC in the realm of defence supplies would reduce the former's overdependence on the United States.

During late 1970s, EC countries could provide both the technological know-how and the weapons system in accordance with Beijing's defence requirements. However, the question of arms sales to China falls under the purview of COCOM, a coördinating committee within NATO entrusted with the task of monitoring sales of military-related equipment and expertise to communist countries. During this period, United States, a influential member of the NATO was reluctant to approve arms sales to Beijing. EC members, also being the members of the NATO were reluctant to defy Washington.

The change in US attitude in view of normalization of Sino-US relations and rapid deterioration of US-Soviet relations in the aftermath of Soviet invasion of Afghanistan paved the way for the sale of defence related technologies and product to China by the West European countries along with the United States, UK, France and West Germany (East and West Germanys United in 1990), have been the main exporters of arms to China.

Check Your Progress 4

Note: i) Use the space given below each question to give your answer.
ii) Check your answer with the answer given at the end of the unit.

- 1) Explain the main reasons of Sino-Soviet rift.

2) Why did United States oppose China's admission to the UN?

7.6 ROLE IN THE UNITED NATIONS

By the time the Communist Party's rule was established in Beijing in October, 1949, the United Nations had become four years old. The Chinese leader Mao Zedong had in a statement in August, 1949, welcomed "the United Nations conference on international organisation" held in San Francisco in 1945. The United States vehemently opposed China's membership of the UN in pursuance of its "Two Chinas" policy under which it supported Taiwan and opposed Beijing because of its support to the Kuomintang to China's liberation. It was only in October, 1971 that China was admitted as a member of the United Nations.

China's perceptions of the role of United Nations in the settlement of international disputes and UN peacekeeping operations have been subjected to change from time to time. From late 1940s to early 1950s, the Chinese appreciated the UN role in the settlement of international disputes. From late 1950s till early 1980s China was critical of the UN role. However, by late 1985, a new Chinese attitude emerged that not only encouraged the UN to play an active role in settling the international conflicts but also stipulated that China could and should contribute its due share in these efforts.

During late 1940s and early 1950s, China's positive attitude towards the UN despite the latter's intervention in the Korean War, was governed by Beijing's hopes that its ally the Soviet Union would disallow the domination of the world body by the Western powers led by the United States. However, deterioration in Sino-Soviet relations in late 1950s proved instrumental in altering the Chinese perception of the UN which became more critical. China perceived the United Nations in general and the Security Council in particular as tools used of "imperialism" and/or social imperialists to promote their interests and to enjoy strategic, political, economic and even territorial advantages at the expense of Third World Countries and national liberation movements.

During the decade of 1960s, China's attitude towards the UN was governed by its conception of the international system and its relations with the two super powers. It regarded the world body as a tool of American imperialism and Soviet revisionism to press ahead with neo-colonialism and big power politics. After China's induction into the UN in October, 1971 and its becoming a permanent member of the Security Council, China's attitude towards the UN partly changed. During the first decade of its membership of the UN (1971-81), China acted and reacted as an outside observer rather than a fullfledged responsible member and allowed itself to criticise the world body in severe terms.

It was only after the demise of Mao Zedong, the downfall of the 'Gang of Four' and the emergence of a more pragmatic and open-minded leadership of Deng Xiaoping that China began to reconsider its role *vis-a-vis* the UN. In the 1980s, China adopted an "independent foreign policy" which laid emphasis on staying

away from too close to the United States, seeking reconciliation with Moscow and establishing close relations with the countries of the Third World. Implementation of such a policy entailed diversification in foreign relations and greater involvement in the world in order to promote China's interest. It also called for more of China's active role in the United Nations.

Since 1985, the Chinese attitude towards the UN has become more cooperative. The Chinese have lavishly praised the UN. While speaking at the 40th anniversary celebrations of the founding of the UN, Chinese Premier Zhao Ziyang said "In world history it is rare for an international political organisation to have such enduring vitality like that of the UN whose universality and importance grow with the passage of time". And since then China has played a more constructive and active role in the United Nations.

Check Your Progress 5

Note: i) Use the space given below each question to give your answer.
ii) Check your answer with the answer given at the end of the unit.

1) When did China begin to actively participate in the UN and why?

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7.7 LET US SUM UP

In this Unit we have seen that the foreign policy of China, since the inception of the communist regime in October, 1949 has been a mix of its response to global and regional developments and China's national interests. During 1950s when the cold war rivalry between the two super powers—United States and Soviet Union—was at its peak, and China's relations with Soviet Union were cordial given the ideological differences as well as US adherence to two China thesis. China was hostile to the US. China regarded the United Nations as a tool of American imperialism and the countries in its neighbourhood of south and south-east Asia having close relations with Washington were viewed with suspicion.

During 1960s Chinese foreign policy underwent traumatic changes in the aftermath of Sino-Soviet rift in 1959-60 and then it also perceived a threat from 'social imperialism'. In south Asia, China's relations with India strained in the aftermath of Sino-Indian hostilities of October, 1962 while it improved relations with Pakistan and Nepal. During the latter phase of 1960s, China was embroiled in the Cultural Revolution which isolated China from the outside world.

During the decade of 1970s, China's relations with the United States improved and in October, 1971 China joined the UN. However, Sino-Soviet relations remained strained. The demise of Chairman Mao Zedong and Zhou Enlai and liquidation of the Gang of Four were followed by the emergence of the leadership of Deng Xiaoping. In late 1970s, China adopted an ambitious programmes of Four Modernizations and improved its relations with industrialized countries of the West and Japan in order to attract financial and technical assistance. It also improved its relations with the ASEAN countries.

By the 1980s, China, while maintaining cordial relations with the United States, West Europe and Japan, pursued an "independent foreign policy" which aimed at coming not too close to the United States and improving relations with the Third World. From mid-1980s onward, China has also started actively participating in the activities of the United Nations keeping in view with its foreign policy objectives.

7.8 KEY WORDS

Cold War: Struggle between the super powers United States and Soviet Union, to bring countries of the Third World into their respective sphere of influence.

Cultural Revolution: It is a Marxist connotation which prescribes innovative popular struggle against revisionism and betrayal of the revolutionary cause in the social and cultural realms. Mao Zedong crudely and irrationally interpreted and introduced the concept in China in mid 1960s.

Rapprochement: A reconciliation of interests of rival states after a period of hostility; renewal of friendship among states.

Entente: Ending the state of hostilities and coming to an understanding.

7.9 SOME USEFUL BOOKS

Choudhury, G. W., 1982. *China in World Affairs, Foreign Policy of the PRC Since 1970*: Westview Press: Boulder, Colorado.

Harding, Harry, ed. 1984, *China's Foreign Relations in the 1980*. Yale University Press, New York.

Hsueh, James C and Kim, Samuel S. ed. 1980, *China in the Global Community*. Praeger, New York.

Hsueh, Chun-Tu, ed. 1982, *China's Foreign Relations: New Perspectives*, Praeger, New York.

Yahuda, Michael, 1983, *Towards the End of Isolation: China's Foreign Policy after Mao*, Macmillan: London.

7.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) There have been four stages of shift of emphasis in the foreign policy of China. During the first stage of 1950s, Chinese foreign policy operated within the socialist camp led by Soviet Union. Second stage commencing in 1960s, saw China renounce bloc politics and embroiled in domestic politics. The third stage in 1970s brought China out of isolation and come closer to the West. During the fourth stage launched in 1980s, China asserted its independent role and added emphasis on four modernization.

Check Your Progress 2

- 1) China's relations with India deteriorated mainly on Tibetan question and Indo-China border issues.
- 2) In view of hostilities pervading Sino-Indian relations after October, 1962. China improved its relations with Pakistan and Nepal, other South Asian countries to earn goodwill and gain diplomatic leverage against India.

Check Your Progress 3

- 1) Because of the pre-eminence of US influence in South-east Asia and some of ASEAN member countries having been allied to the US led to the estrangement of relations between China and the ASEAN.
- 2) Kuantan initiative was undertaken by Malaysia and Indonesia during a meeting held at Kuantan in May, 1980 which *inter alia* called upon China to reduce its pressure on Vietnam in exchange for reduction of Vietnam's dependence on the Soviet Union.

Check Your Progress 4

- 1)
 - i) Ideological differences;
 - ii) Border dispute between the two countries.
- 2) United States opposed China's admission into the United Nations because of its "Two China" policy and support for Taiwan.

Check Your Progress 5

- 1) From 1985 onward China started actively participating into operations of the UN in pursuance of its independent foreign policy and to forge close relations with maximum number of countries.

UNIT 8 JAPAN: HISTORICAL CONTEXT— NATIONALISM AND CAPITALISM

Structure

- 8.0 Objectives
- 8.1 Introduction
- 8.2 Land and People
- 8.3 Political System
 - 8.3.1 Tokugawa Class Structure
 - 8.3.2 Seclusion Policy
 - 8.3.3 Factors Undermining Tokugawa Regime
 - 8.3.4 End of Seclusion
 - 8.3.5 Fall of Shogunate
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 - 8.4.1 Abolition of Daimyo Domains
 - 8.4.2 Reforms of the Government
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- 8.5 Nationalism
 - 8.5.1 Schools of Thought
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 - 8.5.3 Military Conscription
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 - 8.5.5 Family-State
 - 8.5.6 Expansive Nationalism
 - 8.5.7 Education and Nationalism
- 8.6 Capitalism
 - 8.6.1 Industrialization
 - 8.6.2 Private Enterprise
 - 8.6.3 Other Side of Capitalism
 - 8.6.4 Capital Formation
 - 8.6.5 New Business Opportunities
- 8.7 Let Us Sum Up
- 8.8 Some Useful Books
- 8.9 Answers to Check Your Progress Exercises

8.0 OBJECTIVES

The objective of this unit is to help you understand the way in which Japan developed its brand of nationalism and capitalism. To this end, the unit focuses attention on historical development of events — political, economic and social — for over a century until the World War II. The unit discusses the process of actual transformation of feudal Japan into a modern successful industrialized nation. After studying this unit, you will be in a position to:

- understand how Japan created **institutions and facilities** congenial to transform its society and economy.
- comprehend meaning and type of Japanese **nationalism**.
- explain how **education** was used to indoctrinate both nationalism and capitalism.

- evaluate the manner in which Japanese capitalism was developed despite odds and negative influence.

8.1 INTRODUCTION

Japan, had been in seclusion for centuries. The power of the state were usurped by the hereditary military clique—slogan—and the King was forced to lead a secluded life. Feudalism had been the order of the day. The arrival of the Western ships at the Japanese shore in 1850's broke the seclusion. Now Japan saw with great astonishment how the West was advanced in all fields of life and civilization. It sparked off Japanese nationalism. Centuries old Shogunate system was discarded. Powers of the Emperor Meiji were restored and the country was modernised within a shortest possible time. Japan borrowed Western technology, strategy of economic development, system of education and the form of the government but adapted them to the age old custom, traditions and civilizations of the country and emerged as the power of the East, capable to compete with the West.

8.2 LAND AND PEOPLE

Japan, also called **Nihon** or **Nippon** in Japanese (meaning origin of sun), is a chain of four large islands — Honshu, Hokkaido, Shikoku and Kyushu — and a large number of smaller ones stretching along the coast of East Asia. Japan is a mountainous country and only about 16 per cent of its land can be used for agriculture. The only mineral available is coal. The threat of earthquake is always present. Japanese rivers are short and swift, limited in their use for transformation but ideal for hydroelectric power generation.

Most areas in Japan receive rains between 60 and 100 inches annually. The seas of Japan are rich fishing grounds. The land area of Japan is 142,300 square miles. A large crop area is devoted to rice, other crops being wheat, barley, naked barley, sweet potatoes, white potatoes, tea and millet.

As of March 1992, the total Japanese population is 124.5 million. The basic Japanese ethnic stock is Mongoloid. Japanese population now is fairly homogeneous. Japanese is the only language spoken in Japan and all Japanese speak Japanese.

It is difficult to generalize Japanese national character. However, a certain common behaviour can be noticed. The Japanese prefer to act as part of a group rather than as an individual, possess a high sense of loyalty to the group and tend to conform nearly to certain uniform standards. The family as a social unit is very important, and often its type is projected on to other groups. Suicide is an accepted form of protest or atonement.

The early Japanese were organised socially and politically in a number of independent clans each of which was ruled by a hereditary leader. Warfare among them became endemic by the end of 15th century. The ambition of each ruler was to attain hegemony over all of Japan. Tokugawa Ieyasu, who controlled one of the largest domains, crushed all his opponents in the battle of Sekigahara in 1600. The rest of the small rulers, in acknowledgement of Ieyasu's power, simply signed an oath of loyalty.

The material basis of Tokugawa power lay in the control of territory that consisted of lands producing about 31 per cent of country's rice. Tokugawa Shogunate also controlled the gold and silver mines, and important urban centres.

The Emperor was the source of all legitimate authority. The nominated regional rulers—**daimyos**—were denied access to him and were kept under watchful eye of Tokugawa governors. (Daimyos were forced to spend several months in the Tokugawa capital and whenever they returned to their domain had to leave their families as hostages. Without permission no daimyo could coin money or contract a marriage, build warships or move troops beyond his borders.)

Historians claim that Japanese conservative social policies brought about a return

to feudalism'. Suppression of Christianity and the policy of seclusion are pointed as deliberate attempts to take Japan out of mainstream world history. Despite its seclusion, the Tokugawa age proved to be a period of noticeable cultural and institutional development. Japan strengthened its national and cultural foundations during these years.

While the government remained in the hands of military aristocracy, the Samurai eventually became bureaucratic elite under whose guidance the administration of the country was markedly systematized and rationalized. Under the Tokugawa regime the trend towards urbanization continued; and the economy was for the first time knit into a national entity. In the field of thought, the spread of confucianism affected the spiritual orientation of the entire Japanese people. The growth of educational facilities besides turning a majority people into a literate class provided schooling for the lower classes as well.

Historical Context: Nationalist
Upurge and Rise of
Capitalism

8.3 POLITICAL SYSTEM

Historians have given the name **baku-han** to the Tokugawa political system, indicating that it was based upon the parallel existence of a Shogunate (bakufu) and some 250 daimyo domains (han). The **Shogunate** was a national authority.

The particular form of government which evolved from the baku-han system was unique to Japan. The force of authority that united the system was at the top feudal, as it applied to the relationship between shogun and daimyo. The regime kept alive a dynamic tension between feudal and bureaucratic techniques and between decentralized and centralized authority.

The emperor was the ultimate source of political sanction. Tokugawa policy continued the dual objectives of heightening the prestige of the sovereign while seeking to control him and isolate him from the daimyo. Thus, the Tokugawa treated the emperor and his court with great outward respect, expecting the daimyo to do likewise. Towards the Shogun each daimyo swore a private oath in which he pledged to obey the Shogun's decrees, not to enter into collusion against Shogun. In return, the Shogun considered the daimyo as proprietor of his domain.

The baku-han system provided Japan with a remarkably vigorous and comprehensive administrative system. The government rested upon the simple fact that above the level of the relatively autonomous village and town communities, the military estate had appropriated all superior rights, and administration was entirely in the hands of the Samurai class. As Commander-in-chief of the military class, the Shogun now possessed full powers of government. Therefore, the Tokugawa regime represented the rather unusual case of a civil government administered by a professional military class. Being by profession a military their swords on call. But in peacetime they fulfilled additional tasks as civil or military officials. Tokugawa government behaved also as an extension of military rule in times of peace.

8.3.1 Tokugawa Class Structure

To prevent any change that might undermine their rule, the Tokugawa created a rigid, hereditary class structure — Samurai, farmers, artisans and merchants.

The highest class were the Samurais who constituted about six per cent of the population. From Shogun to the lowest foot soldier belonged to this class. They were not allowed to practise agriculture or to engage in a trade or craft. Rice allowance were their main income. In most domains various offices became hereditary. With the coming of peace, the Samurai were not involved in administration. They were initiated to scholarly pursuits. In due course, the military class also became the intellectuals and bureaucrats.

The vast majority of Japanese belonged to the second ranking class, the farmers. Both landlords and tenants lived in villages. Tenancy varied in different parts of Japan from 25% to more than 50%. Among landlords also the range of holding

Only the landlords had the privilege of participating in the management of village or of sharing the common lands and water rights. The richer of these villagers were better educated and capable of keeping official records. Technically all lands belonged to the emperor, but the landholders only held the right to cultivate. This right could be inherited, bought or sold, and as such ownership for all practical purpose.

The other two classes were artisans and merchants respectively. For convenient reasons they were called towns people. No direct trading between domains was allowed. Osaka became a great market. Modern living style and acquisition of wealth was common and important in urban centres.

8.3.2 The Seclusion Policy

In 1639 the Tokugawa closed Japan to all foreigners excepting the Dutch and the Chinese who were permitted to trade at Nagasaki but under the closest supervision. Later even no Japanese tradesmen allowed to go abroad. While the first measure broke contact with advanced western civilizations, the second measure cut short Japanese chances to expand into East and South-east Asia.

8.3.3 Factors Undermining the Tokugawa Regime

Economic and intellectual developments came about which were responsible eventually for toppling the regime. The Shogunate was not able to prevent change. The Tokugawas were to blame themselves for their economic difficulties. Their policies had caused a large and powerful merchant class to come into existence and had put that class into position to profit from the daimyo. The period of economic expansion and prosperity was coupled with a population that was pressing up to the limit of country's resources. The condition of farmers worsened, thus causing difficulty for the Shogunate and the daimyo to maintain their revenues. To meet these, the Shogunate began to make forced loans from the merchants. Coupled with inflation, daimyo soon fell hopelessly in debt. To ensure extra income, many daimyo established monopolies within their domains on various local products. Both they and the Shogunate cut down the stipends of their Samurai, who then had to turn to the moneylenders. Profiting from all these, the merchants began to raise their status by buying adoption into Samurai families or marrying their daughters to Samurai. They also began to gain control of farm lands and subject the peasant to an illegal rent.

8.3.4 The End of Seclusion

In the early 19th century, the question of Japan's seclusion became important to western maritime nations, particularly to the United States. Though the Shogunate was determined to keep the country closed, the arrival of American warships under the command of Commodore Mathew Calbraith Perry on 8 July 1853 and his warning forced Japan to sign the Treaty of Kanagawa on 31 March, 1854. The terms opened Shimoda and Hakodate. Having yielded to Americans, the Shogunate went on to sign similar agreements with the English in 1854 and the Russians in 1855.

8.3.5 The Fall of Shogunate

The signing of the treaties prompted an outbreak of anti-Shogunate and anti-foreign feeling. (These trouble makers indulged in such activities including arrests, and assassination.) Attacks were made on foreigners by xenophobic Samurai who used as slogans like 'Honour the Emperor', and 'Expel the barbarians'. The Emperor summoned Shogun and daimyo to Kyoto. The Shogunate had weakened its hold on daimyo by virtually abolishing hostage system. Shogun was forced to consent to an imperial order to drive the foreigners out of the country in June 1863. Only a few daimyo obeyed this. Shogun was obliged to agree that in the future the Emperor would invest the daimyo with their domains. Daimyos from Satsuma, Choshu, Echizen among others would act as imperial advisers. In 1866 the Shogun died issueless and was succeeded by Pro-imperial branch (Mito) of Tokugawa member. Beset with such problems as finance, foreign relations, internal revolt, and unable to manage imperial court and daimyo, Shogun resigned finally in

November 1867. The young Emperor Meiji, who had ascended to the throne in February 1867 took over and the course of events since has been called the Meiji Restoration.

Historical Context: National
Upsurge and Restoration
Movement

8.4 THE NEW GOVERNMENT

With the direct imperial system being reestablished, Shogun surrendered his holdings. Though pro-Tokugawa forces rebelled against this measure, they were firmly dealt with by the new rulers.

The first few years of Meiji Restoration saw numerous changes in the administrative structure. The senior offices with prestige were divided among the court nobles and daimyo, while the junior offices which involved actual exercise of power were filled by an ambitious and highly capable group of young Samurai. Some of them were — Okubo Toshimichi, Kido Takayoshi, Goto Shiro, Ito Hirobumi, Okuma Shigenobu, Itagaki Taisuke, Soejima Taneyomi, Saigo Takamori, Yamagata Aritomo, Eto Shimpei, and Inoue Kaoru.

8.4.1 Abolition of Daimyo Domains

In 1868 the Central government had under its administrative and fiscal control only the former Tokugawa holdings. In a bid to spread its authority to daimyo domains, in 1869, the daimyo of Satsuma, Choshu, Hizen and Tosa were persuaded to surrender their land registers. To ease possible tensions, daimyo were retained as governors of former domains at a salary equal to half of their old revenues. The Samurai were also provided with pensions. By 1871 domains were abolished and replaced with prefectures administered by central government appointees.

8.4.2 Reforms of the Government

Road barriers were eliminated and freedom of movement was allowed. Every one was given the right to choose his own occupation. The Tokugawa class system was completely eliminated. Equality before law was guaranteed to all. In 1873, a conscription system modelled on that of Germany was instituted. All male over 20 were liable to three years of service. The French military mission which originally helped to organize the army, was later replaced by German advisers. A small navy was brought into being under the guidance of the English.

In 1871 a Department of Education was established and commissioned to create an educational system. By 1900 Japan achieved almost hundred per cent literacy. Private universities were also founded like Keio, Doshisha and Waseda Universities. In early years there was an extensive American influence in the School System. Gradually German practices gained ascendancy. Education was structured not for the individual but for the State.

8.4.3 State and Religion

The Meiji statesmen declared Shinto as an excellent device for focusing the loyalty of the Japanese people upon the Emperor and his government. Shinto had originally been a somewhat primitive combination of nature and ancestor worship. It later developed a Cosmogony. However, major Shinto shrines continued to be officially supported.

Meiji government in its bid to enhance the importance of Shinto, displayed an anti-Buddhist bias. Members of the imperial family were withdrawn from Buddhist orders and Buddhist ceremonies were forbidden within the palace. Much of the Buddhist property was confiscated, some temples were attacked and destroyed. State efforts continued to establish Shinto as a State cult. By 1930s, the State was supporting over 15,000 priests and more than 100,000 shrines. Attendance at these shrines was a test of loyalty to all Japanese.

The educational system was used to indoctrinate the Japanese into the following basic tenets of Shinto cult:

- 1) 'The Emperor is divine because he is the extension in the time of the very bodies and souls of the great divine ancestors of the past, in particular, of the physical and spiritual attributes of the Sun Goddess';
- 2) 'That Japan is under the special guardship of the Gods and thus its soil, people and institutions are unique and superior to all others', and
- 3) 'It is Japan's divine mission to bring the whole world under one roof and extend thus to the rest of humanity the advantage of being ruled by the Emperor'.

8.4.4 Land Tax

The Meiji government continued to collect the traditional rice tax, thus subjecting tax revenue to the fluctuation of rice price. **Fiscal planning became really difficult.** To convert tax collection into money form, in 1872 the government issued certificates of land ownership to those who proved their cultivation rights. With this a system of private ownership of land was established. By means of a formula based on the value of the rice crop produced on the land over a period of time, a capital value was fixed for each piece of land. A 3 per cent of tax was then levied on this value, which became the financial mainstay of Meiji government till 1890s.

These changes brought about certain dissatisfaction among farmers. Forests, meadows and other lands used commonly by villages being taken over by the State, new tax grabbed nearly 35-40 per cent of farmer's annual crop. Since tax had to be paid in cash at a definite time, this subjected farmers to sell crop immediately at whatever market price that prevailed. The burden of price fluctuation fell on the farmers. They also disliked the conscription system as well as new tax to support the new primary school system. The outcome was some peasant rebellions in early 1870s. With the high inflation, the government agreed to cut the land tax to two-and-a-half per cent and agreed to accept a part of it in kind.

8.4.5 Economic Changes

The Meiji leaders sought to create a modern military and economy. A reverberatory furnace, shipbuilding yard and an arsenal were already functioning as early as 1860. English cotton spinning machinery and technical instructors were functioning. Yokosuka naval yard was a reality. Besides absorbing the existing plants, added its own strategic enterprises. A number of pilot plants in other fields — cotton spinning, silk reeling, tiles, cement, woollens, and bleaching powder — were established. These were designed both to supply immediate needs and to serve as models for private entrepreneurs. In 1871, a postal and telegraph system was inaugurated. The first rail road was completed in 1893 comprising about 2000 miles of track.

After 1880 it was decided that the State would withdraw from industrial and mining activities, so that most of these enterprises were sold to various private interests at low prices. It was at this time that many of the Zaibatsu families laid foundation for their future great wealth.

The two major problems of these economic activities were — (1) how to concentrate investment capital within the country, and (2) how to secure the necessary foreign exchange to meet the increasing need of imported equipment and technical assistance. Industrial capital in part was secured by agricultural tax and export proceeds of silk, tea and rice. Improved seed strains, land use, better irrigation and drainage resulted in extraordinary increases in agricultural yields. Between 1878-82, and 1888-92, area under cultivation increased by 7 per cent and yield went up by 21 per cent.

Though by 1894 Japan had made substantial progress in industrialization, importance of agriculture still continued. 70 per cent of household continued farming as occupation. 84 per cent of people lived in places under 10,000 population.

Check Your Progress I

Note: i) Space is given below for your answer.
ii) Check your answer given at the end of the unit.

1) What is Japan called in Japanese?

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2) What are the crops of Japan?

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3) Who were Daimyos?

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4) What is Tokugawa political system called?

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5) Who succeeded in concluding the Treaty of Kanagawa in 1854?

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6) Mention the effects of Tokugawa seclusion policy.

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8.5 NATIONALISM

Nationalism was one of the powerful factors that led to the economic, political and social regeneration of Japan in the late 19th and early 20th centuries. At the end of the Meiji era, Japan had been successfully transformed from a feudal society into a modern nation. A majority of population had a strong sense of patriotism due to the influence of Kokugaku and Mitogaku.

8.5.1 Schools of Thought

Kokugaku was successfully an intellectual and cultural movement. It was to denounce the dominance of the confucianist intellectual tradition, and promote in its place the Japanese intellectual tradition derived from a study of the Japanese language and literature. In due course Kokugaku became an active political movement, anti-Buddhist as well and shifted emphasis from Japanese culture to the Japanese nation. Following scholars and their works were important in the movement: Keichu Azari, Kada Azumamaro, Kama Abuchi, Motoori Norinaga, and Hirata Atsutane.

The movement also stressed the importance of the Japanese Emperor. It was said that "one could not be true and loyal Japanese unless one showed proper respect and loyalty to Japanese tradition and the Emperor". Leaders of the Meiji era took this Emperor idea further and made the Imperial Institution the very centre of the political life. The study of Japanese history became compulsory in many schools to produce national pride. Shinto doctrine became central to Japanese thought and behaviour. The Meiji government accorded Shinto the status of State religion.

Mitogaku movement believed that since the political authority had originally belonged to the Emperor and it had been taken away by Minamoto Yoritomo and his successors, it should be restored to the Emperor once again. It also believed that national loyalty was likely to remain divided as long as various domains existed. Thus the Mitogaku called for reverence to the Emperor and thereby Mitogaku contributed to the development of the idea that the Emperor was the focus of unswerving loyalty.

Thus, while Kokugaku opposed confucianism, Mitogaku (appeared to be) a synthesis of Chinese principles with Japanese tradition. Further, while Kokugaku was Japan-centred, Mitogaku was Emperor-centred. Through these schools of thought as also some other schools, a strong sense of national patriotism was promoted.

Meiji period (1868-1912) witnessed Japan's transformation from a feudal society into a modern nation, and from an island country into an imperial power. Japan became a strong and centralized State, a great power that competed with strong European powers, and also transformed itself into an industrial country.

The process of creation of modern Japan was hastened because of:

- a) threat of foreign invasion
- b) problem of national independence and internal unity
- c) European colonial expansion in Asia

The fear of foreign threat became more accentuated when Japan was forced to sign many unequal treaties by which Japan was obliged to give away extra territorial rights to the European powers. Therefore Japan was preoccupied with the question of preserving national independence and promoting internal unity. The Meiji leaders were convinced that national unity could be brought about only by diverting the loyalty of the people to national symbols and by creating a sense of commitment to certain national goals — like certain changes in the economy, politics and social structure of the country.

Slogans like "Fukoku Kyohei" — a rich country and a strong Army — became very important guiding principle and many writings highlighted this. Also it provided justification for institutional changes in the first ten years of Meiji Restoration.

8.5.2 Rise of State

The rise of the State as an absolutely powerful organization in Meiji Japan was one of the results of the acceptance of the ideas of wealth, power and national greatness. In making Japan rich and powerful, sweeping changes came in such areas like armaments, commerce, industry and technology. Japan needed wealth, strength and unity to assert its claim as a modern nation. Therefore, the Meiji leaders were committed to bring about such economic, political and social changes

to realize the above objective. Besides, a uniform administrative system, a legal system, a national currency, a national education system, and a national army were brought in. This also transformed the feudal patriotism of Tokugawa period into modern nationalism.

8.5.3 Military Conscription

Universal military service was introduced because of the uncertain Samurai loyalty to the regime. By bringing both the commoners and the Samurai to a uniform system of training and indoctrination, compulsory military service sought to eliminate sectional differences and to foster the spirit of national unity. Both compulsory schooling and the military conscription were intended to stimulate national consciousness and sustain it at high pitch.

8.5.4 Civilization and Enlightenment

The nature and extent of the Meiji economic changes were determined by long-term objective of catching up with other advanced countries through:

- avoiding economic subordination to the European powers,
- achieving national economic unity, and
- overcoming the disabilities imposed by the tariff autonomy.

Some important measures were taken to remove restrictions from following:

- freedom of occupation
- movement of men and goods from one part of the country to another, and
- rights of residence and private property

8.5.5 Family-State

The 1889 Constitution upheld the traditional position of the Emperor in Japan, which was the culmination of patriotic movement began by Kokugaku scholars before. Circulation of such ideas became popular as for example: "National politics cannot be divorced from the Imperial house, and that there could be no Japanese State without the Emperor and vice versa". "Emperor was divine and his position inviolable".

The idea that Emperor was the head of the State and society got unified into the concept of family-State in 1890. Even school books propagated this idea which got embedded in the national psychology through indoctrination. The concept of family-State depended upon the principle of paternal authority and control, seniority, and status. He was a father figure and subjects were all members of one huge family called Japan. This idea evoked a overwhelming favourable popular response. It made the Emperor the ultimate object of all loyalty. In the due course, this concept was developed into an ideology and became the basis of political indoctrination for the next fifty years or so.

8.5.6 Expansive Nationalism

Though the Meiji leaders attained almost all important goals, yet they could not get the unequal treaties reversed with western countries. Considering this as very important, in the second half of the Meiji period nationalism took turn to become more expansive and aggressive.

Without completely repudiating western ideas, a movement to establish the uniqueness of Japan began. It also advocated Japan's expansion in Asia on the plea that the weaker neighbours of Japan needed its assistance to hold their own against the West. Many disgruntled former Samurai lent support to expansion idea considering it their duty to check the drift towards excessive westernization. They were fanatically attached to Japan's Asian mission.

8.5.7 Education and Nationalism

The education ministry had the power to determine the curricula and prescribe school text-books. Secondary education served the dual purpose of training boys to enter public service and to take up higher studies. Besides general schools,

normal schools were founded and used as an effective means of nationalistic training. The objective of spreading education in the country could be attained effectively only if enough trained teachers were available. Thus, to train such teachers normal schools were established. Normal schools were training ground for patriotic teachers much the same way as primary and middle schools were for training patriotic students.

There was a practice of putting a retired senior officer of the Government or the Army in charge of each normal school. The purpose was to enforce strict military discipline among the students undergoing training. The normal school program eventually lent tremendous support to the system of patriotic indoctrination at the lower levels of educational system. It directly contributed to the birth of a professional class imbued with a strong sense of nationalism.

Tokyo Imperial University, created in 1886, was at the top of the educational system/structure. Theoretically, the academic program of the Imperial University was autonomous though but in practice it was only a centre for the propagation of the political ideology of the State.

The State-centred nationalism had become strongly entrenched by the middle of the Meiji era. The State in fact took over education as an effective sphere to perpetuate nationalism. There was no organised resistance to State interference in education. However, individually some people criticized State interference.

Check Your Progress 2

Note: i) Space is given below for your answer.

ii) Check your answer with the answer given at the end of the unit.

1) What do you mean by nationalism?

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2) Who were the leaders of Kokugaku?

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3) What is Mitogaku?

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4) Why the creation of modern Japan was hastened?

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5) What do you mean by family-State?

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8.6 RISE OF CAPITALISM

From the second half of Meiji era, Japan registered a capitalistic type of economic growth. Educational system had the responsibility of creating a congenial atmosphere for the development of an indigenous capitalist system. Human resources necessary for creating and sustaining such a system were to be supplied by the educational system.

As capitalism advanced, Japan witnessed growth of dissent as manifested in the form of pacifism, socialism and trade unionism. Meiji leaders regarded this as a trend dangerous to the political order and economic system. It was a powerful challenge to nationalism. Spiritual discourse and training of workers and managers were undertaken which would increase the productive capacity of Japan. Leaders desired patriotism to be wedded to technical expertise of various kinds so that Japan might benefit both in material and spiritual terms from dedicated workers in all fields of commerce and industry.

The Meiji leaders used the confucianist values to foster a set of economic virtues like austerity, avoidance of self-indulgence, discipline, enterprise, the pleasure of labour and of patriotic endeavour, the need for mutual aid among rural communities and a sense of individual responsibility. Often these values were reiterated to step up industrial growth as well as to cut addiction to leisure and luxury. Thus came a shift in economic policies of the Meiji government, which could cause industrial revolution without much altering the tradition in society.

8.6.1 Industrialisation

The initial program of industrialization was planned and implemented by the State. Market difficulties prevented merchant class from investing in new ventures. And naturally the State made all important business and growth decisions. When market difficulties were overcome, many of the industrial establishments were transferred to private ownership at relatively concessional rates. Though the State continued to play an important role in economic matters, yet it no longer could take the entire burden. A new generation of executives, managers and entrepreneurs took over such industries as banking, mining, shipping, sugar and textiles. Thereafter the State was free to concentrate on such industries that were vital for national defence like military and heavy industries.

The prejudice attached against commerce and finance from the feudal days was sought to be eliminated. Instead, businessmen were projected as men who served the nation much the same way as political leaders and soldiers.

Industrial production was the basis of national strength and economic independence. The government created such conditions and institutions as were necessary in modern capitalism i.e. a large domestic market to attract private investment, banks, competition, recognition of profit motive and institutionalization of private property. The twin policy that was followed by the State to foster capitalism were: offering various concessions, facilities, and protection. It also exercised certain degree of control on capitalist class in the name of administrative guidance. A beneficiary of this policy, for example was Mitsubishi which was able to set up a shipping line to compete with foreign shipping lines. This company gradually started supplying material and men to difficult but trouble ridden places on government's behalf and made enough profits.

8.6.2 Private Enterprise

Private enterprise was seen as an essential economic activity to fulfil such national

of the capitalist class was provided financial assistance as well as a fostering favourable public opinion. Government successfully convinced the masses that profit was not exploitation but a right reward for capitalist class for its activity in the service of the nation. And there was nothing immoral about expecting and working for profit. The capitalistic process of production was used to increase Japan's international competitiveness. The Meiji State saw to it that capitalism and nationalism remained in harmony. Business enterprises were held in check and prevented from asserting itself and posing a challenge to political authority.

The Meiji leaders visualized both internal and external competition. Internal competition was good as long as it led to excellence. Thus promoting mutual cooperation and assistance to country's benefit was of utmost importance. While internal competition was regulated, the external competition almost took the form of commercial war with Samurai spirit. The aggressive spirit and competitive temper was directed at outside world to realize Japan's objectives.

Regulated capitalism meant good scope for government's interference. The majority of businessmen accepted regulations in larger interest of the nation. Such items as importance of group solidarity, supremacy of the national interest, desirability of paternalistic authority of the State, sacrifices in the larger interest of society were favourably considered in the business circles. Business almost became a patriotic service to the nation and the business leaders eventually got absorbed into power structure.

8.6.3 Other Side of Capitalism

As capitalism advanced further, patriotism was used as a cover for securing greater protection from the State against external competition and internal problems. It was also used to subvert social action which might provide relief to the victims of capitalist system. The business leaders convinced themselves that exploitation — long working hours, low wages — was not bad as long as it benefited the nation as a whole. Indeed no distinction was officially made between the exploiters and the exploited and between capital and labour in Japan. However, it was a fact that ultra nationalists, leftists and others criticized businessmen for being selfish, profit-seeking and exploitative. And, the working class was made to bear the burden of economic growth in the name of nationalism. There was no better way for workers to show their patriotism than to work harder and long hours.

The business leaders considered low wages as necessary to accumulate capital and march ahead in industrialization. Cheap labour was in fact Japan's weapon in its struggle against others, and it was put into effective use in creating further capital. As sailors and soldiers sacrificed in the cause of the nation, in the same way workers were urged to forget their interests to help promote development of industry and production. Thus, capitalism in Japan produced more or less the same results as elsewhere: long working hours, low wages, poor working conditions, employment of girls, dormitory life and so on. Government also failed in adopting any meaningful social welfare and relief policy.

8.6.4 Capital Formation

Mobilizing capital and human resources was one of the Meiji achievements. It also in turn depended on quality of the population and a combination of fiscal, monetary and social policy by the government. Population tended to consume less and save more. Habitually the Japanese conform to discipline and hard work. These were further reinforced by constant indoctrination. Between 1895 and 1914 when Japan achieved real growth, it was able to save between 12 and 17 per cent of its national income and use it for investment. Revenue obtained from agricultural taxes was used in the Meiji era for public projects to cause economic growth like factories, irrigation facilities, railways, schools. In contrast, manufacturing was subsidized.

To encourage voluntary savings, savings bank was opened in every post office. Besides, commercial banks turned very active in rural areas. Private deposits in national banks rose from over Yen 51 million in 1891 to Yen 1307 million in 1907. Postal savings shot up from 19.20 million in 1890 to 51.5 million in 1905. The increase in savings was achieved by cutting down consumption drastically.

Through the modern banking system capital was successfully channelled into the growing industrial sector. This capital came from wealthy merchants and landlords, and also successful exporters of raw silk and tea. Hard currency which had been hoarded out of distrust in the new economic and political system began to circulate again widely.

The benefits of foreign trade began to spread to the rural districts. Money power tickled many unwary men and reduced them to peasant status. However, as far industrialization was concerned they became involved by sending their daughters to spinning mills and by participating in new employment possibilities.

8.6.5 New Business Opportunities

As in business the declaration of freedom of commerce opened opportunities in port cities, opened doors for a new brand of marginal corner-cutting money makers who bought up export goods and made quick kills with currency speculation and armament trading. Its negative impact was that such pillars of merchant wealth as Tenojiya, Kashimaya and Hiranoya went bankrupt. Many merchants were engaged in cotton spinning, railway investments and banking. Also a few pioneered into new areas like sugar refining, machine production and of course foreign trade. Their alertness to profit possibilities kept their wealth increasing.

Early entrepreneurs were restless and marginal men. Due to important change after opening of ports they found their chances in Yokohama and Nagasaki. In Yokohama they bought and sold arms to both sides of Restoration struggle, bought western goods and made lucky start as importers; or even would make good on new opportunities which nobody else realized. In Nagasaki, they encountered western technology notably in ship building. Among these early starters were a few Zaibatsu founders like Yasuda, Okura and Asano; successful export merchants like Otani and Morimura. This group of self-made men whose instinct for money making had driven them move from small to medium and big scale gradually. They knew their worth and tended to rely on no one else. They displayed a tendency towards the one-man boss business. The early upstarts were found in banking, railway building, heavy industry and electricity. Their small scale pioneering made them prone to seek new ways both to benefit themselves and fulfil perfectly the general needs of modernizing economy.

Check Your Progress 3

- Note: i) Use the space below for your answer.
ii) Check your answer with the answer given at the end of the unit.

1) How did Japan promote capitalism?

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2) Name some of successful Meiji business leaders.

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8.7 LET US SUM UP

Japan was the first country in Asia that used education to inculcate nationalistic feelings among its people most successfully to attain goals in economy, politics,

military and society. Japan borrowed from the west whatever it considered would help in modernization of Japan — to enrich its culture, for a better political organization, for greater knowledge of science and technology. Besides, the search for, and exploitation of opportunities for individual advancement were encouraged throughout. While becoming a great power and standing on-par with most advanced countries of the West the 'Japaneseness' was preserved. The changes that were introduced after 1868 brought about geographical mobility, exposure to the media of communication, growth of literacy, urbanization, and the growth of modern industry — all of which disturbed and scattered village and family loyalties. And the focus of national loyalty projected thereafter were the Emperor and the State.

Structural content was one source of complexity in that Japan's particular social organization; political structure and cultural patterns were primary determinants of Japanese nationalism. The highest form of nationalism that Japan experienced has been labelled as 'ultra-nationalism'. It is established that modern Japanese nationalism stemmed from the impact of European power in the closing period of Tokugawa era. Japanese nationalism refused to unite with the forces of democracy. Instead, the tendency was to symbolize the State as the direct extension of the primary unit (family or village) in which the individual is submerged i.e. the concept of 'family-State'. Moreover, successive foreign victories and imperial expansion gradually strengthened the national consciousness.

The development of Japanese capitalism was always attained at the sacrifice of agriculture; and the development of industry was always lop-sided, since capitalism developed by the concentration of specially favoured capital allied with State authority. And gradually, this capitalism expanded into colonialism.

8.8 SOME USEFUL BOOKS

Narasimha Murthy P. A., 1973, *Rise of Modern Nationalism in Japan*, Ashajanak Publications, New Delhi.

Nobutaka Ike, 1972, *Japanese Politics*, Alfred A.no. P.6, New York.

Peter Duss, 1976, *Rise of Modern Japan*, Hughton Mifflin Co., Boston.

Robert E. Ward, 1978, *Japan's Political System*, Printice-Hall Inc., New Jersey.

8.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Answers to Check Your Progress 1

- 1) Nippon or Nihon.
- 2) Rice, wheat, barley, tea and millet.
- 3) They were nominated regional rulers during Tokugawa era.
- 4) Baku-han.
- 5) Commadors Perry of United States of America.
- 6) Japan lacked contact with advanced countries of the west and thus remained behind. Since merchants were prevented from moving abroad, Japan could not increase trading chances.

Answers to Check Your Progress 2

- 1) It is one's love for his community, region and nation at large.
- 2) Keichu Azari, Kama Abuchi, Motori Norinaga and others.
- 3) A school of thought that believed in and propagated the restoration of political authority to the Emperor.
- 4) Because there was a threat of foreign invasion, problem of national independence and internal unity and European colonial expansion in Asia.

- ② A concept that depends upon the principle of paternal authority and control, seniority status; and Emperor at the land.

**Historical Context: Nationalist
Upsurge and Rise of
Capitalism**

Answers to Check Your Progress 3

- 1) By creating a large domestic market to attract private investment, banks, competition, recognition of profit motive and institutionalism of private property.
- 2) Lwasaki Yataro, Bodai Toamatsu, Shibusawa Eiichi.

UNIT 9 POLITICS: STRUCTURE AND PROCESSES

Structure

- 9.0 Objectives
- 9.1 Introduction
- 9.2 Constitution
- 9.3 National Diet
 - 9.3.1 Functions of Diet
 - 9.3.2 Diet Operation
- 9.4 Local Government
- 9.5 Electoral System
- 9.6 Political Parties
 - 9.6.1 Liberal Democratic Party
 - 9.6.2 Social Democratic Party of Japan
 - 9.6.3 Japan Communist Party
 - 9.6.4 Komeito
- 9.7 Party Support
- 9.8 Nexus
- 9.9 Interest Groups
- 9.10 Bureaucracy
- 9.11 Achievements of Japanese Government
- 9.12 Let Us Sum Up
- 9.13 Key Words
- 9.14 Some Useful Books
- 9.15 Answers to Check Your Progress Exercises

9.0 OBJECTIVES

This unit deals with Japanese political structure and process. After you go through them, you should be in a position to:

- explain the nature and importance of Japanese Constitution, and distinguish between Meiji and Contemporary Constitutions, changed status of Emperor and functions of National Diet as well as local government
- describe Japanese electoral system and various political parties, their strength and programs
- define how and where from the Japanese parties draw political, voting and financial support
- explain the roles of Japanese bureaucracy and interest groups as well as
- conclude achievements of the Japanese government.

9.1 INTRODUCTION

A political system is a mechanism for the identification and formulation of problems, and for making and administering of decisions in the realms of public affairs. The official machinery by which these are administered is called government. The net outcome of this process are formalized and legitimized as achievements of government. Government is only a part of the whole political system that includes: (a) the society's historical heritage, (b) geographic and resource endowments, (c) its social and economic organization, (d) its ideology and value systems, (e) its political culture and style and (f) its party, interest and leadership structure. These two categories together with government structure constitute the

Japanese political system. Politically, Japan was an empire ruled by an emperor who claimed direct descent from the Sun goddess.

Just over a century from the Meiji Restoration of 1868, there is an almost different Japan today which is urban, industrial, commercial and technologically advanced. During this period i.e. after 1868, the isolated Japanese kingdom had become a great empire, dominating the entire Eastern Asia, but all these territorial gains were lost with Japanese defeat in Second World War. Thus, from small beginnings there emerged a modern, industrial, commercial and a very successful Japanese economy.

Great changes in social organization had also taken place from late 19th century onwards. Class stratification had been abolished; free, public and universal education had been introduced. Social and economic opportunities and mobility had greatly increased. Equality before law had been established. National standards of living and public welfare as well as security increased to levels unknown in Asia so far. Politically Emperor remained in Tokyo, as a symbol but not as ruler. Old mobility had disappeared and been replaced by a popularly elected national parliament called Diet. Universal adult suffrage had become the rule. National as well as local government are both elective and representative. Public affairs are being administered by a large professional bureaucracy.

From a defeated and occupied enemy, Japan became the most valued and important ally of the United States in Asia. Now, Japan's economy and productive capacity are one of the Western Alliance's greatest assets. Japan's willingness to continue as principal American military base and diplomatic associate in Asia had become important in international politics/relations. Therefore Japan occupies a very significant place both in Asian and world politics as well as economy. As the Gulf War of January 1991 demonstrated, for any war that America has to fight here after, Japanese financial support has become inevitable. Though America has won this Gulf War militarily, yet in light of declining American economic performance and increasing political and economic problems, the Japanese support to both the American economic system and international system is very crucial.

9.2 CONSTITUTION

Japan is a constitutional State. The basic principles of the present Constitution are:

- a) Sovereign power is vested in the people and the Emperor is the symbol of the State. The Preamble reads: "we, the Japanese people do proclaim that sovereign power resides with the people and do firmly establish this Constitution". Article 1 says: 'The Emperor shall be the symbol of the State and of the unity of the people, with whom resides sovereign power'.
- b) The Spirit of Peace — Article 9 has made Japan the world's first country to renounce the right of belligerency. The Preamble declares: 'we the Japanese people, desire peace for all time and are deeply conscious of the high ideals controlling human relationship, and we have determined to preserve our security and existence, trusting in the justice and faith of the peace-loving people of the world'. "Aspiring sincerely to an international peace based on justice and order, the Japanese people for ever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes". To realize these, "land, sea and air forces, as well as other war potential, will never be maintained. The right of belligerency of the State will not be recognized.

The Article 11 declares, "the people shall not be prevented from enjoying any of the fundamental human rights". Article 12 and 13 cite a broad range of human rights e.g., the right of equality and freedoms, social rights, political rights including suffrage. This Constitution also sets out such fundamental rights as freedom of thought and conscience, freedom of religion, academic freedom, freedom of assembly and association, freedom of speech and publication.

The Constitution of 1947, when compared with the Meiji Constitution of 1889, is altogether different concerning the status and power of the Emperor. Under the Meiji Constitution sovereign power resided in the Emperor.

The Meiji Constitution was greatly influenced by Prussian organic law, under which, despite the separation in principle of the three functions of administration, legislation and judicature, virtually everything was submitted to the Emperor for inspection.

Other Imperial prerogative under the Meiji Constitution concluded a declaration of war and the conclusion of treaties (Article 13). The proclamation of the law of seige (Article 14) and such administrative acts as issuance of urgent Imperial ordinances (Article 8 and 9).

The Imperial Diet consisted of two houses — the House of Representatives, with elective members, and the House of Peers, with a membership consisting of members of Imperial family, peers, and Imperial nominees. The opening, closing and suspension of Diet sessions and the dissolution of the House of Representatives were part of the Imperial prerogative.

Besides the ministers and privy council, as advisers and advisory organs there existed Genro (senior statesmen) who were not bound by Constitutional stipulations. Genro performed such functions, as for example, designation of Prime Ministers. Article 11 of the Meiji Constitution said 'The Emperor is the supreme command of the Army and Navy'. The right of the supreme command pertained to the specialized matter of military strategy and movements.

As for the judicial power, the Meiji Constitution provided that 'the judicial power shall be exercised by the Courts of Law according to law in the name of the Emperor' (Article 57). However, in the affairs of the State Emperor reigned but did not rule.

The present Constitution of Japan clearly proclaims the separation of three powers of administration, legislation and judiciary.

In regard to legislation, Article 41 stipulates "The Diet shall be the highest organ of State power, and shall be the sole law making organ of the State". The Article 65 states 'Executive power shall be vested in the Cabinet'. And on judicature Article 76 provides that 'the whole judicial power is vested in a Supreme Court and in such inferior courts as are established by law'. The Diet is recognized as the "highest organ of State power", consisting of members elected by the people with whom sovereign power rests.

Thus, Japan now is a parliamentary democratic State. Diet is the sole legislative branch under the people's sovereignty and the Cabinet is invested with executive power. And also that the judicial power is vested in the Supreme Court and such courts as established by law — e.g. High Courts (8) and District Courts (47). Supreme Court is vested with highest power to determine the constitutionality of any law, order, regulation or official act.

Thus, the present form of Japanese government is based on the Constitution of 1946. In substance, this Constitution which is a total revision of 1889 Meiji Constitution, has drastically transformed the governmental structure of Japan. The foremost difference is the transfer of sovereign power from the Emperor to the people.

Check Your Progress I

Note: i) Use the space below for your answer.
ii) Check your answer with the answer given at this unit.

1) Name the major islands of Japan.

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2) What was the nature of Japanese society in the 19th century?

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3) Mention the year of Meiji Restoration.

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4) Which country is Japan's military ally?

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5) Mention the spirit of Article 9 of Japan's Constitution.

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9.3 NATIONAL DIET

Before World War II, the national legislature was known as the Imperial Diet. Today it is called the National Diet (Parliament). Japan was the first Asian Country to establish a popularly elected legislature (1890). The Diet is the backbone of Japan's parliamentary democratic politics. Articles 41 and 42 of the Constitution state that the Diet is to consist of a House of Representatives and a House of Councillors and it is to be the highest organ of State power and the only organ of the State. Its power derives from the authority of the people in whom resides sovereignty.

The House of Representatives consists of 512 members elected from the nation's 130 constituencies (medium-sized electoral districts), each sending three to five members to the House. According to Article 45 of the Constitution the term of members of the House of Representatives shall be four years. However, it can be terminated before full term if the House of Representatives is dissolved.

The House of Councillors consists of 252 members — 100 members elected from the national constituencies. According to Article 46 of the Constitution, "The term of office of members of the House of Councillors shall be six years, and elections for half the members take place every three years".

The House of Councillors cannot be dissolved and nobody is allowed to be a member of both the houses simultaneously. The strength of the political parties in the two houses of the Diet as on June 1991 is as follows:

Party Strengths (as on June 1, 1991)

House of Representatives		House of Councillors	
Independence	5	Vacancy	1
Shinpo Minshu Rengo	5	Independents	4
DCP	14	San-in Club	4
JCP	16	DSP	10
Komeito	46	Rengo Sangiin	12
SDPJ	139	JCP	14
LDP	279	Komeito	20
—	—	SDJP	73
—	—	LDP	114
Total	512	Total	252

Sessions of the House of Representatives are of three kinds: ordinary sessions, extraordinary sessions and special sessions.

Ordinary sessions of the Diet are convoked once a year, in December. The most important bill presented at an ordinary session is the next years' budget.

Extraordinary sessions are convoked when the Cabinet considers it necessary or when one-fourth or more of all the members of either house demand it. Special sessions are called within thirty days of a general election held after the dissolution of the House of Representatives. Selection of Prime Minister is generally considered an essential and urgent business. It is possible for a special session to be convened in place of an ordinary session.

The duration of the session is decided by the Diet itself. Both the houses have extensive autonomy. Diet members are not liable to be held outside the House for speeches, debates, or votes cast inside the House. The Diet members are entitled to an annual allowance equal to that of the highest ranking civil service officials. Travel, postage and other expenses are also available to the Diet members. Members also can obtain such benefits as offices, secretaries and free rail travel.

9.3.1 Functions of Diet

The Diet, as the sole law making organ of the State has powers to (i) initiate constitutional revision, (ii) set up a court of impeachment, (iii) decide on the budget, (iv) approve treaties and (v) appointment of new Prime Minister.

House of Representatives has the power to present a no-confidence or confidence motion/resolution. House of Councillors has the power to convoke emergency sessions.

Other main Diet functions include appointing members of the Central Election Management Agencies (public offices elections law), instituting removal proceedings against public officials (National Civil Service Law), approving mobilization of national defense forces, and approving the proclamation of a state of emergency.

Legislation is the key function of the Diet. The Cabinet issues ordinances while other administrative organs issue ministerial ordinances and determine regulations and guidelines.

The Constitution admits that the House of Representatives takes precedence over the House of Councillors in the law making process. When the House of Councillors makes a decision different from that of the House of Representatives on a bill passed by the latter, that bill becomes law when the House of Representatives passes the bill a second time by a majority of $\frac{2}{3}$ or more of the members present.

The budget must be drafted by the Cabinet and submitted to the Diet for review and approval. It is the House of Representatives that has the right to prior deliberation on a budget bill. It is an established custom for the House of Representatives to deliberate on the conclusion of treaties first. The House of Representatives also has precedence over the House of Councillors in designating a new Prime Minister.

The Prime Minister has the authority to control and supervise all the various administrative branches of the government. The Prime Minister and his cabinet have important judicial and legislative powers.

9.3.2 Diet Operation

There are 16 standing committees provided for by the Diet Law, and associated special committees are also established during each Diet session. The committees thus have become the main arena for Diet business. Accordingly, as soon as party representatives have interpellated the Government on its key policy addresses, the focus of the Diet activities moves to the committee meetings.

For acceptance for deliberation of a Diet member's proposal the assent of at least 20 members in House of Representatives and 10 members in House of Councillors is required. In case of budgetary allocation involved in the measure, then assent of 50 members in House of Representatives and 20 in the House of Councillors is required. These are the reasons why smaller parties in general elections set the target to win at least 20 and 50 respectively.

Assemblies are open to the public but the committee meetings are partially open (besides Diet members, news gatherers). The Prime Minister and other Cabinet ministers may appear in either House to speak on measures. Though Diet operations are organised in line with parliamentary system, yet in actual practice, often it does not function as expected.

As Japan has adopted parliamentary system of government, the Prime Minister is selected from the Diet by its members. The Cabinet consists of the Prime Minister as its head and other ministers appointed by the Prime Minister.

The Prime Minister in representing the Cabinet submits bills, reports to the Diet on general national affairs and foreign relations and exercises control and supervision over various administrative branches.

Normally a Cabinet minister heads one of the 12 ministries or one or more of the agencies coming under the Prime Minister's Office such as: Economic Planning Agency, Environmental Agency, National Public Safety Commission, Management and Coordination Agency, Hokkaido Development Agency, Defense Agency, Science and Technology Agency etc.

In the event of a vote of no confidence by the House of Representatives, the following courses of action may be taken:

The Prime Minister and his Cabinet may resign at once, in case the Diet designates a new Prime Minister; the Prime Minister may dissolve the House of Representatives and call for a general election, in which case the Prime Minister and his Cabinet must resign as soon as a new House is elected.

The Diet is the highest organ of the State and the only law making body. It consists of two Houses — House of Representatives (512)/House of Councillors (252). Each of the two Houses establishes standing and special committees.

9.4 LOCAL GOVERNMENT

Before World War II, Japan had an extremely centralized form of government. The American authorities who were in charge of the Allied Occupation of Japan (1945-52) had democratization of Japan as one of the goals. Then, the Japanese government required decentralization through the granting of extensive rights of

this process, local government was made directly responsive to local desires and conditions and its democratic potential was greatly enhanced.

Local government is organized into forty-seven prefectures that are further divided into cities, towns and villages. Public elections for heads of local government: prefectures, governors and city, town and village Mayors, as well as local assembly members are provided for by Article 92 and 93 of the Constitution. Elected directly by the popular vote, the chief executive officers of local government (a) represent and supervise their government, (b) direct and control their personnel in administrative matters. Governors and Mayors are also responsible for the presentation of the budget and other bills to their assemblies.

Besides, there are unicameral legislative assemblies on a prefectural and municipal basis. These assemblies (a) deliberate on the enactment and abolition of ordinances, (b) approve the annual budget and (c) authorize the final accounts of revenues and expenditures.

The local self-government in Japan bestows on the local populace the right to demand through set procedures (a) the establishment or abolition of ordinances, (b) auditing of revenues and expenditures, dissolution of the assembly, (c) recall of assembly members or chief executive officers.

The increased activity and success of the opposition political parties is an important development in Japanese local politics. However, local autonomy in the true sense does not exist because of the dependence of local governments on the central government.

Growth of Japanese industry, socio-cultural activities, transportation and communication means together have enlarged people's daily movements. There is a need for better coordination of regional and local administrative programs. In addressing new problems and challenges in Japan, local autonomy may create more demands for changes in structure and processes of political administration.

Check Your Progress 2

Note: i) Use the space below for your answer.

ii) Check your answer with the answer given at the end of this unit.

1) What is National Diet?

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2) Mention the strength of House of Representatives.

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3) Mention whether House of Councillors or House of Representatives is most powerful.

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4) Name 2 or 3 Diet standing Committees.

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5) What is the nature of Japanese local politics?

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9.5 ELECTORAL SYSTEM

Japan's electoral system continues to evolve through the experience of its actual application even today. The Constitution and related laws guarantee a democratic system of elections in Japan based on the fundamental principles of universal and equal suffrage and direct and secret balloting. The right to vote is guaranteed to every Japanese person aged 25 or above, and eligibility to run for office is qualified by a minimum age of 25 years for House of Representatives and 30 for House of Councillors.

Though Japanese electoral system is sound in terms of its basic principle, yet there exists a good scope for improvement in such matters as for example: (a) electoral district constituency system, (b) number of Diet members and the management of free and fair election campaigns.

Views about the present medium sized constituency system and call for revision are due to frequent infighting between members of the same party. These constituencies have become breeding ground for factions within the parties and require a lot of money to win an election. Related to these are instances of political corruption etc.

As to the question of direction of desirable reform, the opposition parties favour large constituencies with representation proportionate to the number of voters which is favourable to small and medium parties, whereas, the ruling party favours small constituency proposals.

The political funds control law was designed to provide for the public disclosure of political funding and to set limits on political donations with a view to assuring corruption-free political activities and fair elections.

According to law an individual is allowed to make a maximum political contribution of Yen 20 million in a year to political parties or their fund raising organs and Yen 10 million to a political association/factions/supporter organizations etc. Business corporations, labour unions and other agencies also can make political donations; the maximum amount is decided according to the size of the company or group.

9.6 JAPANESE POLITICAL PARTIES

Democratic parliamentary politics operates through political parties. There are three types of parties. One is the conservative block, the largest of which is the ruling Liberal Democratic Party (LDP) and the second block is the Socialist block and its centre is Social Democratic Party of Japan (SDPJ). From time to time factions and groups have come out of this block to form minor groups; even

with some electoral success they remain insignificant in very influential Japanese political world. The third group consists of two distinct minor parties: Japan Communist Party and Komeito. Though it has some factions, throughout the postwar period there is only one Communist Party in Japan. Komeito is considerably successful in all elections since its founding in 1960s.

9.6.1 Liberal Democratic Party

The Liberal Democratic Party emerged in its present form in 1955 as a result of merger of Liberal and Democratic Parties. Despite its continuous good performance at the polls, it is not a truly mass membership organization. Its membership is far lesser compared to Japan Communist Party or even Komeito. The party's central organization is complex. The power or authority is exercised by a party Congress composed of professional political leaders. Usually LDP's president becomes the Prime Minister of Japan. Other influential offices are those of Vice-President and Secretary-General. Through its organizational apparatus and committees, the party decides its policies and attempts to realize them through parliamentary means.

Election campaign being expensive, the ruling party is involved in political corruption and various financial scandals in the last few years. Such scandals even cost offices to the concerned politicians. The recent popular scandal is Recruit Cosmos Scandal, and Sagawa Kyubin Scandal which have negative impact on LDP. Because of involvement, Cabinet ministers and Prime Minister had to resign.

The program of LDP changes with the issues that are important at any given time. Ex.: in 1991 whether or not to send Japanese troops to participate in the peace-keeping operations during the Gulf War, was very important issue for the LDP. However, its regular business is how to maintain majority party status and continue to rule Japan.

9.6.2 Social Democratic Party of Japan

Though socialist and left wing parties existed in Japan before the Second World War, they were of little significance. For a brief nine month period, they were able to form a weak coalition Cabinet in 1947-48. However, all its factions were united in 1955.

SDPJ's program is decided by the issues of the union movement and other national and international debates. As things stand, SDPJ is somewhat farther from the possibility of forming its own government. Its major worry is how to save further losses of seats to the JCP and Komeito.

9.6.3 Japan Communist Party

Japan Communist Party has been a legal political party in Japan since 1945. It has fielded candidates in all general elections since 1946. About 60% of support for Communist candidates usually come from metropolitan areas and remaining from urban areas. No national federation of union backs JCP. Left oriented trade unions, Democratic Women's Organization, Retailers' Associations, and Students support Communist candidates. The real success of the candidates is due to the quality of JCP organization and leadership. The formal power of the party is vested in a Central Committee. Above this stands a presidium elected by the Central Committee. At the top a standing committee of the presidium actually controls the party. At present JCP claims a strong base of 3,50,000 registered members. The party's official daily newspaper called AKAHATA (Red Flag), has a daily circulation of 5,50,000 and 1,950,000 for the Sunday edition. The party publications are a lucrative annual income for the JCP.

Democratic youth organization is most important among the JCP-led popular fronts. It has branches in all Japanese prefectures. The youth organization also serves as a recruiting device for the party and influencing student activities on college and university campuses.

JCP favours abrogation of US-Japan Security Treaty; reduction in defense expenditure. In domestic policy, JCP advocates nationalization of energy industries, higher prices for farm produce, a new land reform program, large increase in

welfare and social security measures and a halt to inflationary government spending. Presently, JCP proclaims that it is free from Russian or Chinese influence. Because of widespread suspicion and mistrust with Japanese, JCP is not likely to be invited to participate in any coalition government in the immediate future.

9.6.4 Komeito

Generally speaking Japanese religious groups have not organized their own political parties in Japan. Therefore, Komeito is very interesting party. Komeito means clean Government party. Till recently Komeito explicitly represented Soka Gakkai, one of the new religions of Japan, which claims a membership of 10 million.

In 1971 Komeito severed its official connection with Soka Gakkai to maintain its status as a secular political party. Though for a long time many leaders continued to hold offices in both the organizations, subsequently the two organizations have been separated. But still Komeito's voting support mainly comes from Soka Gakkai.

Since it is a mass-based organization, Komeito has similarities with JCP in structure and character. Komeito has been closely identified with a variety of issues: to improve quality of life, cost of living, social security, tax reduction to small businesses, income tax reduction and pension for the aged etc. Komeito opposes the government control of education and advocates free medical care for the aged and increased subsidy for the farmers.

In foreign policy, the party desires abolition in phases of US-Japan security treaty, conclusion of non-aggression pact with Soviet Union, People's Republic of China, establishment of nuclear-free-zone in Asia and Pacific, conclusion of peace treaty with the Soviet Union (now Russia) upon return of disputed islands.

Komeito's continued reliance on Soka Gakkai makes it unacceptable to general public and floating voters. Komeito's further progress depends on its participation in a coalition government. Its ability to come to power and govern on its own is difficult under the present circumstances.

9.7 PARTY SUPPORT

Supporting Japanese parties are personal support organizations called Koenkai. There are also financial support organizations. Important leaders have their own entities of this kind. In case of SDPJ, national labour unions function like Koenkai.

Intra-party relationship is primarily personal and direct, centred on allegiance to the individual leader and not usually to the party as a whole. A faction functions very much like an independent party elsewhere. It recruits candidates, provides campaign funds, helps its members to advance in government and in the party. In case of LDP, always it is the faction strength that decides who is to be the Prime Minister.

The interest groups that support Japanese political parties constitute another segment of the political process. While it is not unmindful of farm interest, the LDP essentially represents the interests of big business. LDP's support primarily comes from big business and the higher civil services. Business leaders do not become members of the Diet, but the LDP quite often still recruit former higher civil servants who go into politics. In recent years one out of every four members of the LDP in House of Representatives and perhaps one out of three members in House of Councillors comes from the bureaucracy. This is because higher civil service people have expertise in public policy and good connection in financial circles and also with incumbent bureaucrats. Therefore, they climb rapidly in the LDP hierarchy and also influence the formation of public policies.

The Sohyo — the General Council of Trade Unions of Japan — is a leftist labour federation comprising the Japan Teachers' Union, the National Railway Workers' Union and so on. More than one-half of the Socialist members are former labour union officials.

The growth and success of Komeito in the last twenty-five years have been attributed to its strong grass-roots base. Things are so managed to provide a

pre-arranged number of votes per block for their candidates. Its support comes from the lower-middle and middle-class urban votes.

9.8 NEXUS

The close cooperation among political leaders, top bureaucracy and big business grew out of Japan's need to answer the challenges by the superior western countries.

'Japan Incorporated' is generally used to refer to the close relationship which government and business developed after the Second World War for the purpose of national reconstruction and economic growth. This combined effort by the public and private sectors enabled Japan to catch up with, and in some areas even to surpass, the advanced industrial nations of the West.

Defeat in war spelled the end of protective competition and in the place the new leadership structure emerged, in which business leaders, bureaucrats and politicians remained pivotal in determining the nation's future.

Business enjoys access to the top administrative and political leadership and it would be fair to characterize the general political climate as one favourable to business enterprise. Thus, in Japan, business has won a greater right to be consulted but has avoided any confrontation with the politicians.

Government in seeking to enhance Japan's international competitiveness intervene in such matters as mergers, import restrictions, limitations on foreign investments, and so on. Business firms appear to be willing to subordinate their concern for profit to the larger national interest.

9.9 INTEREST GROUPS

As Japan grew more complex, more and more individual and group actions are significantly affected by the decisions and actions of legislators and bureaucrats. As a result, sectional interests and their involvement with the government increased.

In post-war period the nature of Japanese interest groups has changed as rapidly as Japan's economic structure. One of the very important Japanese interest groups is Agricultural Cooperative Association, (associated with this are: National Federation of Agricultural Cooperative Purchasing Associations, National Federation of Agricultural Marketing Associations, Japanese Forestry Association etc.). All these support political causes and provide financial support to candidates.

The major operators are, however, the representatives of organised business and organised labour. The Japanese call business interests collectively as **Zaikai** in a political context. The Federation of Economic Organizations is the most important and powerful of these groups. Its membership comprises to about seven hundred largest corporations and more than hundred industrial, financial and commercial associations of business interests. Its function is to provide a mechanism for big business to discuss its common concerns, seek a consensus and represent its views to the government, political parties, bureaucracy and general public. It also speaks for Japanese trade overseas. It has regular meetings with the Japanese government and ministries, particularly with the Ministry of International Trade and Industry. Systematically the FEO attempts to influence governmental, industrial and trade policies. Politically the FEO is a strong but not a very satisfied supporter of the ruling LDP. The FEO supply LDP's major campaign and operating funds.

The Federation of Employers' Organizations concentrates almost exclusively on problems of labour relations viewed from management side, and includes over sixty thousand member firms. The Japan Chamber of Commerce is the overall representative of both large and small business in Japan and has a membership of about 250,000 firms.

The Japanese labour is well organized. The size of the Japanese labour force is about 55 million. They are not organised on industrial line but on the basis of enterprises, i.e., a given union consists of workers in a particular plant, mine or factory, except for higher management.

The largest, most important and politically active of federations, is the General Council of Japanese Trade Unions called Sohyo. About 22,000 unions and 4.5 million members are affiliated to Sohyo. Sohyo is very active in Japanese politics. It is the principal source of organized popular support for SDPJ.

The second largest national federation of Japanese Labour Unions is Japan Confederation of Labour called Domei.

Others are: Japan Doctors' Association, Housewives' Association, Japan Mothers' Conference, All Japan Federation of Local Women's Organizations etc. Major political parties maintain women's division, local residents' association etc.

Local government interests in Japan have also found it beneficial to organize nationally to represent collective interest effectively. Ex.: National Association of Prefectural Governors, National Association of Chairman of Prefectural Assemblies, National Association of City Mayors and so on.

Some of the recent popular citizen's movement include anti-pollution movement, consumers' movement, environmental lobby. Together they are successful to some extent as they lobby not to generally allow new polluting industries to set up on the ground of protecting clean environment.

Thus, Japan has a large and increasing number of interest groups. A majority of them are involved in both national and local politics. These groups supply votes and funds to parties and candidates in exchange for favourable policies, concessions and benefits. Political interest groups have established a firm and expanding role for themselves in Japanese political system.

9.10 BUREAUCRACY

Bureaucracy forms the core of modern government. It performs a multitude of functions. Bureaucracies enforce laws, policies or decisions.

Japanese bureaucracy played a particularly important role in national development from the last quarter of 19th century. Japan is the first historical example of developmental nationalism, a value system for which the bureaucracy helped to mobilize commitment. Even today the bureaucrats represent the major ruling force in Japanese politics.

Hundreds of commissions with a total membership of thousands have been set up to advise the government. They consist of officials from concerned ministry or agencies, retired bureaucrats, Diet members, businessmen, scholars and labour union officials. They represent both the public and the economic interest involved.

Japan's first bureaucrats during the Meiji period were drawn from lower Samurai and some Court nobles. Gradually, as the need for a new system of recruitment became apparent, a civil service system based on competitive examination was introduced. Till today, the government supported institutions, particularly To University graduates have been disproportionately numerous in Japanese bureaucracy.

Corporations often seek to put retired bureaucrats on their payroll. Interest groups serve as stepping stones to elective office for the bureaucrats. When a bureaucrat decides to resign from the civil service and runs for elective office, he often seeks support these organizations with which he had close contact while serving as an administrator.

Before the war, when political parties were weak and could not control government, career civil servants were often named to Cabinet positions. But after the war, the ambitious bureaucrats who wish to get to the top must leave the bureaucracy, run for elective office and attain the leadership within the party. While in bureaucracy, the civil servants take advantage of their office to cultivate contacts with corporations, interest groups, local political leaders and others who help them when they enter new political career. Once elected, they rise fairly faster

to positions of leadership within the LDP because of their knowledge and administrative skills and their connections with government agencies. As Japan has a one party dominant political system, until political reforms are effected, this practice is likely to continue.

Check Your Progress 3

Note: i) Use the space below for your answer.

ii) Check your answer with the answer given at the end of this unit.

1) Name three types of Japanese political parties.

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2) Name the ruling Party of Japan.

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3) Name 2 Cadre-based parties of Japan.

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Explain SDPJ

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5) What is Sohyo?

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9.11 ACHIEVEMENTS OF JAPANESE GOVERNMENT

It is important to examine and evaluate how the Japanese political system performs as a whole entity. Contemporary Japanese support for their political system emanates from their belief that democracy is the best form of government and elections are essential to popular government and political parties are an important

guardian of democratic rights. Thus, voting levels are high Truly massive organised political demonstrations are common in Japan. Such issue as US- Japan security treaty , Vietnam war, anti-war and anti- nuclear protests are very significant underlying this important aspect of Japanese political life is an overall tendency towards enhanced social control. Japan supports general acceptance of contemporary political forms and solutions.

Japanese government has demonstrated fairly high levels of capability. Decision to limit expenditures on defense and social programs and rapidly expanding revenue base have all contributed to Japan's fiscal viability and economic growth. Japanese government also has played a key role in economic development and foreign trade. These efforts induced particular industries to develop and protect them from foreign competition. Thus, Japanese government played a dominant political role in national economic development. Many therefore think that Japan continues to be 'Super Capable' at economic policy making.

It is difficult to predict whether Japanese politics in the future also will remain reasonably stable and successful. The transition in Japanese society and economy as well as in the international system is likely to significantly affect Japanese political and economic system.

Check Your Progress 4

Note: i) Use the space below for your answer.
ii) Check your answer with the answer given at the end of this unit.

1) Were American Reforms in Japan successful?

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2) How effective are Japanese opposition parties?

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3) Can LDP continue to rule Japan?

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4) Mention important achievement of Japanese political system.

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9.12 LET US SUM UP

In the second world war Japan was totally defeated and after the war it had been under occupation—of the United States of America for several years. Japan's old political structures were destroyed and its economy was completely shattered. The country indeed had fallen into ruins. Japan had to rebuild on the ruins. As its modernization in the pre-war period was swift, its rebuilding has also been swift in the post-war period. Difference between the two periods, however, are both qualitative and quantitative. While in the pre-war eras Japan had been a Kingdom wedded to militant ultra-nationalism and a power to be reckoned with in East Asia, in the present decades the country is a republic wedded to nationalism distrustful of military adventures and an economic power to be reckoned with throughout the World. Preceding pages have been devoted to study the story of Japan's re-emergence as a world power after it was devastated by the Second World War.

9.13 KEY WORDS

Meiji Restoration	: Central political authority was restored to Emperor Meiji.
Genro	: Elder Statesmen.
Diet	: Japanese Parliament
LDP	: Liberal Democratic Party
SDPJ	: Social Democratic Party of Japan
JCP	: Japan Communist Party
Cometo	: Clean Government Party
Johyo	: Largest Federation of Japanese Labour Unions
Somei	: Second Largest Federation of Labour Unions
Poenkai	: Personal Support Organizations
Zaikai	: Refers to Organized Business and Labour in a political context
Anunto	: Annual Demonstration to demand rise in wages through pressure on private and government enterprises.

9.14 SOME USEFUL BOOKS

- Charles Birgman, 1989, *Japanese Government, Leadership and Management*, Macmillan Press, London, 1989.
- Warren M. Tsuneishi, 1966, *Japanese Political Style*, Harper and Row, London, 1966.

9.15 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Honshu, Hokkaido, Kyushu and Shikoku
- 2) Japanese society was rural, agrarian, immobile, feudal, stratified and authoritarian
- 3) 1868
- 4) United States of America
- 5) By Article 9 Japan renounced the right of belligerency. It said, sea and air as well as other war potential will not be maintained.

Check Your Progress 2

- 1) Japanese parliament is called National Diet
- 2) 511 Seats
- 3) House of Representative is most powerful
- 4) Economic Planning Agency, Environmental Agency, Hokkaido Development Agency, Defense Agency, Science and Technology Agency.

Check Your Progress 3

- 1) Conservatives, Socialists and minor parties
- 2) Liberal Democratic Party
- 3) Japan Communist Party and Komeito
- 4) Social Democratic Party of Japan
- 5) Sohyo is the Federation/General Council of Trade Unions of Japan.

Check Your Progress 4

- 1) Yes, they were successful. Reforms provided basis for continued political and social order
- 2) Japanese opposition parties are very ineffective
- 3) It is doubtful. Because its traditional rural support is declining
- 4) It played an important role in economic development and foreign trade. Also successfully responded to challenges like postwar reconstruction, resource and energy dependency, foreign trade competitions.

UNIT 10 FOREIGN POLICY OF JAPAN

Structure

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Foundations of Foreign Policy in Modern Japan
 - 10.2.1 Basic Objectives of Japan's Foreign Policy
 - 10.2.2 Japan's Foreign Policy Before World War II
- 10.3 Making of Foreign Policy and the Role of
 - 10.3.1 Parliament
 - 10.3.2 Ministry of Foreign Affairs
 - 10.3.3 Ministry of International Trade and Industry
 - 10.3.4 Political Parties
 - 10.3.5 Interest Groups
 - 10.3.6 Public Opinion
 - 10.3.7 External Factors
- 10.4 Japan's Defence and Security Concerns
 - 10.4.1 Defence and Security Policy
 - 10.4.2 Strength of Japan's Defence
 - 10.4.3 Constitutional Limits
 - 10.4.4 Defence Budget
 - 10.4.5 Importance of National Security
 - 10.4.6 Regional and Global Security
- 10.5 Japan's Foreign Relations
 - 10.5.1 India and Japan
 - 10.5.2 Japan: North America and European Community
 - 10.5.3 Newly Industrializing Countries
 - 10.5.4 Japan, Former Soviet Union and China
 - 10.5.5 Japan and Developing Countries
- 10.6 Japan and the United Nations
- 10.7 International Exchange and Cooperation
- 10.8 Let Us Sum Up
- 10.9 Key Words
- 10.10 Some Useful Books
- 10.11 Answers to Check Your Progress Exercises

10.0 OBJECTIVES

The objective of this unit is to help you understand the underlying importance of economic factors in making and application of Japanese foreign policy. It also brings into focus the various priorities and problems that Japan encounters while implementing the foreign policy. Thereafter, it briefly introduces you to Japanese attempts made towards removing global inequalities by promoting both bilateral, regional and global order, development and peace. After studying this unit, you will be in a position to:

- trace the historical background of Japan's foreign policy
- explain the formulation of Japan's foreign policy and role of various agencies in the same
- assess the main character of Japan's foreign policy as well as defense and security policies.

10.1 INTRODUCTION

Today Japan is in a very influential position in the world. Both advanced as well as developing countries hope to improve their relations with Japan. They expect

Japan to provide capital and technology. Meeting developmental challenges and solving international complex political and economic problems is a great challenge to Japan.

The pace of Japan's economic growth in the last few decades is difficult for many to understand. Since World War II Japan has viewed geoeconomic rather than geopolitical influence as the most important source of power in an increasingly interdependent world political economy. However, much Japan may classify its policy as independent, still its foreign policy has a great deal of American influence. The one glaring visible factor in Japan's foreign policy is its democratizing economic content. To some extent Japan did succeed in diversifying its foreign sources of markets, energy and raw materials widely. At the same time these sources became dependent on Japanese goods, services, technology and capital.

Making and implementing foreign policy with a strong geoeconomic factors for a long-term is a difficult exercise for Japan. To provide you a better understanding of Japan's actual foreign relations, for convenient reasons some regions and countries are selected, and introduced. Also introduced to you in this unit is how Japan conducts multilateral relations i.e. through the United Nations by participating in many of its bodies and programme.

10.2 FOUNDATIONS OF FOREIGN POLICY IN MODERN JAPAN

In terms of modernization and industrialization, what the West taught Japan and Japan adopted from the West is indeed impressive. From the recorded account of 20th century, the following events become clear:

- a) In 1900s, Japan brought Western imperialism to a halt in East Asia by defeating Russia, which was then a Western power.
- b) In the 1920s, world trade that was largely dominated by Western countries was challenged by Japanese products copied from Western products and sold at cheaper prices,
- c) In the 1940s, Japan terminated Western colonialism in this part of the world by attempting to build its own brand of colonialism,
- d) In 1960s, Western technological superiority was challenged by imported technology which was improved to meet world market expectations,
- e) In 1990s, by becoming No. 1 creditor country in the world, Japan put an end to Western financial hegemony.

These achievements appear to be remarkable as well as phenomenal for transformation of Japan itself. Considering its achievements at home and influential position in the world many developing countries expect Japan to play a significant role in meeting development challenges as well as solving complex international political issues. Therefore, understanding Japanese foreign policy becomes very important today.

Two sets of circumstances that define Japan's basic position in the world are: (a) geography; conditioned by history and the prevailing stage of technological development, and (b) resource endowment and needs, conditioned by the effective political demands and expectations of the Japanese people. These circumstances cause Japanese government to reflect seriously on the possible implications of their position and on foreign relations in both regional and international terms.

In evaluating Japanese foreign policy issues, it is necessary to keep in mind these geopolitical and geoeconomic factors as well as national security and of resource scarcity factors with its related economic consequences.

10.2.1 Basic Objectives of Japan's Foreign Policy

The basic objective of Japanese foreign policy is to contribute to world peace and stability and to a harmonious progress of the entire international community. Japan claims:

- i) its basic line of foreign policy has been followed without prejudice to the country's friendly and cooperative relations with the Western democracies;
- ii) it is important to maintain and further promote its traditional relations of friendship with its neighbours in Asia;
- iii) its close and abiding relationship with the United States, in particular, is the cornerstone of its foreign policy.

10.2.2 Japan's Foreign Policy Before World War II

For Japan, the 19th century was a period of struggle against countries assumed to be hostile and ready to attack. Therefore, it was natural for the Meiji Constitution to stress the right of the military. From the start Japanese diplomats laboured under the difficulty of foreign language, particularly English and other barriers like Japanese social customs. Besides Genro, army and foreign trade interest groups influenced the decision-making and foreign policy making. Often this led to a lack of communication with other countries in the course of negotiations.

The foreign ministry was a changing institution which went through various phases of development. Up to 1890s a professional service had scarcely been formed. Recruitment was haphazard and career development uncertain. By 1890 and after a professional service had been emerging and there was a uniform quality of entrants. For the next 40 or so years, from this service came the Japanese foreign ministers.

As elsewhere, in Japan also in the 1920s the ministries of defense and trade became more important and influential than the foreign ministry. Military was specially well placed to challenge the civilian government. As military became more influential, the standing of diplomats in society accordingly declined. Once the most popular General called Tojo remarked that "the foreign ministry should confine itself to observing protocol and giving parties to foreign diplomats and leave the real decisions to men with practical knowledge of affairs, namely, the army."

How to sustain a ministry that was declining in importance and how to cope with the challenge of the military were main concerns. Neither professionalism nor seniority counted for promotions. This resulted in diverse responses to the problems of expansion and dealing with military. In 1940s major work of foreign ministry was to perform mopping up operation for the work of military. Inheriting situations that were not its own creation, the foreign ministry was expected to resolve them diplomatically and sustain good relations with foreign countries. Outside powers had little confidence in the Japanese voices for peace. Such great leaders associated with foreign ministry like Shidehara, Tokugawa Iemasa and Shigeru Yoshida proclaimed their distaste for Japan's foreign policies and resigned.

The foreign ministry exists largely for the formulation and implementation of foreign policy. Japan's foreign policy over the years has tended to be hardheaded and materialistic rather than altruistic or ideological. There were many ideologies which the individual foreign ministers tried to impart to Chinese or Asians. However, the following are continuing factors in Japanese foreign relations — not fundamental but superficial: economic and commercial, to obtain access to supplies of raw materials and remove obstacles in the way of a profitable overseas trade, defence, to secure Japan's own shores from attack and to prevent the occupation by hostile countries, to remain on good terms with other countries and, where appropriate, to join international bodies and thus improve Japan's prestige among other countries.

Before World War II, there was continuity in Japan being harsh towards China, in Japan being expansive on the Asian mainland and Pacific area.

Though expansion overseas was an important factor in Japan's foreign policy, yet it was not a continuous and uninterrupted theme. From 1870s to 1920s the consensus among the foreign policy makers was 'Join Europe and ignore Asia'. But by the 1930s it was changed for 'Joining Asia and being vigilant for Western opposition'. But by 1942 when Japan became a very expansive power, its expansion had been haphazard and disorderly. When the military agencies were destroyed in the battle, the foreign ministry emerged into the postwar era.

for both its domestic and foreign policies. Western Europe and the United States to a lesser extent, provided such a model for pre-war Japan. Japanese endeavoured to 'catch up' with the model and even surpass it. Modernization was equated with westernization in the minds of most Japanese. But in the post-war period the United States has been the only country that served Japan as a model. Particularly in the areas of defence and foreign policy, the Japanese government has continuously followed the leadership of the United States. Having surpassed the advanced western countries in technology and Gross National Product (GNP), quality of life, the West no longer provides a valid model to emulate. The need for Japan now is to create its own vision and decide what role should it play to contribute to world peace and development.

Check Your Progress 1

Note: i) Use the space below for your answer.

ii) Check your answer with the answer given at end of this unit.

1) What factors are important to understand Japan's foreign policy?

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2) Name two major achievements by Japan in last 30 years.

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3) Mention the basic objective of Japan's foreign policy.

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4) What are the superficial, continuing factors in Japan's foreign policy?

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10.3 MAKING OF FOREIGN POLICY AND ROLE OF

During the occupation period (1945-52) the authorities introduced a series of reforms to democratize Japan through political and Constitutional changes. Since then such segments of Japanese society like the parliament (Diet), political parties, pressure groups and bureaucracy take part in the process of making Japanese foreign policy.

10.3.1 Parliament

Foreign policy is an act of sovereignty and decided by people through their elected representatives in parliament. To become effective, all treaties to which Japan is a party, need the approval of the Diet. The existence of Standing Committees strengthens its role in the decision-making process. On the basis of relative strength of political parties, composition of committees and its leadership is decided. By far two important committees related directly with foreign policy making are: (1) Budget Committee and (2) Foreign Affairs Committee. Through its power to decide the budget allocations to foreign ministry, the budget committee attempts to influence the foreign policy making. The discussions of the foreign affairs committee are many and varied relating to important diplomatic issues. These committee reports are further deliberated and voted in the House of Representatives. Naturally, it is the majority ruling party that gets the committee headship, influences policy making, votes the proposals and thus wields enormous influence in formulating Japan's foreign policy. Opposition parties, after studying the proposal, depending on the situation, resort to criticising the ruling party, vote against the proposal or even boycott voting. And the proposal gets passed with voting by the ruling party members. It is also possible for members of parliament with commonality of views to form groups and bring pressure on government to follow a particular policy line or to change a continuing policy. Because of practical difficulties, often it is not possible for opposition party members to obtain minute technical details of the proposals and thus fail to carefully examine, and formulate viewpoints and positively influence the discussions.

10.3.2 Ministry of Foreign Affairs

In gathering information about the external setting in which Japanese foreign policy has to operate, the foreign ministry plays an important role. However, in the actual process of making policy, it is the political leadership that is much more influential than foreign ministry officials. While the fortune and importance of foreign ministry varied greatly before World War II, in the post-Second World War period, other ministries like Ministry of International Trade and Industry (MITI), for example, have also become very influential in Japan's foreign policy making. The increase of transnational activities has also given rise to a greater Japanese participation in private and non-official international organizations, which have a beneficial effect in trying to bring people of various nationalities together.

10.3.3 Ministry of International Trade and Industry (MITI)

Policies related to international trade are the exclusive preserve of MITI. In the administration of international economic policy MITI and Foreign Ministry cooperate despite some differences between them. MITI is a powerful economic planning and regulating body but it is not all powerful. It functions within a framework of numerous competing agencies and interests. MITI's basic powers rest on Diet enacted statutory authority. This authority is exercised generally indirectly through persuasion, advice and inducement. Because of its small budget and relatively less bureaucrats and great achievements, it commands both criticism and appreciation.

Being resource-deficient and highly industrialized, Japan's dependence on international trade is related to its very existence. Given Japan's history as a trading nation, importance attached to MITI and its authority is understandable. MITI transfers its officials often to foreign ministry, Japanese embassies abroad, ministry of finance and other ministries. Since Japan's foreign policy is seen as Japan's foreign economic policy, MITI's role in providing inputs to foreign policy is very important and so far successful also.

10.3.4 Political Parties

Generally, it is the ruling party that assumes a great responsibility and power to determine foreign policy. Based on the principle of majority, all decisions made by the ruling party become policies of Japan. But sometimes factions within the ruling Liberal Democratic Party and the relative strength of opposition parties make the difference. Then, it is the consensus approach that come to rescue the policy, and the credit when the proposal gets passed, go to all cooperating factions.

When opposition parties simply over-criticize government policies, their policies have no chance.

All important parties have set up foreign affairs divisions which carry out study, research and planning of policy. Usually there exist lobbies within government, parties and factions that work and influence policy of the government. For example: A strong US lobby exists in most Japanese parties. Similarly, China lobby and Korea lobby were active at different times.

The Prime Minister is centrally important to the foreign policy making process because of his constitutional position as the chief executive of the government. This function has been enhanced in recent years through the strengthening of the Secretariat to the Cabinet. As a result the number of parliament members participating in foreign policy related meetings of the LDP has increased. Many foreign policy issues are now discussed in relevant LDP committees: Political Affairs Research Council and International Affairs Division.

10.3.5 Interest Groups

As in purely domestic economic issues, the leaders of the major economic organizations can exercise considerable influence on foreign policy making. However, their influence tends to be overestimated abroad. The interests of business, industry and finance enter the decision-making process through consultation bodies attached to various ministries. Groups with varying interests, size and strength have become very active and influential since World War II. Protecting interests and advancing through pressure are the main concerns of these groups. It was Zaibatsu (family based big financial groups with varied business interests) which were important economic interest groups before World War II. However, in period since World War II, the most influential interest groups at the national level are:

- The Federation of Economic Organizations.
- The Committee for Economic Development.
- The Japan Chambers of Commerce and Industry.
- The Council on Industrial Policy.

The role of the government is to coordinate various domestic economic interests and to protect greater national interest from particular economic interests.

Besides, foreign policy making is also influenced by the activities of trade associations, regional economic organizations, bilateral friendship societies etc.

10.3.6 Public Opinion

Growth of mass media and 100% literacy in Japan have made Japanese citizens aware of general information about contemporary international affairs. This has led to a growth of strong and articulate public opinion. Whether it is Japan-US bilateral relations, or sending Japanese defense personnel overseas to participate in UN peace keeping efforts or even allowing an increase in Japanese military expenditure — the general public can organize massive demonstrations, collect millions of signatures and impress policy makers to change their course of thinking or halt a policy amendment successfully. Also among the bureaucrats such officials exist in Japan who tend to think that "diplomacy cannot be guided by domestic public opinion that are not formed on the basis of reliable information about critical diplomatic problems".

10.3.7 External Factors

Among external factors, it is the United States which has been able to exert maximum pressure on Japan to adopt a particular line of action in foreign policy matters. Most of Japanese foreign economic policy matters are directly or indirectly influenced by both positive and negative external factors. Positive factors were: Korean war, Vietnam war while negative factors were: Nixon shock, oil shock and so on. Thus, Japan's foreign policy is yet to come out of US protective shell.

Thus, each segment of Japanese government and society like parliament, foreign

ministry, MITI, political parties, interest groups, public opinion has a role in influencing the making of Japanese foreign policy.

Until 1970s the relative insulation of foreign policy from public concern had allowed a smooth aggregation of national interests and required only a minimal response to outside demands. However, in the 1980s Japan's increasingly prominent position in the global economy and the rapid changes in the international environment have made such minimal responses less acceptable.

Check Your Progress 2

Note: i) Use the space below for your answer.

ii) Check your answer with the answer given at the end of the unit.

- 1) Name important offices/ministries/agencies influencing the making of Japan's foreign policy.

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- 2) What is MITI?

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- 3) Why is Prime Minister important in foreign policy making?

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10.4 JAPAN'S DEFENCE AND SECURITY CONCERNS

10.4.1 Defense and Security Policy

The Japanese defense policy is based on two major government decisions. The Basic Policies for National Defense of 1957 and the National Defense Program Outline of 1976.

The objective of national defense is to prevent direct and indirect aggression, and once invaded, to repel such aggression to preserve the independence and peace of Japan.

To achieve this objective, the government of Japan has established the following four principles:

- a) to support the activities of the United Nations, and promote international cooperation, thereby contributing to the realization of world peace.

- b) to stabilize the public welfare and enhance people's love for Japan, thereby establishing the sound basis essential to Japan's security.
- c) to develop progressively the effective defense capabilities necessary for self-defense with due regard to the nation's resources and the prevailing domestic situation.
- d) to deal with external aggression on the basis of the Japanese-US security arrangements, pending more effective functioning of the United Nations in the future in deterring and repelling such aggression.

The National Defense outline is intended to provide greater flexibility for administration, upgrading, and operation of the Japan Self-Defense Forces in responding to any major changes in the domestic or international situation and to provide for a smooth transition to a heightened state of defense preparedness in such an event.

The Constitution of Japan embodies the ideal of pacifism, and Article 9 is an explicit renunciation of war. Yet, this does not deny Japan right of self-defense as a sovereign nation. As long as this right is not denied, Japanese government believes that the Constitution does not forbid maintaining the necessary minimum military strength. Thus Japan has been maintaining its Self-Defense Forces (SDF).

As regards nuclear weapons, Japan holds firmly, as a policy, to its three non-nuclear principles of non-possession, non-manufacture and non-introduction of nuclear weapons to Japan.

10.4.2 Strength of Japan's Defence

In Japan, the Army, Navy and Air Force come under the name of Ground, Maritime and Air Self-Defense Forces. They are significant in their size and capabilities. With one of the highest defense budgets in the world, Japan has produced a sizeable military power — a combination of technical sophistication and efficiency matching best countries in the world. Japan's rearmament is taking place under the American influence. There are also 45,000 American troops in Japan, plus 119 American bases, and Japan is the home base for the US Seventh Fleet.

The Ground Self-Defense Forces — GSDF — has 1,55,000 personnel, with additional 43,000 in reserve. It has 5 regional Commands.

The Maritime Self-Defense Forces — MSDF — has 44,000 personnel, 600 in reserve and bases at Yokosuka, Kure, Sasebo, Maizuru and Ominato.

The Air Self-Defense Forces — ASDF — has 46,000 personnel.

10.4.3 Constitutional Limits

Article 9 of the Japanese Constitution states "Aspiring sincerely to an international peace based on justice and order, the Japanese people for ever renounce war as a sovereign right of the nation, and the threat or use of force as a means of settling international disputes. To accomplish these, land, sea and air forces as well as other war potential will never be maintained. The right of belligerency of the State will not be recognized"

Believing this does not deny Japan its right to self-defense, a substantial build up and maintenance of forces are allowed.

The credibility of the SDF's humanitarian role in search and rescue operations and disaster relief is well established. There have been attempts and influences to amend the Article 9 of the Constitution.

10.4.4 Defence Budget

Defense as a percentage of GNP fails to reach 1 per cent by a fraction always, using the Japanese method of calculation. This is misleading because the method of calculating is different from NATO method. If SDF pensions are included, then the Defense percentage of GNP easily crosses 1 per cent. Since 1985 a significant boost has been given to research and development related to military areas. As the defence expenditure approaches 6 per cent of national product

expenditure, how much Japan needs to spend when it has officially renounced belligerency as a means of settling international disputes is still uncertain.

10.4.5 Importance of National Security

Various forms of aggression which threatens Japan's security are conceivable depending on the international situation at any given time. These include direct and indirect aggression. Therefore, as a major trading country in Asia and world, Japan's national security is very important. Japan seeks to achieve this by cooperating UN activities for peace and safety, contributing to political and economic development of the world and continuing efforts towards disarmament.

Japan makes self-reliant efforts to maintain a defense capability adequate for deterring and dealing with aggression. Also firmly maintains the US-Japan security arrangements and ensures their smooth and effective implementation.

10.4.6 Regional Global Security

Because of its declining politico-military capability and domestic economic, social and other constraints, the United States of America is not expected by many Asian and other countries to provide order and security. Thus most countries in the regions of East and South-East Asia are looking towards Japan for an important role. None of the Asian countries want Japan to acquire nuclear weapons. However, Japan's security role in South-East and East Asia is acceptable with two principal conditions: (a) that it be played within the framework of its security relations with the United States, and (b) the concomitant military build-up be undertaken in regular consultation with its friends in the region. Still, Japan is undecided and thus unclear about its security role in the region. However, at the world level Japan seeks to work for peace and stability through economic cooperation and by supporting UN activities.

Check Your Progress 3

Note: i) Use the space below for your answer.
 ii) Check your answer with the answer given at the end of the unit.

1) What are the basic source of Japan's defense policy?

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2) Name the immediate objective of Japan's national defence.

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3) How Japan intends to deal with external aggression?

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4) What are the three branches of Japan's Self-Defense Forces?

Foreign Policy

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10.5 JAPAN'S FOREIGN RELATIONS

Since World War II, the economic development of Japan has affected the pattern of its foreign relations. The principles of economic complementarity have had to be compromised for political, legal, cultural or ideological reasons. Japan's foreign relations have been overshadowed by the adjustment problems in the process of integration of its domestic economy with the world market. Japan's post-war leaders also realized that without a strong economic base there could be no political power.

Japan's economic effort took precedence over all other considerations and issues, and thus foreign policy and foreign relations became equated with foreign economic policy and foreign economic relations.

Without military might or territorial ambitions Japan reemerged in the arena of international relations as an almost exclusively economic power. Its economy grew at a phenomena rate from the mid-1950s until the oil crisis of 1973. Even after 1973 Japan's overall economic performance was much better than that of the other industrial nations in the West. Japan's transformation from a semi-developed state to technological power is a rare event in world economic history.

The management of a rapidly growing industrial nation with little domestic natural resources required maintaining regular perfect access to overseas markets to sustain the dynamics of internal economic activity. 'Export or perish' has been its slogan as proved by the structural properties of its economy.

10.5.1 India and Japan

Relations between India and Japan are those between two unequal powers. India has never been on Japan's priority list to deal with. Japan is a member of Western Alliance whereas India is a non-aligned country. Japan's foreign policy has a strong influence of United States, and till recently Japan considered India as a close friend of former Soviet Union and therefore Indo-Japanese relations were confined only to economic field. Now, in the changed circumstances, Japan needs to shed its earlier stances and associate with South Asia in general and India in particular. With its strength in capital and technology Japan can play a significant development role in India.

As India has greatly liberalized its economic policy, the earlier complaints of Japan are no more valid. Japan is trying to assess the changed situation in India and is thinking of investing to the tune of \$2 billion. In the near future even a 'Japanese industrial township' in India may be set up. There is great hope in Indo-Japanese joint ventures both in public and private sectors. Some of the popular Indo-Japanese industrial collaborations are the following:

Automobiles

Maruti Suzuki, Hero-Honda, DCM-Toyota, Swaraj-Mazda, Eicher-Mitsubishi, TVS-Suzuki, and Escorts-Yamaha

Consumer Electronics

Videocon-Matsushita, Weston-Hitachi, BPL-Sanyo, Onida-JVC and Kalyani-Sharp. Besides, there are a number of components-makers both in automobiles as well as electronic areas.

As a developing country India needs greater access to international capital markets. Japan with its high current account trade surplus and shift towards knowledge intensive industries, can transfer its technology and capital as well as relocate gradually some of its industries into India.

Japan is a big exporter, trader and a world power, and India is no match. India's only advantage is its cheap labour, as well as a huge domestic market.

India's exports to Japan include iron ore, some engineering goods, agricultural goods, food items (chutney, tamarind, gaurd gum, fruits, edible nuts), textiles, leather and leather goods, gems, and jewellery. India's imports from Japan mainly consist of machinery and equipment besides synthetics.

Though India and Japan have different geographical, political and historical backgrounds, there exist bilateral agreements between them in the fields of trade, shipping, aviation, science and technology.

A central lesson that India can learn from Japanese experience is the imperative of evolving and applying, with great tenacity and hard work, a strategy for technological development as an integral part of societal development programme.

10.5.2 Japan, North America and European Community

Japan's relations with the United States evolved in the context of the close political, economic and military ties between the two countries since World War II. But in the recent years relations have been strained by the persistence of a large bilateral trade imbalance in Japan's favour. While the US plays the role of a supplier of primary goods to Japan, Japan is exporting large quantities of manufactured goods to US market. Some Japanese argue that Japan should become a military power commensurate with its economic strength and should pursue a foreign policy independent of United States. However, Japan is strengthening its Western-American-alliance instead of abandoning it. Besides, strengthening Japanese solidarity with Western nations always means close cooperation with the United States. Thus, American considerations have always dominated post-war Japanese foreign policy calculations. Also Japan-US Security Treaty has become the cornerstone of Japanese foreign policy. Japan is participating in the United States Strategic Defense Initiative — SDI program. The bilateral defense technology agreement of 1983 provides the framework for Japanese involvement in this project.

Japan's relations with Canada is less strained because of the absence of a conspicuous trade imbalance, the small size of the Canadian market, and the basic complementarity between Japanese manufactures and Canadian natural resources.

Such Western Europe and Japan are highly industrialized and resource poor. The European Community constitutes to be a large, attractive market for Japanese exports, while it offers few primary goods of great importance to Japan. Japan often attempts to diffuse European complaints about Japanese trade practices and to improve Japan's image in Europe.

10.5.3 Japan and NICs

Korea and Taiwan both former colonies of Japan, offer different pictures. Korea-Japan relations have been greatly conditioned by colonial legacy, geopolitical constraints and military-strategic considerations rather than by economic rationality. Japan prefers the status quo of a divided Korea, in as much as either of the alternatives — unification of North and South Korea or conflicts between the two — poses a threat to Japan's economic welfare and security interests. Recently there is some improvement in Japan-South Korea relations. There was a deadlock on negotiations regarding an economic aid-package. The then Japanese Prime Minister Nakasone Yasuhiro visited South Korea in 1983 and agreed to provide 4 billion worth of assistance.

Taiwan and Japan, caught by one-China policy of the People's Republic of China, lost their formal diplomatic connection but still have pragmatically managed to sustain growing and closer commercial relations.

10.5.4 Japan, Former Soviet Union and China

Relations between Japan and former Soviet Union were in poor shape and showed few signs of improving. Fears of security threat from former Soviet Union led Japan to reassess its security relationships and also to consider more seriously than in the past the regional aspects of its defense. When Mikhail Gorbachev was in power, there had been a series of diplomatic overtures from the Soviet Union to improve relations with Japan. But Japanese government remained suspicious of Soviet peace offensive. Soviet peace strategy did not succeed as long as Japan demanded the return of disputed northern territories. However, breakup of former Soviet Union into Commonwealth of Independent States has further complicated the question of Japanese return of northern territories to Japan and thus improve mutual relations.

The present relations between China and Japan are sustained not so much because of its profitability but by Japanese government's long-term geopolitical considerations. Japan's political relations with China have not changed much. Japan remains cautious about military cooperation with China. Japan does not want the US to help China develop an effective navy that could eventually threaten Japan. China has also expressed concerns about Japan increasing its military strength.

The basic Japanese stance towards China is to support and reap the benefits of its economic modernization. Though Japan favours a developing China, it still fears a developed China.

10.5.5 Japan and Developing Countries

Japan is troubled by the incoherence of ASEAN (Association of South East Asian Nations) as a regional organization and its pressure for greater Japanese aid and preferential treatment of manufactured imports from the region. ASEAN countries are anxious about domination of their national economies by Japanese economic power, Japanese resource procurement from the region, and direct investment by Japanese firms. Recent complaints from ASEAN relate to Japan exporting pollution breeding industries to ASEAN region as a result of structural transformation of Japanese economy.

Japan critically depends on oil from the Gulf. Japan adopted a pro-Arab policy after the first oil crisis for securing vital oil supply. As the only major country maintaining friendly relations with both Iran and Iraq, Japan is in a unique position to help resolve Iran-Iraq problems. Japan imports two-thirds of its oil from the Middle East through Persian Gulf Ports.

For this purpose, Japan preferentially allocated its economic and technical aid in favour of those countries in Africa, which possess exportable resources. However, Japan remained silent/indifferent to the question of racism in resource-rich South Africa.

In spite of instability of Latin American politics, Japan's economic relations with the region have expanded.

Check Your Progress 4

Note: i) Use the space below for your answer.
ii) Check your answer with the answer given at the end of the unit.

1) Name the recent major problem in Japan-US relations.

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2) What are Japan's interest in China?

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3) What is at stake for Japan in the Middle East?

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10.6 JAPAN AND THE UNITED NATIONS

Japan was admitted to the United Nations in 1956. Since then Japan is actively participating in almost every area of UN activities. As the role and scope of these activities increased gradually and reflected in specialised bodies, so also the Japanese contributions grew.

Japan's contributions particularly increased in such fields of UN activities like: (1) The regular budget, (2) The costs of peace-keeping operations.

Japan is also participating and stepping up its contributions to such bodies like:

UNCTAD	: United Nations Conference on Trade and Development
UNDP	: United Nations Development Program
UNIDO	: United Nations Industrial Development Organization
UNESCO	: United Nations Educational, Scientific and Cultural Organization
UNHCR	: United Nations High Commissioner for Refugees
WHO	: World Health Organization
FAO	: Food and Agriculture Organization
IMF	: International Monetary Fund

It is expected that in the near future Japan may be given a permanent membership in the UN Security Council on the basis of its economic strength.

10.7 INTERNATIONAL EXCHANGE AND COOPERATION

Japan has gradually stepped up its external contribution as its economic strength has developed. The volume of its Official Development Assistance (ODA) has been rapidly increasing. Japan accounts for more than 10% of the GNP of the entire world and this has made Japan a major presence on the global scene. Relative decline of America's economic strength, low defense budget relative to Japan's GNP, rapid climb of Yen since 1985, have together led many developing countries to look for Japanese assistance in providing capital, technology and foreign aid. The reach of Japanese diplomatic activity is today growing ever broader and deeper. Three important areas in which Japan makes its international contributions are:

a) cooperation for peace

- b) expansion of official development assistance, and
- c) promotion of cultural exchange.

Solving the debt problem is a major task facing the global economy. To this and Japan needs to make great efforts in coordinating with other major aid giving countries.

The concept of cooperation for peace emphasises a role for Japan in the settlement of international disputes instead of simply leaving the job up to others. It entails (a) engaging in diplomatic dialogues with those countries that are involved in disputes as well as others who could be influential in settling them, (b) cooperation through participation in international conferences, (c) dispatching personnel to take part in international peace keeping activities, (d) aiding refugees and (e) assisting reconstruction.

The principal objectives of Japan's cooperation include (a) helping to raise the standard of living of the recipient nations by supporting self-help efforts for economic and social development, (b) improving friendly relations with the recipient countries, (c) contributing to the development of the world economy as a whole through cooperation in the economic advancement of developing countries, and (d) contributing to the peace and stability of the international community.

The goal is to provide \$ 50 billion in aid during the five year period through 1992. In 1987 Japan provided \$ 7.5 billion worth foreign aid. In 1988 it was \$ 9.13 billion and in 1989 \$ 8.9 billion. Still there is need to raise the quality of Japan's assistance. Because from recipients viewpoint, grants are preferable to loans. The share of grants in Japan's ODA is comparatively very low. And though Japan is one of biggest donor countries in the world, yet its systems for implementation lag far behind those of western nations.

Thus efforts at conflict mediation marks a significant departure from the post-war Japanese pattern of diplomatic passivity. But still the Japanese foreign policy is relatively passive and reactive.

People in other countries do not understand Japan well enough. The speed of Japan's economic growth in the last few decades has been difficult for foreigners to keep pace with. Though Japan is promoting cultural exchange, nevertheless the need for Japan to spread qualitative knowledge globally about itself is great. Japan also must be open to intellectual stimulation from a variety of other cultures.

Check Your Progress 5

Note: i) Use the space below for your answer.
ii) Check your answer with the answer given at the end of the unit.

1) In which year was Japan admitted to the United Nations?

2) What is ODA?

3) What are the forms of Japan's international contribution?

- 4) How much foreign aid Japan intends to provide from 1992 to 1996?

10.8 LET US SUM UP

It is difficult for a beleaguered country to frame foreign policy. Japan had been a besieged country. Its foreign policy has marked US influence. Despite these limitations Japan has chalked out a foreign policy to secure an honourable place in the world divided into two blocs—haves and have nots—the rich North and the poor South. Japan has added new content in the arena of foreign policy making. Foreign policy generally deals with security problems and political projection of the country concerned. Japan has emphasized on the geoeconomic factors in making and implementing foreign policy of the country. In these efforts Japan has achieved great success. It is now a world economic power. Japan has not only diversified its foreign sources of markets but also has made them dependent upon Japanese goods, services, technology and capital.

Indo-Japanese relations are historical. Indian culture, civilization have left marked influence upon Japan like other east and south-east Asian countries. In the modern period Japan's rise as a modern state in Asia and its victory in Russo-Japanese war of 1904-05 served as sources of inspirations for Indian nationalists. Indian revolutionaries were provided with asylum, encouragement and material aid in their struggle against British imperialism. Japanese Emperor conferred on Indian Poet Rabindranath Tagore the title of "Post laureate of Asia". Japanese goods were preferred in Indian markets. In recent years Japan has again caught the imagination of Indians. In the post-Cold War period Japan has come forward with huge aid and grant for economic development of India.

In the preceding pages all these have been elaborately and analytically recounted.

10.9 KEY WORDS

Geoeconomics	–	Country's economy as determined by its geographical and political position in the world.
MITI	–	Ministry of International Trade and Industry.
SDF	–	Self-defence Force.

10.10 SOME USEFUL BOOKS

- Drifte, Reinhard, 1990, *Japan's Foreign Policy*, 1990, Royal Institute of International Affairs, London.
Nester, William R., 1992, *Japan and the Third world*, Nester Macmillan, London.

10.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) a) Geopolitics
b) National Security
c) Resource Endowment and Vulnerability
- 2) a) Japan challenged the Western technological superiority successfully
b) By becoming world's No. 1 creditor country Japan put an end to Western/ American financial hegemony.
- 3) To contribute to world peace and stability and to a harmonious progress of the entire international community. For this, Japan follows close and abiding relationship with the United States.
- 4) a) economic and commercial
b) obtaining access to supply of raw material
c) removing obstacles in the way of profitable trade
d) defend Japan against external attack
e) remain in good terms with other countries
f) join international bodies to enhance Japan's prestige.

Check Your Progress 2

- 1) a) Parliament
b) Ministry of Foreign Affairs
c) Ministry of International Trade and Industry
d) Big business
e) Public opinion
- 2) Ministry of International trade and Industry. Its authority is exercised indirectly. Its power rests on Diet-enacted Statutory authority.
- 3) Because of his Constitutional position as the chief executive of the government and President of the ruling party.

Check Your Progress 3

- 1) a) The Basic policies for National Defense of 1957
b) The National Defense program outline of 1976
- 2) To prevent direct or indirect attack, if invaded, to repel such aggression.
- 3) On the basis of Japan-US Mutual Security Treaty.
- 4) a) Ground Self-Defense Forces
b) Maritime Self-Defense Forces, and
c) Air Self-Defense Forces.

Check Your Progress 4

- 1) The problem relates to a large bilateral trade surplus in favour of Japan.
- 2) Japan wants to support and reap benefits from China's economic modernization program.
- 3) Japan imports two-thirds of its oil from the Middle East. Safe oil supply is very vital for Japan's economy.

Check Your Progress 5

- 1) In 1956
- 2) Overseas Development Assistance

- 3)
 - a) Cooperation for peace
 - b) Expansion of ODA
 - c) Promotion of Cultural exchange.
- 4) \$ 50 billion.