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tertiary education had increased dramatically. But based upon the information provided in the table, the absolute (in contrast to relative) increase in the number of students with working-class background admitted to tertiary education between 1977 and 1990 amounts to 23%. Rothstein’s conclusion that this shows that “more than three decades after the reform was begun, no improvement whatsoever has taken place . . . .” (136) is open to dispute. I also find his exclusive focus upon working-class recruitment somewhat myopic.

Educational reform began in earnest with the appointment of a new educational reform commission in 1946. Short of the votes to pass legislation on their own, the Social Democrats depended upon the small Agrarian Party as a partner to reform. The partnership achieved great things but was not without tension, and the Agrarians extracted substantial compromises from the Social Democrats. Rothstein mentions in passing that the principal secretary of the reform commission, a Social Democrat, expressed deep dissatisfaction with the final bill and thought local school boards obtained too much influence (154). The Agrarian participation was a precondition for reform and a discussion of how school reform benefited rural interests would have been welcome. The attainment of educational opportunity for students coming from rural communities ought also to have counted as a step towards greater educational equality.

Jytte Klausen, Brandeis University


These three books, all studies of the Japanese political economy, reflect the degree to which Chalmers Johnson’s 1982 book MITI and the Japanese Miracle continues to dominate the research agenda in this field. The books by Tilton and Woodall, both former students of Johnson, extend his work—which looked primarily at the Japanese state’s success in fostering new industries—by focusing on sectors of Japan’s economy that are in decline. Callon’s book, covering Japan’s high-tech industrial policies in the years 1975–93, picks up the story exactly where Johnson’s seminal book left off.

In combination the books reflect the range of reactions Prof. Johnson has engendered and thus provide readers with a useful introduction to the state of academic debate in this field. The books also benefit from some of the best field research being done in this area, providing readers with highly informed accounts of how industrial policy actually looks from the ground level in Japan. All three authors conducted interviews not only with government officials (the bias in Johnson’s study) but also with executives in the private sector. They also drew extensively on Japanese government documents, industry journals, and other gray literature that is not widely circulated.

Tilton’s Restrained Trade remains the closest to Johnson’s view of Japanese industrial policy. Focusing on MITI’s policies toward the nation’s declining basic materials industries, Tilton finds that the state has been uniformly successful in achieving its aim of preserving as much capacity as possible in Japan or (in the case of aluminum) in the hands of Japanese transnational firms operating abroad. All of these industries (Tilton examines cement, petrochemicals, and steel in addition to aluminum) lost their international competitiveness in the 1970s following the two oil shocks. Domestic cement prices, for example, were 60 percent higher than the price of cement imports in the late 1980s. Yet, MITI was able to help them fend off the import challenge by fostering “relational contracts” between industries designed to cushion the impact of the international shocks.

Many of these industries, in fact, were able to continue to export even as they charged domestic customers prices that were significantly higher than either their export or (competing) import prices.

Tilton is at his best when he describes how “relational contracts” operate in each of these industries and how these ties helped the industries maintain production volumes. In the case of the petrochemical industry, for example, he describes how makers of PVC resin (the plastic that goes into PVC pipe) benefited from tight links to the downstream pipe industry and in turn to the construction industry that buys the bulk of this pipe. Bid-ripping cartels in the politically powerful construction industry (dango) insulate that sector from price competition, Tilton argues, and this insulation is shifted in stages up through the production process by way of implicit contracts negotiated by trade associations. Downstream industries like construction are willing to put up with higher prices than they might get from imports since they are protected from price competition by the dango system, and they accept the relational contracts that promise high but stable prices because they realize they need healthy domestic suppliers to provide them with a stable supply of high-quality inputs.

Tilton is meticulous in his effort to document how these links between industries operate. First, he provides extensive price data for each industry, documenting how firms in each of the basic materials industries (except aluminum) were able to maintain domestic prices that, by mid-1980s, were 48 to 60% higher than import prices despite the absence of formal import protection—suggesting that something fishy must have been going on. He then shows how each industry was able to achieve this result. In steel, the firms were able to operate their cartel without visible help from the state, largely through traditional oligopolistic price leadership by the largest firms. In petrochemicals, the firms were smaller and more numerous, making the coordination work more difficult, but they benefited from their ability to exploit “technological hooks” such that
auto firms, for example, were willing to pay more for their supply of petrochemical inputs in order to guarantee that their domestic suppliers would invest in expensive dedicated technologies needed for high quality auto parts. In cement, firms were able to maintain high prices by, among other techniques, threatening truckers and ready-mix concrete dealers with boycotts if they handled non-cartel cement.

The one industry Tilton examines where domestic producers were unable to maintain onshore production is aluminum. In this case, an industry hit hard by soaring energy prices (which constituted a significant share of their production costs) was unable to convince buyers to accept prices any higher than 13% above the price of imports and was soon driven offshore. By contrasting this case with the other basic materials sectors and a variety of other product sectors considered briefly in his final chapter, he derives (inductively) the conclusion that relational contracts work best under the following conditions: 1) when the upstream industry seeking to maintain high prices is relatively concentrated; 2) when buyers downstream are protected from price competition through a cartel or import protection; 3) when the upstream industry has a “technological hook” to hold over the heads of its buyers; and 4) when the price of the upstream good is only a small share of production costs for major buyers.

While the above factors are all essentially economic, Tilton insists somewhat awkwardly that his study also provides additional evidence in support of the Johnsonian strong state. In each case, he argues, the result (offshore investment in aluminum and continued high levels of domestic production in steel, petrochemicals, and cement) corresponded with state goals and thus demonstrates state power. Tilton has difficulty developing this argument, however, because in almost all cases the state’s goals, as he describes them, were the same as those of industry and the politicians. In the aluminum case, Tilton claims that “MITI wanted these projects [Japanese transnationals’ investments abroad] to be brought on line as domestic capacity was phased out to provide a smooth transition from Japanese domestic to Japanese overseas aluminum” (58), but the aluminum industry wanted this as well. In cement, Tilton claims that MITI had “strategic goals” designed to maintain production of this commodity on Japanese soil (111), but aside from the single case where Japanese firms flirted with the idea of importing (and profiting from) Korean cement, Japanese cement firms wanted this too. In the end, one is left unsure why MITI should have cared more about preserving domestic cement production than it did about aluminum, other than on political grounds.

On the most fundamental issue where their interests diverged, interestingly, Tilton admits that MITI has proven less successful in pushing industry toward its preferred outcome. MITI wanted firms in all of the basic materials sectors to use the time bought through cartels to invest in improved productivity, to improve their efficiency, and regain their competitiveness, while the firms had incentives to use cartels primarily for the purpose of maximizing their profits. While Tilton finds some cases where MITI, with support from the Fair Trade Commission, was able to nudge firms toward using cartels to invest in more efficient production and distribution practices, he ultimately concludes with the observation that “the cartels do not appear to have produced efficiencies; more than a decade after they began, the cement and petrochemical industries are unable to produce at internationally competitive prices.” (21)

While Tilton’s book is generally supportive of Johnson’s view of state power and Callon’s (as we will see) seeks to discredit it, Woodall’s book *Japan Under Construction* takes the middle road. Japan’s political economy, Woodall argues, has a dual nature. In the “strategic” segment, the “developmental state” dominates just as Johnson claims, but in the “structural” segment, a “clientelist state” operates in quite a different manner. In the latter segment (exemplified by the construction industry that is the main focus of the book), policy is not at all insulated from political pressures but instead reflects the common interests of Liberal Democratic Party politicians, bureaucrats, and industry in generating rents the three can share.

After situating his study in relation to the academic debate on Japan’s political economy in Chapter 1, Woodall devotes most of the rest of his book to exploring exactly how these three prominent actors are able to overcome collective action problems which might have prevented them, under other circumstances, from achieving their common interest in generating rents. The reason these efforts have succeeded in the case of the Japanese construction sector, Woodall argues, is because the institutional environment has been so conducive. The public works bidding procedure (at least until the recent reforms) was perfectly designed to help construction firms run effective bid-rigging cartels, allowing even inefficient firms to stay in business and earn excess profits. The electoral system (again, until recent reforms) played a supporting role by encouraging politicians to deliver “particularistic” benefits to firms and voters in their district, leading them to defend the bid-rigging system in construction that proved especially well suited for this electoral strategy. Finally, the bureaucratic system of early retirement gave officials in the Ministry of Construction an incentive to help the process along in the interest of securing for themselves lucrative post-retirement careers in the industry.

Woodall does an excellent job of describing how this “calculation of collusion” operated, focusing in separate chapters on each of the above actors and institutions. He also manages to present the material as a sort of detective story, repeatedly returning to the story of how American trade negotiators began to take issue with the closed construction market in 1988 and how their interest in opening up this market led them to untangle the web of collusion. While I must credit Woodall for his effort to make the story interesting, at times he goes a little too far in translating for readers all of the colorful terms used in Japanese
journalistic reporting on the construction industry. Do we really need to know, for example, that the postwar Japanese transportation system comprised “washboard roads,” “muddy paths,” and “rattletrap byways” (all with Japanese original terms provided)?

Woodall ends the book, appropriately, with a review of how several of the key elements of the institutional environment that was described above (the bidding system and the electoral system) were significantly modified in 1993–94. If the collusive system depended on these institutions, we ought to expect it to change as a result of these reforms. His evaluation, however, is that the reforms have not gone far enough to eliminate bid-rigging. Politicians still face incentives to deliver pork barrel projects in the single-member districts that will elect the majority of Diet members under the new rules, he argues, and the changes in bidding procedures—in the absence of more vigorous enforcement of antitrust rules by the Fair Trade Commission—may not have gone far enough to end collusive habits.

Woodall can be commended for choosing to focus on the problems of collective action and collusion, a refreshing shift away from the preoccupation with the relative power of state versus society in the literature on Japan’s political economy. Nevertheless, he might have given a little more thought to the question of how state, industry, and political interests differed in the cases he studies and might have given us his thoughts as to which of these actors got the best deal under the dango system. One would think that politicians—seeking every political advantage in their districts and eager to use the bid-rigging system to deliver projects to their voters—were best positioned to exploit this system. Yet, when Woodall looked at the districts represented by the construction bosses within the Diet, he found no correlation with the volume of public works flowing to those districts (118). That result appears puzzing in relation to the Italian case (which Woodall also refers to at many points in the book) and the U.S. case, where public works budgets seem to be more heavily distorted through interventions of leading politicians in delivering projects to specific districts. Perhaps the missing correlation in the Japanese case reflects the success of the other actors in this “concrete triangle” (state and industry) in limiting political meddling in specific contracting decisions even as they used (and paid) politicians to preserve a dango system which above all served their interests, providing them with a stable environment in which to regulate and do business.

Callon’s Divided Sun, the final book reviewed here, attacks Chalmers Johnson’s view of MITI’s power over industrial policy most directly. Johnson’s “revisionist” view, he argues, is “out of date” and no longer relevant to understanding the contemporary political economy of Japan. He posits that if the revisionists are right, MITI still ought to be showing evidence of its power, if anywhere, in the case of the high-tech consortia which have been a staple of Japanese industrial policy for many years. When he looks at the major consortia of the 1980s and early 1990s, however, he finds that MITI was completely unsuccessful either in fostering cooperation among firms or in getting these consortia to generate valuable technological breakthroughs.

Callon does an excellent job of telling his story. Gradually acquainting less technically literate readers with the concepts needed to evaluate the goals and success of MITI’s high-tech consortia, he leads readers, first, through MITI’s effort to help Japanese firms develop advanced (VLSI) semiconductor technology, and then through the major consortia of the 1980s: the supercomputer project, the Fifth Generation computer project, and TRON software project.

Only the first VLSI effort, he argues, proved even moderately successful, and in this case only because the cooperation of firms was purchased outright by MITI budgets that were large both in nominal terms and in relation to the economic difficulties then being experienced by Japanese electronics firms. Later efforts, Callon claims, have produced virtually nothing of value to Japanese firms. Lacking the funds to purchase cooperation and burdened by interministerial and interfirm rivalry, they add up to a story of “a Japan of fissures and factions, where great efforts are made to paper over irreconcilable conflicts in order to transmit a surface impression of cooperative harmony” (7).

While successful as an empirical challenge to Johnson’s claims that MITI continues to dominate industrial policy, Callon’s book does not offer us much more than that. Looking primarily at cases of consortia that failed, it does not attempt to tell us the conditions under which such consortia are more likely to be successful. Likewise, looking primarily at cases where MITI failed to budge industry, it does not attempt to tell us if there are any conditions under which MITI can make a difference. In fact, given the plethora of good work that has been done by others in the field of Japanese political economy—others who have articulated much more nuanced models of how and when the Japanese state influences economic policy—it is disturbing that Callon fails even to cite works by T. J. Pempel, Kent Calder, and John Campbell and deals with Richard Samuels in just a footnote. Instead, in a concluding section bemoaning the “underrecognition of pluralism in the Japanese political economy” (202), he cites only Karel van Wolferen, as if the large body of scholarship on pluralism in Japan dating back over 20 years did not even exist.

While Callon provides an interesting empirical update on what MITI has been doing in high-tech policy since 1975, his book ultimately fails to advance us beyond the clichéd argument between Johnson and his critics that has preoccupied Japan scholars for a decade and a half. Unlike the works by Tilton and Woodall, which recognize that there is variation in the degree to which MITI policy succeeds and articulate ways of thinking about how state and society interact, Callon’s book is much less successful than those by Tilton and Woodall, both of which recognize that there is variation in the degree to which MITI policy succeeds and articulate ways of thinking about how state and society interact. Johnson’s straightforward view of Japan as a strong developmental state makes an attractive target, but the time when MITI and the Japanese Miracle can
be set up as the sole straw man in an analysis of Japan’s political economy has passed.

Leonard Schoppa, University of Virginia


This is an important book for “transitologists” generally and for Mexicanists specifically as both groups struggle to understand the impressive resilience of Mexico’s peculiar form of authoritarian regime and its apparent ability to negotiate the pace of political change since the late 1970s. The authors demonstrate that important clues can be found in the attitudinal dimensions of democratic participation.

Dominguez and McCann provide a systematic analysis of public opinion polls done in Mexico primarily since the mid-1980s, focusing especially on the national elections of 1988 and 1994 and the congressional midterm elections of 1991 (with a brief foray into selected state elections to illustrate an argument about electoral fraud). The book is a theory-informed exploration of demographic and attitudinal correlates of opinion related to participation and voting. The authors choose, correctly in my view, to pose broad orienting questions and to link their findings loosely to the literature on democratization. They ask: “Is there a commitment to democracy in Mexico? . . . . What is the significance of the social and economic content of issues and attitudes for the political behavior of Mexicans? . . . . What are the factors that help explain how and why Mexicans vote?” (xv)

Students of comparative electoral behavior will find excellent material for middle-range hypothesis testing. For students of democratic transitions, however, I would point to four findings as especially interesting: (1) the evolution of participatory values; (2) a “two-step model” to explain electoral behavior; (3) the significance of electoral fraud for democratization; and (4) the recent dynamics of change in attitudes.

With respect to interest in politics and preferences for democratic practices, the authors find patterns of continuity and change since the 1960s. Mexicans tend to hold centrist, even conservative attitudes about politics and society; they have become more interested in political campaigns and more willing to discuss politics openly, more attached to rule of law, less supportive of strong leaders (as opposed to laws). Further, the authors found no support for a “working-class authoritarianism” argument (43). Put in comparative perspective, the findings suggest, the Mexican transition toward democracy resembles the slow-moving mass-based experience of democratization in Poland more than it does other Latin American cases. Mexican citizens have pressured elites to democratize the political regime and in so doing have become actors on the nation’s public stage. The changed attitudes and behavior of Mexicans have induced elites to change their own strategies and behavior. . . . . Where democratic norms have come to prevail, as is increasingly the case in Mexico, the likelihood of democratic consolidation rises. (50)

Therefore, rather than violent responses to authoritarianism, corruption, and policy mismanagement, the mass level response seeks democratic procedural routes toward change.

The authors’ central finding concerns a “two-step model” of electoral behavior. The essence of the model is that Mexicans decide first about their orientation toward the regime (presidency and Institutional Revolutionary Party): Do they think Mexico’s (and their own) economic future would be threatened if a party other than the PRI were to reach power? If the answer is positive, the overwhelming tendency is a proregime vote. If the answer is negative, that is, Mexico’s economic future is not seen to be threatened should the opposition reach power, then a second choice is possible: which of the opposition parties offers the most appealing candidates and policies?

The model helps explain several aspects of regime resilience. Ideology and policy stances of candidates matter less to Mexican voters than the pro- or anti-regime decision. “Retrospective voting,” that is, rewarding or punishing a given incumbent for a specific level of performance, is less salient than beliefs about the future. As to policy preferences, while consistent patterns link economic preferences into ideological clusters, one can find free market and pro-statist voters across the party spectrum. Thus, the issue positions of candidates are less important than other perceived qualities, such as experience. Also, strategic voting is common among those whose first step is an anti-PRI stance. Antiregime voters will choose the opposition vehicle most likely to defeat the regime, be it the center-left Party of the Democratic Revolution or the center-right National Action Party. A campaign strategy error of the left, they argue, was to believe that voting was class based, whereas the findings suggest that lower-strata voters are equally (or more) at home with the PRI. Further, Mexican voters have shown themselves to be consistent along the pro- versus antiregime divide. The PRI appears to have a loyal following that it can mobilize, as was seen in its resurgence in midterm elections of 1991. Opposition parties have a fairly reliable antiregime electorate that can be mobilized. A finding that helps explain the poor showing of the left in 1991 was its inability to mobilize new voters; rather, the existing vote was divided among a number of leftist parties. Finally, the model leads the authors to argue that there has been neither a realignment in the electorate in recent years nor even a dealignment, as others have suggested. Rather, they underline basic continuity.

Electoral fraud, especially in 1983–1994, was an effective, albeit costly, tool used by the regime to negotiate the pace of change. The authors’ discussion of fraud is geared to the focus on electoral behavior, that is, what voters think will happen in the actual balloting, and the consequences of this for democratization.