Chapter Five

State Preferences and Japan’s Security Policy

This chapter attempts to investigate to what extent Japan’s preferences determined the changes in its security policy in the post-11 September global order. The first section of the chapter elaborates liberal theory of international relations and elucidates the inadequacies of structural logic in explaining state’s behaviour. The second section details the process of preference formation in Japan and briefly accounts for the changes that had taken place in Japan’s security policy in the aftermath of 11 September 2001 events. The final section analyses to what extent preferences explain the changes in Japan’s security policy.

Liberal theory of international politics emphasises that the preferences of a state determines its behaviour in world politics. These preferences are shaped by societal ideas, interests and institutions. Liberal theory also focuses on the state-society relations, in the context of domestic and transnational society interaction, and its influence on the fundamental behaviour of a state in world politics (Moravcsik 1997). Liberal theory stresses the ‘role of varied social interests and values of states and their relevance for world politics’ (Moravcsik 2010a).

The very existence of a state in a domestic and transnational society results in social, economic and cultural interaction beyond boundaries. This interaction is conditioned by state policies. Such state policies are in turn influenced by domestic groups which pressurise the government to frame policies according to the gain or loss incurred to them in the process of realising their goals. These domestic pressure groups exert their pressure through domestic political institutions, which translates into state preferences. These preferences determine the shape of the policy action that a state undertakes to interact with other states. But variation in domestic and transnational social contexts across space and time results in varied preferences. These varied preferences of states provide the rational incentive to engage in world politics (Moravcsik 2010a). The resulting variation in social demands and state preferences through such transnational
interaction is a fundamental cause of state behaviour in world politics. This constitutes the core of liberal international relations theory (Moravcsik 2008).

Although the classical liberal thought has been used in contemporary international relations theory, they were generally categorised into three distinct strands rather than variants of a single distinct and coherent liberal theory of international relations. Ideational liberalism focuses on the link between state behaviour and varied conceptions based on social, cultural, political and economic values or identities on the scope and nature of distribution of public goods (Moravcsik 1997). Commercial liberalism asserts that state behaviour is the function of loss or gain incurred to groups and individuals in society engaged in transnational economic exchange. Republican liberalism emphasises the relation between the state behaviour and the role of 'domestic representative institutions, elites and leadership dynamics and executive-legislative relations' (Moravcsik 2008).

The liberal theory of international relations is non-utopian as well as non-normative contrary to realist criticisms. It deduces arguments from these classical liberal thoughts and arranges them on coherent 'micro-foundations' to function as an applicable theory of international relations (Moravcsik 1992). Liberal theory focuses on the assumptions that emanates from rational behaviour by self-interested individuals foregoing the metaphysical conceptions of human nature, divine will, state of nature and other idealistic arguments (Moravcsik 1992). As a result, the grounding of liberal theory in social theories leads to predicting the variation in interstate conflict and co-operation as the function of social conditions.

These social conditions characterised by liberal theory are based on two basic assumptions: states or other political actors operate in anarchy and their actions are generally guided by rationality (Moravcsik 2010 a). The anarchical environment under which states function is devoid of world government or any other authority with a monopoly on the legitimate use of force. Therefore, states engage in self-help. On the other hand, the state leaders and their support groups are driven by rational calculations of benefit or loss that accrue from transnational exchange and shape their foreign policies in a cost-effective manner to achieve their preferences. The fundamental premise of
liberal theory i.e. the relationship between the state, social actors and the international system in attaining state preferences can be restated in terms of three core assumptions.

**Assumption 1: The Primacy of Social Actors**

Liberal theory assumes that individuals and private groups constitute the fundamental actors of international politics. The average actor is rational and risk averse. The actors organize themselves for exchange and take collective action to further conflicting interests under the constraints of scarce resources, conflicting values and varied societal influence (Moravcsik 1997). Liberal theory rests on 'bottom-up' view of politics. The demands of individuals and societal groups are treated as analytically prior to politics. The political action involves rational aggregation of the state and transnational actors with varied tastes, social commitments and resource endowments (Moravcsik 1997). Although functionally differentiated individuals and groups define material and ideal goals independent of politics, they attempt to attain those goals through politics. They make those attempts through favouring certain socio, economic, cultural and domestic arrangements rather than opting for a specific 'structure of economic production and exchange, social relations, cultural practice or domestic rule' (Moravcsik 2008). Therefore, liberalism is methodologically individualistic but its view of society is pluralistic (Moravcsik 1992).

As the societal interests of the actors become central to liberal theory, the utopian notion of harmony of interests between individuals, social groups gets rejected. On the contrary, politics involves conflicting sometimes incommensurable private goals. The perception of social incentives determines the exchange and collective action of individuals and groups to appropriate. The level of involvement is in proportion to the expected level of benefits. As the actors are risk averse, they defend existing investments and cautious about assuming additional costs and risk in new ventures (Moravcsik 1997).

The prediction of liberal theory is based on the social conditions under which rational individual interests determine the outcomes of societal interaction. Conflicting social demands and the willingness to resort to coercion to meet those ends are the products of various factors. First, differences and conflicts over fundamental beliefs such as national, political and social identity induce conflict, whereas harmony of beliefs and identities promote co-operation (Moravcsik 2008). Second, extreme scarcity of resources
tends to result in conflict as self-interested individuals and groups are willing to undertake costly and risky ventures to obtain them. On the other hand, relative availability of resource materials reduces the possibilities of conflict as certain individuals and groups get their wants satisfied. Finally, societal inequalities and unequal political influence have a propensity to permit certain groups to avoid the costs of goods redistribution, incentive arise for exploitative, rent seeking behaviour, even if the society failed to achieve full results (Moravcsik 1997).

**Assumption 2: Representation and State Preferences**

States represent the interest of individuals and social groups, on the basis of which the state machinery define the preferences of the state and act instrumentally in world politics to attain those preferences. Liberalism deems the underlying preferences of the state as the essential characteristics for analysing international politics. Although the state acts purposively in international politics to achieve specific objectives on behalf of individuals and social groups who are not able attain them effectively, state is a representative institution domestically (Moravcsik 2008). As a result, state representative institutions are constantly subject to capture, recapture, construction and reconstruction by various social groups or coalitions. These representative institutions function as 'transmission belt' through which individuals and groups translate their preferences and social power into state policy. In addition, non-governmental organisations (NGOs) and other actors might form transnational alliances to assist social forces (Moravcsik 2010 a). Hence, state policies represent and constrained by various social identities, interests, power of groups and individuals – both inside and outside the institutions – who persistently strive to influence policy makers to accommodate their preferences (Moravcsik 1997). Therefore, for liberalism, the relationship between the populace and state is central and ‘the extent of representativeness is an important variable in explaining state policy’ (Moravcsik 1992).

Moreover, the nature and level of representation is also varied. Besides the extremities in representation represented by tyranny and democracy, the institutions might represent individuals and social groups unevenly. This asymmetric representation might privilege a particular set of demands over the rest. Therefore, the nature of state
institutions and varied social interests determine the state behaviour internationally (Moravcsik 1997).

The concept state preferences comprise a set of fundamental interests defined across 'states of the world' (Moravcsik 1997). Preferences are independent variables. Neither the strategic preferences of other states nor external threats nor incentives nor manipulation of information nor other tactics have any impact on preference formation. Therefore, the focus of liberal theory remains on fundamental social preferences and their impact on state behaviour than on the circumstances under which they are pursued.

Besides, the existence of different representative institutions results in privileging of different sets of demands. This may be: powerful individuals and groups who are outside the state; bureaucratic clients and officials within the state or a combination of both – military-industrial complex. As a result, representation can be ‘centralised and co-ordinated or disaggregated, subject to strong or weak rationality conditions, socialised to various attitudes toward risk and responsibility and flanked by various substitutes for direct representation’ (Moravcsik 2008).

Assumption 3: Interdependence and the International System

Liberal theory proposes that the configuration of interdependent state preferences determines state behaviour. The possession of a purpose is imperative for a state to make any significant foreign policy decision be it a conflict or co-operation or other important policy action (Moravcsik 1997). States strive to achieve their purposes through various constrains imposed by the preferences of other states. This difference in distribution and nature of preferences explain differential state behaviour and policy choices (Moravcsik 2010a).

The concept of policy interdependence is the critical link between state preferences and state behaviour. Policy interdependence is the cost and benefit that accrues to the dominant social groups in their transnational interaction so as to achieve their preferences, excluding the ‘transaction costs’ that occurs in the process of pursuing specific strategic choices to obtain them (Moravcsik 2008). Therefore, ‘liberal theory assumes that the pattern of interdependent state preferences imposes a binding constraint on state behaviour’ (Moravcsik 1997).
These state preferences, whether converging or conflicting determine the incidence and outcome of interstate interactions. The clash of interests between the interstate elite over the high cost of pursuing their preferences can result in a conflict. This is a zero-sum situation where the dominant social groups in one state might impose the costs of achieving their preferences on dominant social groups in other countries (Moravcsik 2010a). But in situations where policy alignment benefits dominant social groups with low costs in both the countries can lead to policy co-ordination and convergence (Moravcsik 2008). On the other hand, situations where states make policy concessions through co-ordination or pre-commitment to improve the welfare of both the states, the motives can be mixed. Besides the high benefits from co-ordination, a state can also benefit from unilateral defection (Moravcsik 1997).

**Empirical Predictions, Systemic Logic, Power and War in Liberal Theory**

Liberal international relations theory produces various predictions about war and peace, trade and other issues of international politics. For instance, liberal theory explains the observed difference in preferences, levels, and styles of co-operation and conflict over myriad issues. Moreover, it also explains the differences within issue areas, even across countries and regions. Liberal theory also explains the distinction that some regions being highly war prone and other de-facto security communities. Further, the reason for the hegemons and great powers to have different schemes for global order is also explained (Moravcsik 2008). Liberalism provides an account of long-term fundamental historical change in the international system through forging a causal link between long-term economic, political and social transformations (Moravcsik 1992) and state behaviour.

Systemic Logic: The state preferences are not only determined by domestic social demands alone but also transnational social contexts. The distribution of state preferences is a systemic attribute where no one state controls the distribution. But the behaviour of a state in the pursuit of its preferences is constrained by the preferences of other states. This demonstrates the systemic characteristic of liberal theory where the behaviour of a state is explained vis-à-vis other states (Moravcsik 2008).

Power: The liberal theory relates social purpose and the relative intensity of state preferences to conceptualise power. The assumptions of liberal theory of power are drawn from the theories of bargaining and negotiation. Power is conceptualised as the
‘willingness of a state to expend resources or make concessions’ (Moravcsik 1997) to obtain its objectives is based on preferences rather than capabilities. The outcomes of bargaining and negotiations that states engage to realise their goals reflect the nature and preferences of the states than their relative capabilities.

War: Liberal theory explains the patterns of war through ‘conflicting state preferences derived from hostile nationalist or political ideologies’, disputes over appropiable economic resources, or exploitation of unrepresented political constituencies (Moravcsik 2010 a). Extreme social pressures lead certain states to take recourse to revisionist preferences so extreme or risk acceptant, which might force other states to resist submission (Moravcsik 2008).

Multi-causal Explanation: Liberal theory can function as the theoretical foundation to form a multi-causal explanation for state behaviour (Moravcsik 2010 b). The complexities of state behaviour necessitates a synthesis of theories to analyse, for which liberal theory offers a simple and coherent way of combining theories in contrast to single factor explanations (Moravcsik 2008).

Inadequacies of Structural Logic in Explaining State Behaviour

The main weakness of structural logic in explaining the nuclear choices of states is its inconclusiveness (Solingen 1994). Although states strive to defend themselves from external vulnerability, there are other choices than going nuclear alone. The choices vary from going nuclear to total renunciation of the nuclear option. States have not only made various choices in the face of an external threat, they have also changed their nuclear postures over the years. In this regard, structural logic is also insufficient in explaining the differences in a state’s pursuit of security across time and space (Solingen 1994).

Structural logic offers three core explanations for the difference in the behaviour of states with nuclear intent. First, the states that are vulnerable to massive conventional attack are less likely to renounce their nuclear choice. Second, the power acquisition of a regional adversary or pursuit of nuclear option force states in the nuclear path. Finally, a state under the protection of a hegemon’s nuclear umbrella would forego its nuclear option (Waltz 1981).

Contrarily, the Taiwanese and South Korea renouncement of nuclear deterrent despite their vulnerability to conventional attacks questions the first explanation of
structural logic. Again the cases of Taiwan, South Korea as well as Egypt fail to meet the structural explanation of regional adversaries acquiring power or choosing nuclear option force states into nuclear path. The hegemonic explanation is limited because of its insufficiency in explaining the turnaround of Egypt, Argentina, Brazil or South Africa from the nuclear path and the failure of super powers to persuade North Korea, Iraq, Pakistan or Israel to renounce their nuclear option (Solingen 1994).

Although structural logic facilitates the identification of potential sources of nuclear postures, the variation across states and time is left unexplained. The shifting of nuclear postures and domestic differences over taking the nuclear path substantiates that the security predicaments of states and nuclear response is universally inconsistent (Solingen 1994). Therefore, the inadequacy of structural logic impels us to take up state preferences to explain nuclear behaviour of states.

Preference Formation in Japan

The institutions that function as 'transmission belt' to translate the interests of various individuals and groups in Japan are: (a) political parties (b) bureaucracy and (c) big business. The other important variable in deciding preferences in Japan is public opinion which is expressed through the media, especially on security policy issues.

Political Parties: In post-Occupation Japan, various competing conservative parties came together and formed the Liberal Democratic Party (LDP) in November 1955. This came to be called as the '1955 system'. This system of political arrangement lasted till 1993, when LDP lost office for the first time (Stockwin 1999). The LDP is divided into various factions adhering to 'progressive' and 'conservative' views on issues such as remilitarisation, constitutional revision and economic reform. The LDP members maintain close connections with agricultural and other conservative constituencies.

The Japan Socialist Party (JSP) is one of the largest opposition parties in Japan. The rigour and intensity of ideological commitment of its members is wide spread. The JSP also has its factions which compete fiercely with each other for influence but ideology determines the composition and agenda of the factions. Ideological commitments of the factions ranges from right, left, and centre (Ward 1978). Besides, Japan Socialist Party has close ties with public sector labour unions.
The Democratic Party of Japan (DPJ) is the largest opposition party in Japan. The DPJ factions also divided over fundamental questions of constitutional reform, defence policy and deregulation. The party's popular themes were decentralisation, independence from bureaucracy and transparency. Unlike LDP, the Democratic Party of Japan insisted on a mature relationship with the US, UN centred policy and an exclusive military doctrine. The DPJ draws its support base mainly from urban and suburban Japan.

The Komeito or the Clean Government Party is an off-shoot of the religious organisation Sokagakkai. Besides working for the maintenance of religious freedom, it strives to protect the interests of lower-middle-class shop owners and workers who form its major support base (Green 2003). The Komeito pursues a pacifist agenda with an emphasis on disarmament, independent foreign policy but in partnership with the US.

The Communist Party of Japan (JCP) is the most ideologically committed party in Japan. The support for communist candidates mainly comes from metropolitan areas and urban areas, besides from semi-urban and rural areas. It is a mass party by Japanese standards (Ward 1978). The JCP has always called for the abrogation of the Security Treaty with the US and elimination of American bases and a neutral Japan. It advocates nationalisation of energy industries, new land reforms, and improvements in the scale of social security, medical care and higher prices for farm products.

**Bureaucracy:** The bureaucracy is one of the most powerful state institutions in Japan. Japanese bureaucracy is vertically ordered and ministries maintain strong autonomy in their functioning. Bureaucrats belonging to various ministries such as Ministry of Finance (MOF), the Ministry of International Trade and Industry (MITI), Japan Defence Agency (JDA), the Ministry of Agriculture, Forestry and Fisheries (MAFF) are deputed to Japanese embassies abroad to co-ordinate the work of their ministries with the Ministry of Foreign Affairs (MOFA). Although Ministry of Foreign Affairs theoretically has control over their functioning and policy formation, as the policies become more linked to domestic policies, the concerned ministries become more dominant in influencing Japan's foreign policy in that regard (Takashi and Jain 2000) to protect the interests of their constituencies. The bureaucrats maintain a strong and close relation with industries and corporate sector. Many of the bureaucrats after retirement avail themselves of lucrative posts in various private organisations and in ministries or
enter politics. This 'amakudari’ system perpetuates the bureaucratic influence on policy making in Japan.

**Big Business:** The business community (*Zaikai*) has a strong influence in policy making in Japan. The big business is organised into four organisations: the Federation of Economic Organisations (*Keidanren*); the Japan Association of Corporate Executives (*Keizai Doyukai*); the Japan Chamber of Commerce (*Nihon Shoko Kaigisho*) and the Japan Federation of Employers’ Association (*Nikkeiren or Nihon Keizai Dantai Rengokai*). *Keidanren*, the most important of the business organisations maintained considerable influence over policy processes through its direct donations to LDP and corporate donations to individual politicians. The other type of business community is *Gyokai* (sectoral world) such as the Internet, which is not controlled by traditional big-business groupings. *Keizai Doyukai*, besides promoting liberalisation in agriculture, has prepared a report on security policy in 1996, which advocated greater participation in peace keeping, firming up of US-Japan relations and a proposal to consider the reinterpretation of the constitution to allow the right of collective self-defence (Green 2003). This demonstrates to the extent which business organisations influence policy making in Japan.

**Public Opinion:** Public opinion has a significant influence on policy making in Japan especially foreign policy. Public opinion is expressed through newspapers, radio programmes, and television interviews. Media elicits public opinion through surveys and opinion polls periodically over various issues and publishes them. Newspapers such as *Yomiuri, Nikkei* and *Sankei* are considerably inclined towards stronger US-Japan ties, whereas *Mainichi* and *Asahi* are reticent on this issue. But *Asahi* stringently campaigned against revision of Article 9 and calls for the reduction of Self-Defense Forces (SDF) as well as revision of US-Japan security arrangements (Takashi and Jain 2000).

Therefore, the interest of various groups and individuals that translates into preferences involves a very complex process in Japan. The Prime Minister holds the responsibility for policy decisions as he is the head of the government and party institution. But his powers are limited due various fragmented factions with competing interests within the party structure. Factions thrive because of their business connections or personal wealth with which they sponsor the funds to secure party positions and
executive offices in the government (Hellmann 1972). Factions through their offices either in the party or in the government, strive to push through their agendas representing the interests of various business groups and individuals in the intra-party debates and cabinet meetings.

On the other hand, bureaucrats who are represented in various ministries engage in consultative process in the policy making. Besides, they also constitute various research cells of the various ministries in the Parliamentary Diet. This enables them not only to influence the shaping of the policies but also scuttle them through various procedural formalities. As a result, to accommodate competing interests, compromises are reached between various factional interests represented through the bureaucrats.

The business community maintains control over policy making through their financial support to politicians and providing lucrative post-retirement posts to bureaucrats. Although there is no proper procedural mechanism to bring business opinions into policy making, their concern remained maximising profit in their business transactions.

Japanese opposition express their disagreement and dissent through demonstrations, policy pronouncements in the media and interpellations in the Diet (Hellmann 1972). On occasions factions within the party, interest groups and opinion groups also express their disagreements or approval through media. These debates in the media over policy issues become a major influence on policy decisions in Japan.

The ‘1955 System’ and the Security Policy

The post-Occupation Japan had just one agenda: rebuilding the nation. This agenda was facilitated by the signing of US-Japan Security Treaty, and what is popularly known as ‘Yoshida Doctrine’. Accordingly, Japan provided the US military bases for its troops to fulfil its Cold War agendas, and in return received protection from external threats through US nuclear umbrella. As a result, Japan's defence spending became minimal and avoided any significant military build-up or nuclear weapons or involvement in international security issues. Instead Japan focused on economic growth and expansion. The disbanded Zaibatsu revived itself with the support of LDP politicians who depended on its funding. The ‘1955 system’ took shape and reflected in Japan’s behaviour.
Japan's involvement in Korean War is a case in point. Although Japan is constitutionally constrained to involve in collective security, it proceeded to offer bases, fuel and other supplies to US troops engaged in the Korean War. Because Japan's involvement offered another opportunity to revive its economy and Zaibatsu derived the benefits of increased exports to Korea and supplies to the US troops. This in turn benefitted various factions in LDP, which supported Japan's involvement in the US war efforts in Korea.

To further illustrate the involvement of business interests in determining Japan's behaviour towards other states during the post-Occupation era is the decision to normalise diplomatic relations with Soviet Union in 1956. Two years of intra-party factional struggle failed to decide the course and eventually the Prime Minister Ichiro Hatoyama's promise of resignation settled the issue (Hellmann 1972).

Even though Japan witnessed double digit growth in the 1960s, politically it was a period of turmoil. The attempt to revise the US-Japan Mutual Security Treaty set off a crisis in 1960. The public and left-wing organisations led huge protest marches and held demonstrations. But the crisis spiralled because leaders of conservative factions were opposed to the Prime Minister Nobusuke Kishi. They used this occasion to challenge his authority in the party and brought him down (Hellmann 1972). Another incident to illustrate involvement of business interests in policy making was the normalisation of relations with South Korea in 1965. After prolonged negotiations, the terms and conditions for economic settlement leading to the final agreement was decided. The leaders of the national business federations not only took part in the negotiations but also played a central role in determining the conditions.

In addition to Soviet Russia and South Korea, the question on normalisation of relations with China and national security arose in Japan. Factions belonging to different structure and purpose established the Asia Study Group and the Afro-Asia Study Group in the mid-1960s. The Asia Study Group supported the official policy of close alliance with the US and an anti-communist position. On the other hand, the Afro-Asia Study Group not only called for independent international policy position but also for normalisation of relations with China. This group and the Dietmen's League for Normalisation of Relations with Communist China (Hellmann 1972) played a pivotal role
in normalising relations with China in the 1970s; when Japan decided to re-establish its relations with China following Nixon Shocks.

Japan under Nakasone agreed to take part in the Reagan initiated Strategic Defense Initiative (SDI) in the face of increased Soviet naval presence and missile deployment in the East Asian region in the 1980s. Nakasone sought to create a ‘common destiny’ of Japan and the US against the Soviet Union (Stockwin 1999). But this failed to prevent Japan from entering into a trade war with the United States over semi-conductors.

The Plaza Accord of 1985 and the bursting of Japanese economic bubble in 1989 significantly altered the relations and networks of various interest groups and individuals in Japan. High Yen rates forced companies and their sub-contractors to move abroad. They were replaced with new high-tech companies that were flourishing outside the influence of MITI or economic ministries. Politicians also found other sources of funding from local contractors and new service sector firms (Green 2003). Rapid urbanisation also weakened LDP’s rural support base. The electoral reform of 1992 and the ensuing split in LDP created a unique situation where LDP had to sit in the opposition for the first time since the war ended. Although LDP was able to regain power and maintain it through the 1990’s, the rules of the game have already been changed.

The electoral dominance of LDP has been broken. Reviving the economy required the LDP undertake restructuring and deregulations of many sectors that traditionally supported LDP. The opposition has become more credible and stronger with the emergence of the Democratic Party of Japan (DPJ). The Socialist Party of Japan (SPJ) which consistently opposed nuclearisation and militarisation has declined in strength. The failure of bureaucracy to manage the economy has discredited it. A series of corruption scandals has depleted the public’s faith in the government. The media especially television and newspapers and the public have become vocal in expressing their opinions over policy matters and governmental actions. At the end of 1990s the ‘1955 system’ had collapsed. The end of Cold War has also created uncertainties about US security umbrella for Japan. North Korean missile and nuclear threat was also emerging along with the rise of China. Therefore, Japan was in a flux and had no concrete goal to pursue because of these domestic structural changes that occurred in the 1990s. At this juncture, on 11
September 2001 attacks on the US soil took place and Japan had to respond as an alliance partner.

**Preferences and 11 September 2001 Aftermath**

Prior to investigating Japan's preferences it is imperative to brief the changes that had taken place in Japan's security policy following 11 September 2001 events so as to locate them in broader state preferences. Japan's initial reaction was to enact legislations to ease constitutional constrains on the use of force and the deployment of Self-Defense Forces (SDF) abroad for military operations. The Japanese Diet passed three bills including the Anti-terrorism Special Measures Law on 29 October 2001. In addition other laws were also promulgated in June 2003: (a) Law Concerning Measure to Ensure National Independence and Security in a Situation of Armed Attack, (b) Law to Amend the Security Council Establishment Law, (c) Law to Amend the Self-Defense Forces (SDF) Law. The Special Measures Law on Humanitarian and Reconstruction Assistance of Iraq was also enacted in July 2003. The Diet also passed seven Contingency Laws in June 2004, besides revising the US-Japan Acquisition and Cross Servicing Agreement (ACSA) on 27 February 2004.

Besides, Japan had also sent its Self-Defence Forces (SDF) to participate in US led wars in Afghanistan and Iraq, though only functioned as auxiliary units. Moreover, Japan also had become a member of Proliferation Security Initiative (PSI), a US led counter-proliferation initiative to interdict clandestine transportation of nuclear and missile materials and components. Further, Japan had revived its participation in Ballistic Missile Defence (BMD) programme, which was part of the US centred Missile Defence (MD) programme. Apart from developing these defensive capabilities, Japan also enhanced its offensive strength by augmenting the power projection capabilities of its Self-Defense Forces (SDF).

Despite all these developments, Japan was reluctant to cross the nuclear threshold contrary to realist predictions. The political developments in the 1990s had severe repercussions for policy making in Japan. The splitting of LDP and the emergence of DPJ with members from both the conservative LDP and socialist JSP was a significant development. Because, the recombination of political alignments was totally without any policy or socio-economic logic unlike the '1955 System' (Pempel 1998).
The electoral and political funding reforms have weakened the intra-party factions within LDP and it enabled the party presidents’ greater control over distribution of party funds and selection of candidates during elections. Besides, the prime ministers were able to appoint ministers of their choice to suit their policy choices as the factions became weaker. For instance, Koizumi appointed more hawkish LDP members to the defense post (Hughes 2007).

The dovish Japan Socialist Party (JSP) declining numbers in the Diet has reduced its influence in the parliament. It has been consistently anti-nuclear, anti-militaristic and opposed hawkish security policy positions. The prolonged political instability in the 1990s replaced JSP with the Democratic Party of Japan (DPJ). Although DPJ consisted of conservative members with hawkish views, the pacifist members persistently lobbied for the continuance of Japan’s existing security policies for their own electoral advantage (Oros 2003). DPJ, in spite of its support for the maintenance of US alliance, it sought more flexibility and equal partnership with the US in the alliance unlike the LDP, which continued with the status quo.

The institutional reforms that were implemented in 2001 aimed at increasing the power of the prime minister and the cabinet in relation to the bureaucracy. The agenda setting power of the prime minister was increased in addition as the head of the cabinet. The Cabinet Secretariat was given the role to plan and draft policies along with the responsibility of co-ordinating various ministries and agencies. Koizumi has also established Cabinet Office in 2001 and the prime minister’s office retained the power to appoint anyone in this office and demand materials from the ministries and agencies. Besides, a number of councils such as Council on Economic and Fiscal Policy were established (Hughes 2007). These reforms have weakened the hold of bureaucracy over policy making and implementation to some extent.

Although the bureaucracy was weakened, it failed to augment the power of the political class. The intra-party rivalries between hawkish and centrist members of LDP over security policies deterred them from making any progress in the nuclear decision making as well (Hughes 2007). Japan’s response to China’s nuclear explosion in 1964 was decided after a compromise was reached among the party members (Endicott 1975). This also reflected once again when the Constitutional Reform Committee in 2004
recommended in a draft bill for the explicit incorporation of three nuclear principles into
the constitution. The members were split on this issue thought it would have increased
the domestic legal barriers for making any nuclear device and a required a constitutional
revision (Hughes 2007) for the same. Therefore, the divided opinion and interests among
the political class over security policy and nuclear weapons, weakened bureaucracy has
contributed significantly to the non-nuclear posture of Japan in the face of missile and
nuclear threat from North Korea and the emergence of China in the post-11 September
global order.

Apart from the political differences, the economic crisis has also contributed to
Japan maintaining its status quo in its security policy. The continuing domestic economic
crisis in Japan has not only drawn the attention of policy makers and opinion makers
away from nuclear issues but also corroded public confidence in their basic financial and
government institutions. Hence, Japan had abandoned any plans of greater military build
up with nuclear weapons (Oros 2003). In addition, the costs involved in developing a new
nuclear weapons programme was exorbitant for Japan as it was already struggling to
maintain the current level of defence spending due to the economic crisis (Oros 2003).
Politically, it would be unpopular and can turn the popular tide against the government.

Public opinion in Japan has consistently been anti-nuclear due to the traumatic
experiences of nuclear bombing during the Second World War. Although there is
considerable support for nuclear energy exists in Japan (Kotler and Hillman 2000). Even
the end of the Cold War and the North Korean nuclear weapons has not altered this
opinion. The Yomiuri Shimbun has conducted a poll following the October 2006 nuclear
test of North Korea on 11-12 November 2006. The poll found that only 17.6 per cent of
the respondents stated the Japan should reconsider its commitment to non-nuclear status
in the light of changing international security situations (Hughes 2007).

Therefore, the political and economic cost of pursuing nuclear weapons for the
Japanese policy making elite and stake holders was too high. Any such attempt would not
only deprive them of their political power and economic benefits but also lose
international support for breaching the nuclear taboo. As a result, Japan maintained its
non-nuclear stand.