

Debating Japan's 'economic miracle'

The most volatile debate in regard to modern Japanese history up until the 1990s was that over the methods Japan used to achieve its remarkable economic growth after 1945. In the 1950s and early 1960s American political scientists and historians, such as Edwin Reischauer, suggested that the Japanese recovery was a testament to the enlightened guidance provided by the United States. Japan was accordingly presented as an example of how the modernization theories of economists such as W. W. Rostow could work in practice. This in turn led to a backlash in Japan, in which Japanese economists proclaimed the indigenous, cultural roots of its success. This debate is described in a fascinating article by Laura Hein, 'Free-Floating Anxieties on the Pacific: Japan and the West Revisited', *Diplomatic History* (1996), vol. 20, pp. 411 – 37.

The nature of the analysis changed dramatically in 1982 with the appearance of Chalmers Johnson's highly influential book, *MITI and the Japanese Miracle* (Stanford, CA, 1982) in which he argued that the Japanese state, in the form of MITI, had been the key element in guiding the economy towards rapid growth. Japan, he argued, was a 'developmental state' that operated in a fundamentally different way to the American capitalist system. This thesis not only sparked off a new historical discourse, but also substantially influenced the contemporary debate in the United States about how it should deal with Japan and its ever-increasing trade surplus and inspired a number of commentators to engage in 'Japan-bashing' books and articles. Johnson's contentions were not, though, universally accepted. For example, writers such as Daniel Okimoto (1989) demonstrated that MITI's record of 'administrative guidance' was far from flawless, while others, such as Kent Calder (1993) and Mark Mason (1992), put more emphasis on the role of the large industrial companies. Furthermore, as the economic history of the Cold War became subject to greater scrutiny, the manner in which the United States encouraged Japanese growth was once again studied, most notably in Aaron's Forsberg's book *America and the Japanese Miracle* (Chapel Hill, NC, 2000). Forsberg's work and the contemporaneous edited collection by Meredith Cumings-Woo (1999) suggested that to the degree that a 'developmental state' existed in Japan and the other East Asian capitalist economies, it was a creation of the Cold War in that it was actively encouraged by the United States. The evidence for this was that Washington not only opened the huge American domestic market to Japanese, South Korean and Taiwanese exports, but that it also resisted pressure from American business to press its East Asian allies into lowering their tariffs and allowing foreign direct investment.

The 1990s, however, saw the intensity of this debate dwindle sharply as the Japanese economic growth flat-lined. Attention among political economists changed instead to accounting for the sudden rise of Chinese economic power; although it is interesting to note that in researching this topic some observers saw distinct echoes of Johnson's developmental state model. The curious thing about this swing from Japan to China was that what had happened in the former was, in fact, extremely important and yet there seemed to be relatively little interest in accounting for its economic slowdown.