

Crisis? What Crisis?

Japan, in the first year of Heisei, the reign-name chosen by the new emperor, presents a paradoxical image. Its wealth and power grow: Japan's 1% of the world's population account for about 15% of world GNP; the country dominates world banking and finance (the dollar itself depends on the steady flow of yen into New York to keep it afloat); world stock markets take their lead from Tokyo.

But at home all is far from well. The trinity of bureaucracy, big business and Liberal Democratic Party (LDP) that has ruled Japan so effectively for 40 years, is gradually being reduced to an uncomfortable nakedness, as the inner workings of the system are exposed in the greatest of all Japanese scandals: the 'Recruit-Cosmos Affair'.

The level of public support for Prime Minister Takeshita has plummeted to an unprecedented 9%. Already three ministers (justice, finance, economic planning) have resigned after admitting their personal involvement in the influence-buying scandal, and it remains to be seen whether Mr Takeshita's admission that he too had taken large bounties from Recruit - if only for the party coffers - will prove fatal to him and his cabinet. As the prosecutors sift through the 1,700 boxes of material they have so far confiscated, it is widely expected that other heads will yet roll, and the clouds are visibly gathering around the head of former prime minister Nakasone.

In the Recruit affair, stock and land were used to buy influence and conceal it as commercial transactions. But unlike major scandals of the past, it does not seem to have involved the old-fashioned, quasi-fascist influence-peddlers who thrived in the early years of the occupation and played a key role as fixers and brokers through the Lockheed affair of the 1970s. In

that sense, Recruit is a modern, even yuppie phenomenon. The sectors it involves are the most up-to-date in the economy: information (originally labour-market information), computer software, communications; all at the soft centre of the post-modern information society.

These sectors are relatively new in Japan, as anywhere else, and have the same tendency as elsewhere to attract buccaneers who are more interested in the manipulation and massaging of information than in its generation or circulation. These financial wizards, practitioners of what is known as *zaitech*, have ridden the waves of gradual softening of the Japanese economy.

What may be different about the Japanese case is that the political structures themselves are soft and porous. The most powerful politicians, public servants and businessmen were easily suborned, but, upon being found out, none appear to recognise any fault in what they did. All recognise money as the essential oil of the system. Politicians need large sums of it, somewhere between Elm a year for an ordinary Drat (parliament) member, and £2m for a senior politician. To become prime minister requires a veritable king's ransom and it is not surprising that one high point of the Recruit corruption affair seems to have been in September 1986, when the 'new leaders' of post-Nakasone Japan were jockeying for advantage in the succession struggle and needed huge amounts of money.

The political economy of construction that was honed in the 1970s by Prime Minister Tanaka, depended on inflating the prices of bridges, tunnels, public buildings and railways so that the politicians involved could fund much of their expensive operations out of percentages coming from construction companies. So fundamental did the construction circuit become that some have referred to Japan itself as a 'construction state'.

The founder of Recruit, Mr Ezoe, as an ambitious 'new



PM Takeshita on edge

boy' in an already highly-articulated system, identified the soft areas of the developing new economy of the early 1980s as having the potential for being turned into equally-profitable circuits. In a political climate in which bribes of a few million yen were thought of as routine - according even to the LDP's chief executive - and where patronage and influence were necessary to create a new empire, Ezoe worked with genius to rise from nothing to become a key industrialist and wielder of influence.

It is ironic that those peculiar Japanese qualities which have come to be regarded in the West as intrinsic to Japan's economic success - its groupism, its semi-tribal structures and lack of clear lines of power and responsibility - are now at the root of a major political crisis. Culturally and intellectually, Japan may be heading towards the postmodern; politically its pervasive patronage, clientalism, influence-peddling and rotten and pocket-borough system make it easy to see parallels with 18th-century Britain.

The agenda for political reform is distinctly modern: to establish the rule of law, the supremacy of parliament, the answerability of public officials and the fairness and openness of elections. •

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