

absent from Japanese society, but they were never implemented in diplomatic policies, because the opposition parties never gained the political maturity that the German Social Democrats did to truly seize power and implement their views into policy. While the reviewer is writing this review, renewed efforts are being made by the DPJ government to establish itself as a political party capable of giving coherent governance, and the outlook does not allow for optimism. How the CCP repeatedly plucked political opposition in their early stages is a common knowledge. Yinan He further describes how history in the form of national myth was indoctrinated through official education system and utilized for political purposes in the 1990s, and how hawkish public opinion turns into a constraint for Chinese policies.

Reading this book does not give us much optimism concerning Sino-Japanese reconciliation in the near future. Perhaps reconciliation between Japan and South Korea has a better future. Very much is at stake as we closely watch the metamorphoses of the DPJ government in Tokyo.

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Welfare and Capitalism in Postwar Japan

Margarita Estevez-Abe

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How the welfare state and capitalism coexist is an enduring and highly contentious research question. According to Margarita Estevez-Abe, Japan's welfare state is not easily classified in standard, comparative

ways. Despite relatively modest government social spending and benefit levels, for decades the country achieved an egalitarian form of capitalism. Existing theories have been unable to explain the Japan puzzle, we are warned, the odd combination of equality, meager redistributive social spending, and extensive protection from market risk without heavy taxes and massive government expenditures. Yet, recent shifts in welfare policies make explanation all the more urgent.

The major purpose of this study is to provide a new theory of the welfare state using Japan as the major case study. Estevez-Abe's argument is that orthodox welfare policies in Japan are used in combination with a wide range of functionally equivalent and highly targeted programs of social protection that until recently resulted in a sort of 'egalitarianism'. The combination of policy tools, she argues, is best explained by the structural logic of a rational-choice model of election results in combination with theories of veto politics. Through the lens of the model, the author traces the postwar origin and development of social protection policy during the country's 'miracle' days of equity with growth. Even in times of economic stress and waves of institutional reform in the 1970s, the regime of social protection remained in place protecting citizens, organizations, and communities from the free workings of the marketplace.

The battering of the long-favored social protection system began only after 1989 with changes in the country's electoral institutions and the start of a period of partial majority, minority, or coalition governments. The traditional system of protection has unraveled. Japan is more market oriented and more unequal, the social protection regime more in line with the United Kingdom. What has not changed, the author asserts, is the behavior of politicians and policy-makers as predicted by the model.

This is an extremely ambitious study containing a huge trove of case studies and embodying a steadfastly pursued act of intellectual imagination and daring provocation. Estevez-Abe initially situates her study on the levels of equality. A good deal of the aggregate data uses 1990 as a base year of comparison, including national income distribution. How reliable income shares are as a proxy for equality is open to question. More significantly, a lively debate exists in Japan about the current levels of income inequality, poverty, social spending and the growing feeling in society of economic vulnerability, exclusion, and market risk. In comparative and absolute terms, poverty levels are up, household incomes have declined, child poverty is up, and the elderly are not as well off as

in the past. I wish that the author had explored the everyday lives of Japanese citizens, giving them a voice with respect to how individuals, households, and communities have attempted to manage income risks.

The data-filled first chapter delineates Japan's social protection system while drawing out comparative implications. The author looks at standard welfare programs: income maintenance, social services, housing, unemployment, pension, and health care. In light of cross-national comparisons what stands out is the extent to which these programs are work-based, fragmented, defined by a patchwork of benefit principles and behind other industrial countries in terms of benefit generosity.

She then stretches traditional notions of the welfare state by using the concept 'social protection' and introducing the idea of 'functional equivalent programs'. These include labor market policy, employment protection legislation, public sector employment, wage subsidies, public works, administrative intervention in the market, and direct state ownership of enterprises. These programs differ along a number of dimensions: policies that promote private welfare such as market- and employer-based welfare; policies that protect jobs and income by curtailing market competition, policies that create jobs and training positions; programs that benefit an individual citizen a firm or producer.

Justification of her choice of functional-equivalent programs is not always clear, a crucial requirement since her task is to show how traditional welfare programs are linked to functional equivalents. 'Equivalent' programs, such as public works or market-restricting regulations, can easily be seen as the pork barrel sorts of government coddling that make up politics as usual in Japan, only distantly related to 'social welfare' no matter how generously the term is stretched. Once the invitation to expand the universe of policy is opened, macroeconomic policy, access to education, even good governance might also be interpreted as reducing or mitigating risk and market vulnerability and so falling into the category of social protection.

Her analytical framework is a rational choice, deductive application of what is described as a 'structural logic model'. As detailed in Chapter 2, the 'structural' variables are government type, the number of seats allocated to electoral districts, and the importance of party versus personal vote. The model also incorporates a veto players approach to explaining who can shape and veto particular policy initiatives. Japan provides an interesting test for this institutional model of welfare politics

since government types and electoral rules changed significantly in the past fifteen or more years. The model offers a way to construct a political logic of social protection, a method to configure the configuration of veto players in policy-making, the institutional constraints on preferences and in the end the shape of a nation's policies of social protection.

Once her model is in place, its premises defined, and its parameters set out, she sweeps through the history of dozens of policies and programs in Japan over many decades – focusing on cross-national, cross policy, and historical variations – confident that she has solved the mysteries of welfare state while setting a new agenda for studying welfare and capitalism in the industrial world.

Electoral politics is crucial. She identifies four distinctive periods: LDP conservative dominance (1951–89), partial minority governments (1989–93), coalition government (1993–96), and ‘the end of Japan's social protection as we know it: becoming like Britain?’ (1996–Present). Policy shifts in social protection are shown to have occurred with shifts in election results, the subsequent power distribution within Japan's polity, and the changes in the preferences of veto players.

How well the model fits the complicated and messy political world of postwar Japanese welfare policy is a final judgment that only policy experts in this area can make. The chapters can be profitably read as a study of the politics of distribution without accepting all aspects of structural logic asserted to be the ultimate force in Japanese politics.

This is a provocative work that invites big-picture rethinking about the welfare state and capitalism. Estevez-Abe's combination of theoretical ideas and rich empirical evidence fill in our knowledge gaps regarding the welfare state, suggest the rewards that accompany creative analytical distinctions, and offer new pathways of cause and effect. I doubt that this will be the last word on needed conceptual distinctions in welfare studies. The virtues and drawbacks of the model will draw debate. How well the ‘facts’ of the various cases under study fit the model will be a terrain of discussion.

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