TECHNICS AND DIALECTICS OF THE INFORMATION SOCIETY: JAPANESE ORIGINS OF INFORMATION SOCIETY THEORY

by

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ABSTRACT

Technics and Dialectics of the Information Society: Japanese Origins of Information Society Theory is a historical and theoretical analysis of the development of Japanese Information Society Theory from the origins of postwar Japanese capitalism to the present day.

Making use of the methods of Political Economy and Critical Theory, it examines the contradictions of Japanese capitalism within a global context, and considers how Information Society Theory constituted both a strategy used by the Japanese capitalist class to overcome barriers to accumulation in the crisis of the late 1960s – early 1970s, and an ideology of legitimation, the utopian dimension of which points beyond the theory's own limitations to possibilities for a renewal of socialist politics.

In its concluding section the thesis briefly considers how Information Society Theory adapted to address the changing circumstances of Japan following the bubble economy of the 1980s, and how it addressed the challenge of global neoliberalism.

Keywords: Information Society Theory; Political Economy; Critical Theory; Marxism; Informationalism; Postwar Japan; Japanese History; Socialism; Yoneji Masuda; Tessa Morris-Suzuki; Andrew Feenberg; Herbert Marcuse; MITI; METI

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GLOSSARY

METI	Ministry of Economy, Trade and Industry
MITI	Ministry of International Trade and Industry
JACUDI	Japan Computer Usage Development Institute
JCP	Japanese Communist Party
SCAP	Supreme Commander of the Allied Powers
SDPJ	Social Democratic Party (Japan)

INTRODUCTION

What is at issue is not that 'the same thing happens over and over,' and even less would it be a question here of eternal return. It is rather that precisely in that which is newest the face of the world never alters, that this newest remains, in every aspect, the same. – This constitutes the eternity of hell.

-Walter Benjamin, *The Arcades Project*

Technics and Dialectics of the Information Society pursues a historical and theoretical analysis of the development of Japanese Information Society Theory from its origins in the postwar period, through its articulation during the crisis of capitalism of the late 1960s – early 1970s, and to the present day, where its adaptation in the face of the crises following the bubble economy of the 1980s has brought it into confrontation with the global project of Neoliberalism. The analysis is divided into four chapters and a conclusion, each of which will be briefly described here.

Chapter One examines the historical contradictions found at the origins of the postwar Japanese capitalist system in the American occupation. The analysis describes the character of the American occupation, and considers the contradictions of its reform program of "revolution from above." It then analyzes the eruption of the Japanese "revolution from below" out of these contradictions and describes how the reform period came to an end.

Chapter Two considers the successive reactionary periods of the "reverse course" and the "miracle" period of high growth. It examines in detail how the actions of the

American occupation forces laid the groundwork for the firm reestablishment of the power of the Japanese capitalist class following independence, and considers the bureaucratic legacy of the American occupation, namely the formation of what John Dower terms the "SCAPanese" state. The analysis then proceeds to examine the political economic factors that allowed for the "miracle" to occur, and explains how contradictions within the postwar order lead to the crisis of the late 1960s – early 1970s.

Chapter Three takes up the work of Tessa Morris-Suzuki to address the formation of Information Society Theory as a response to the crisis of capitalism of the late 1960s – early 1970s. It considers from a political economy perspective how Information Society Theory was used by the Japanese bureaucracy and capitalist class as a set of strategies to overcome barriers to accumulation, as well as an ideology of legitimation to address the insurgency of the New Left. The analysis then proceeds to address the critical framework of "Information Capitalism" developed by Morris-Suzuki, which examines the contradictions of this new phase of capitalist development.

Chapter Four diverges from the preceding historical and political economic analysis to perform a close reading of Masuda Yoneji's *The Information Society as Post-Industrial Society*, a key text of Information Society Theory. Following the general and abstract formulations of Masuda, the analysis of Chapter Four tends to refer to global trends rather than specifically addressing the Japanese situation. Making use of the Critical Theory of Herbert Marcuse and Andrew Feenberg, this section seeks to address the utopian dimension of Information Society Theory which is largely ignored by the political economy approach of Morris-Suzuki. Integrating Morris-Suzuki's Information

Capitalism framework with Andrew Feenberg's theory of democratic rationalization, this chapter seeks to provide a socialist response to Information Society Theory.

Finally the concluding chapter of the analysis returns to a historical perspective on Japan in order to understand how Information Society Theory has responded to the tumultuous period of Japanese history that followed the collapse of the bubble economy of the late 1980s. It takes up the analysis provided by Manuel Castells, and criticizes it in light of the understanding developed in the preceding chapters of the thesis. Disputing Castells' claims that the coming of the "network society" signals the end of the so-called "SCAPanese" state and the information society project that it spawned, the concluding chapter advances the hypothesis that the embattled information society project has in fact been reconstituted under a Japanese state evolving in the direction of an "Embedded Neoliberalism." The analysis then proceeds to consider some of the contemporary legacies of the information society project, before offering concluding remarks on the prospects for change in Japan.

As each successive chapter of the thesis internalizes the understanding established in the previous chapters the thesis is intended to be read sequentially with a holistic conception of the developing argument in mind.

1: OCCUPATION AND REVOLUTION – JAPAN 1945-1947

1.1 Revolution Peace and Democracy?

At the point of its unconditional surrender to the United States on September 2 1945, Japan was a shattered nation. Its armies were scattered, its people were starving, its cities were in ashes, and its ruling elites utterly discredited. Into this devastated land stepped the victorious American military, with the imperious General Douglas MacArthur at its head. Speaking to the world, MacArthur declared his "holy mission" completed, and expressed his hope for a new world founded on "freedom, tolerance and justice."[1] MacArthur continued his high-minded and stern rhetoric by promising to liberate the Japanese people from a "condition of slavery" and encourage them to expand "vertically rather than horizontally."[2] With these ambitious words began the American occupation of Japan.

Yet just five days later events of a decidedly less high-minded character transpired. In preparation for the American occupation, the Japanese state had prepared a Recreation and Amusement Association (RAA) to service the invading army. This innocuously named organization was to perform a grotesque service for the nation. Echoing the horrific use of "comfort women" by the Japanese military during the war, the RAA recruited destitute women with appeals to nationalist ideology, asking them to give their bodies for the nation in order to "serve as a buffer protecting the chastity of the

[1] John W. Dower, *Embracing Defeat*, (New York: W. W. Norton & Company, 1999), 41.
[2] Dower, *Embracing*, 42.

'good' women of Japan."[3] With hundreds of American GIs flocking to take advantage of this service, inexperienced RAA recruits had to service upwards of twenty men in a single day, fornicating on the floors and in the corridors without even a single bed or futon made available. Some women thus employed fled or committed suicide in their first day of work.[4] Thus began a pervasive practice of prostitution that is estimated to have consumed half of all GI recreational spending during the length of the occupation.[5]

These two events are indicative of the character of the American occupation – the contradiction between a high-minded "holy mission" and a brutal domination enacted with the complicity of the Japanese ruling class running through its entirety. In order to understand this character in greater depth, it is first important to consider who were the men and women who made up the Supreme Command for the Allied Powers (SCAP), as the occupation authority was known, and what role the Japanese state played in enacting their rule.

1.1.1 The Character of SCAP

Douglas MacArthur, as the Supreme Commander of the occupation, was the boundless confidence of a newly globe-spanning American empire personified. The General ensconced himself in the halls of power, never consorting with the *hoi polloi* of the nation, and never showing the slightest interest in acquiring first-hand knowledge of the country over which he presided. Ruling from his commanding heights like some Nietzschean caricature, MacArthur rarely bothered himself with written work on Japan, often stating grandly that his only guides were "…Washington, Lincoln, and Jesus

[3] Dower, *Embracing*, 126.
[4] Dower, *Embracing*, 129.
[5] Dower, *Embracing*, 138.

Christ."[6] The General also viewed his subjects with a distinctly orientalist paternalism that often lead him to expound on the childlike character of "the Oriental personality" but also lead him in the classic colonialist mode, to fight for Japanese democratization as a part of the so-called "White Man's Burden."[7] Mercifully, not all of MacArthur's staff shared his proudly unsophisticated understanding of the nation that they had occupied.

This is not to say however, that the SCAP staff were experts on the subject of Japan. In fact, quite the opposite was true. The "Japan crowd" of pre-war State Department Japan experts, who were used to fraternizing with the mandarins of the Japanese capitalist class, and who shared their patrician distain for the "monstrous beehive" of the oriental "herd," were swept away by a "China crowd" of "New Deal liberals, leftists, and Asia specialists more associated with China than Japan."[8] This group were great believers in the sort of behaviouralism and liberal pluralism that came to characterize the postwar American policy culture. In contrast to the pessimistic conservatism of the Japan crowd, the China crowd believed in the universal capacity of human beings for democracy and the malleability of the Japanese "national character" towards a new culture of democracy. The New Dealers, who were already losing influence at home, turned to Japan as their next project, seeking to create not only political democracy, but a degree of economic democracy as well. There were also those yet further to the left of the New Dealers, who argued that there existed within the suppressed Japanese Left incipient native tendencies towards democracy that should be encouraged. Despite their ideological diversity, in their optimism the "China crowd"

[6] Dower, *Embracing*, 223.
[7] Ibid.
[8] Dower, *Embracing*, 220.

found themselves in agreement with MacArthur and his "almost messianic zeal" for "demilitarization and democratization."[9]

Yet while optimism united them, the fact remained that the various members of SCAP were generally lacking in any deep understanding of Japan. In fact in the climate of antipathy towards the "Japan crowd" ignorance of matters Japanese was taken to be a virtue. As Dower states:

> …Indeed, at the level of daily operations GHQ appears deliberately to have excluded most individuals who possessed even slight credentials in Japanese matters. The several thousand Americans trained in Japanese language and culture during the war in anticipation of being assigned to military-government duties often found themselves sent elsewhere than Japan. MacArthur and his staff did not want them. Of those who actually made it there, some were shunted off to Okinawa – an American version of exile to the gulag, where U.S. policy eschewed reform and focused instead on turned the war-savaged archipelago into an impregnable military base. Alternatively, these bright, eager, new speakers of Japanese might be assigned to the Eighth Army in Yokohama and deposited at the lowest level of occupation activity: grass-roots prefectural work. Whatever their ultimate assignment, they were excluded from serious policy-making positions."[10]

This peculiar ignorance on the part of Japan's new military rulers was to have a decisive impact on the character of the occupation, for if the SCAP staff were incapable of conversing in Japanese, they could hardly expect to rule the country in any direct fashion.

[9] Dower, *Embracing*, 223.
[10] Ibid.

For this a Japanese comprador class would be required – one that was found ready and waiting in the Japanese bureaucracy.

The bureaucracy had acted as a willing hand-maiden of the military-industrial complex of the Japanese Empire, and consequently in the unspeakable atrocities it had committed during Japan's imperial expansion. During the final days before the American occupation the bureaucracy conducted itself in the most inglorious manner possible, frantically burning the records of its crimes and pillaging public resource stores for its members' private enrichment,[11] all the while continuing to mouth the pieties of national solidarity it had used for so long to suppress dissent against the imperial enterprise that had brought Japan to ruin and shattered countless lives across Asia. Yet in the aftermath of Japan's total war few except the most spirited dissidents were left without blood on their hands, and while guilt for the war clearly rested mainly with Japan's capitalist class and their military allies, the way forward for the country was much less clear. In such uncertain circumstances it was the U.S. occupation forces that were to play a decisive role.

American occupation plans initially called for direct American military governance of the country, as was enacted in the occupation of Germany, yet as we have seen, the staff of SCAP were hardly prepared for such an enterprise. In light of their limited capacities SCAP made the practical yet immensely significant decision to "exercise [their] authority through Japanese government machinery and agencies, including the Emperor, to the extent that this satisfactorily further[ed] United States

[11] As we shall see this hording was to have a considerable impact upon Japan's political economy.

objectives."[12] Although under Blaine Hoover later attempts were made to "defeudalize" and "discipline" the bureaucracy, these efforts were conducted in such a high-handed and ignorant manner that they proved largely ineffective, and in some cases actually worsened matters.[13] Dower assesses the impact of the American decision to rely on the bureaucracy as follows:

> Although the military establishment was eliminated and the repressive Home Ministry dismantled, the civilian bureaucracy was left essentially untouched and the emperor was retained. The American proconsuls depended so heavily on an indigenous technocratic elite to implement their directives that, under SCAP's aegis, the bureaucracy actually attained greater authority and influence than it had possessed even at the height of the mobilization for war.[14]

Here then we see the origins of the neo-colonial postwar Japanese state. As a comprador class the Japanese bureaucracy was clearly subordinated to the American "super-government,"[15] but even though the bureaucracy occupied a subordinate position, it did not lack an agency of its own, and in fact profited massively from its temporary subservience to the foreign occupier. In retrospect, SCAP served as the midwife of the "Japan Inc." of later decades, yet this familiar form of the Japanese state did not emerge wholly complete in 1945. It grew into being through a complex series of contingent events which must be considered in further detail. Having established an outline of what SCAP was, we shall now examine what its "revolution from above" hoped to accomplish and what it actually achieved.

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[12] Dower, Embracing, 212.
[13] Shigeto Tsuru, *Japan's Capitalism* (New York: Cambridge University Press, 1996) 29.
[14] Dower, *Embracing*, 213.
[15] Dower, *Embracing*, 205.

1.1.2 "Peace" and "Democracy" – The Revolution from Above

The "revolution from above" initiated by SCAP was what John Dower describes as "an extraordinary, and extraordinarily fluid, moment – never seen before in history and, as it turned out, never to be repeated."[16] Its watchwords were democratization and demilitarization, and it pursued these objectives with incredible audacity and zeal. While Japanese reactionaries openly wept and the old Japan hands of the U.S. State Department scoffed, SCAP implemented a list of reforms Dower summarizes well, and is worth quoting at length:

> The Peace Preservation Law of 1925, under which thousands of (usually left-wing) critics of government had been arrested, was abrogated. Governmental restrictions on assembly and speech were lifted. The Special Higher Police, or 'thought police,' of the Home Ministry were abolished. The heads of the Home Ministry and the national police force were purged. Political prisoners were ordered released from jail, paving the way for the return to public life of Tokuda Kyuichi and hundreds of his stalwart communist colleagues who had held firm to their principles during upwards of eighteen years of incarceration.[17]

Dower goes on to note that:

> One week later…the government was commanded to extend the franchise to women, promote labor unionization, open schools to more liberal education, democratize the economy by revising 'monopolistic industrial controls,' and in general eliminate all despotic vestiges in society…Beginning in early November

[16] *Embracing Defeat* was written before the American invasion of Iraq, although Marx's often cited comment about tragedy and farce seems to apply here. Dower, *Embracing*, 84.

[17] Dower, *Embracing*, 81.

> [1945], GHQ initiated a frontal attack on the giant zaibatsu conglomerates, starting with the forced dissolution of the 'holding companies' through which zaibatsu families controlled their vast empires. Eventually both 'antimonopoly' and 'deconcentration' legislation was passed, and hundreds of large enterprises were earmarked as targets for breakup. At roughly the same time an agrarian land reform was initiated that within a few years would virtually dispossess the rural landlord class, destroying a system in which exploitative tenancy had been widespread and creating in its place a huge constituency of small owner-farmers. Arrests of accused 'Class A' war criminals, modestly initiated in September, accelerated during the final months of the year…The government-sponsored cult of state Shinto, a bulwark of emperor-centered ultranationalism, was abolished on December 15. Under GHQ pressure, a Trade Union Law guaranteeing workers the right to organize, strike, and bargain collectively was approved by Japan's parliament…[18]

The Trade Union Law was proceeded by more dramatic actions taken by the occupiers:

> In the same month, President Truman's special envoy on reparations, Edwin Pauley, called for extensive reparations in kind to be taken from the country's already prostrate industrial plant. For the old guard, the new year of 1946 began with more inauspicious tidings, including the first of a series of purge directives that would eventually prohibit some two thousand individuals – mostly but by no means exclusively former military officers – from holding public office…And this was but the beginning of the revolution from above, which over the next two

[18] Dower, *Embracing*, 82.

> years would extend to the reform of civil and criminal law, elimination of the 'feudalistic' family system that had legally rendered women inferior, extension of the right to vote to women, decentralization of the police, enactment of a progressive law governing working conditions, revision of both the structure and curriculum of the education system, renovation of the electoral system, and promotion of greater local autonomy vis-à-vis the central government…In the single most brazen and enduring act of the democratic revolution, a reluctant government was forced to introduce an entirely new constitution that retained the imperial system but simultaneously established the principle of popular sovereignty and guaranteed a broad range of human rights. It was under this character that the emperor's erstwhile subjects became citizens. The new national charter…not only codified the basic ideals of 'democratization,' but wedded them to 'demilitarization' by explicitly prohibiting Japan from resorting to war as a means of resolving international disputes. The imperial army and navy had already been demobilized, the military establishment already abolished. Under the 'renunciation of war' provisions in the new constitution's preamble, as well as in its Article 9, the country formally committed itself to a pacifist course."[19]

These great reforms were certainly progressive, and given the break they signalled in Japanese history, it should be of little surprise that when the communist Tokuda was released from his eighteen years of imprisonment he made the following statement praising the occupation forces: "We express our deepest gratitude that the occupation of Japan by the Allied forces, dedicated to liberating the world from fascism and militarism,

[19] Dower, *Embracing*, 82.

has opened the way for the democratic revolution in Japan."[20] However the American effort was fraught at its core with the contradiction between its high-minded idealism, and the brutality of imperial domination. In the case of its reform programme these contradictions manifested themselves in the form of reform as liberation, and reform as realpolitik.

In other words, the occupation reforms from the start were built both on hope and fear. The Japanese people were seen both as repressed democrats who only needed to be liberated and an Asiatic "other" who had to be "democratized" through systematic control and psychological manipulation. Thus democratization and "a minimum level of censorship" went hand-in-hand.[21] In the same spirit, economic deconcentration and land reform were accompanied by punitive reparations. As Dower states:

> Unlike Germany, this vanquished enemy represented an exotic, alien society to its conquerors: non-white, non-Western, non-Christian. Yellow, Asian, pagan Japan, supine and vulnerable, provoked an ethnocentric missionary zeal inconceivable vis-à-vis Germany. Where Nazism was perceived as a cancer in a fundamentally mature 'Western' society, Japanese militarism and ultranationalism were construed as reflecting the essence of a feudalistic, Oriental culture that was cancerous in and of itself. To American reformers, much of the almost sensual excitement involved in promoting their democratic revolution from above derived

[20] Dower, *Embracing*, 69.
[21] Dower, *Embracing*, 79.

> from the feeling that this involved *denaturing* an Oriental adversary and turning it into at least an approximation of an acceptable, healthy, westernized nation.[22]

Following Dower's thesis, we must reach the uncomfortable conclusion that the radical extent of the reforms was only made possible by the American victors' perception that they could dominate the Japanese other, to the point of completely obliterating and rebuilding its identity - and moreover the psychological attraction that this sense of domination implied. However this condition of possibility of the reforms also constituted their limit, for when the transcendental aspect of the democratization and demilitarization process threatened to exceed the vision of "an acceptable, healthy, westernized nation" the entire reform project was thrown into crisis. Before considering the resulting crisis, it is first necessary to consider the material conditions that accompanied these ideational conditions and brought the crisis about.

1.1.3 The Political Economy of the Initial Occupation Period

There are three salient features of the political economy of the initial occupation period which will be addressed in this section: The inflation, the role of hoarding by the ruling class and the black market, and the American role in the economy. In considering these three features we can understand the material conditions that gave rise to the crisis of the occupation reforms.

The importance of inflation to the living conditions of the Japanese people in this period can hardly be overstated. For example, a common Japanese measure of the staple food of rice, a *shou* (1.4 kilograms), in 1946 cost 2.7 yen, whereas in 1950 its cost had

[22] Dower, *Embracing*, 80.

risen to 62.3 yen, with effects on everyday life that can scarcely be imagined.[23] However this cost reflects only *official* prices, whereas amidst a climate of persistent material shortage, a black market grew up that charged far higher prices still. In such desperate circumstances, starvation and other hardships reached truly obscene proportions. It is estimated that roughly one thousand individuals in Tokyo alone starved to death in the first three months following Japan's defeat.[24] American aid did help alleviate this problem, and yet shortages of all goods remained persistent. But Japan had been preparing for an extended land war in the home islands and therefore amassing supplies for that purpose. In the midst of such misery the obvious question arose of where all these supplies had gone. A succinct answer is provided by Dower:

> The impression one gains from later investigations…is that during the turbulent two weeks following the emperor's broadcast [of defeat], a great many men of influence spent most of their waking hours looting military storehouses, arranging hasty payments from the military budget or from the Bank of Japan to contractors and cronies, and destroying documents. In the greatest moment of crisis in Japanese history, it was a rare officer, official, or executive who devoted himself with sincerity and foresight to serving the well-being of the general populace. No wise men or heroes, no commendable statesmen, emerged from among the old elites.[25]

It is estimated that roughly seventy percent of all military stocks in Japan were horded in this manner by members of the ruling class, and a further 100 billion yen of building

[23] Dower, *Embracing*, 116.
[24] Dower, *Embracing*, 93.
[25] Dower, *Embracing*, 114.

materials were later appropriated by the same suspects.[26] These supplies were then sold through the ruling class' allies in organized crime (on the bustling black market) at thirty-four times the official rate in the first six months of occupation, and then later at an average of roughly fourteen times the official rate. This massive concentration of class power, first at the expense of the members of the "Greater East Asia Co-Prosperity Sphere" from whom the resources had originally been pilfered, and then from the Japanese people themselves, was to have long lasting implications. It is estimated that the total value of the hoard exceeded 300 billion yen, the staggering value of which becomes clear when it is compared to the value of the entire national budget in 1947 of only 205 billion yen.[27] A great deal of this wealth later went into election spending by politicians, although it is impossible to know exactly how it was all spent.

When a "Special Committee for Investigation of Concealed and Hoarded Goods" was set up in 1947, its investigators were given limited powers and no public funding whatsoever.[28] Unsurprisingly, none of the perpetrators of this audacious crime were ever indicted.[29] One must agree with Dower's sardonic conclusion: "With the 'hoarded goods scandal,' structural corruption was established as one foundation stone of the post-war political economy."[30]

However this was hardly the only hardship that beset Japan in these times. As a part of the surrender arrangement, the Japanese government was required to pay a major portion of the costs of supporting and housing the massive American occupation force.

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[26] Ibid.
[27] Dower, *Embracing*, 118.
[28] Dower, *Embracing*, 117.
[29] Ibid.
[30] Dower, *Embracing*, 117.

While the American "strategic" fire-bombing campaigns had created a housing shortage of roughly 4.5 million units by the end of the war,[31] the Japanese government was required to providing housing for the conquerors, and indeed to "American living standards" that often considerably exceeded what the soldiers inhabited at home.[32] In total these costs (filed euphemistically under the headings of "war termination costs" or "other expenses" under the orders of SCAP) amounted to a full one-third of the Japanese government budget at the beginning of the occupation and remained significant into the future.[33] Given the massive corruption mentioned above and the enormous cost of occupation, it is clear that the Japanese government did not have the resources to support its suffering working class in any satisfactory fashion.

This shortfall on the part of government was compounded by the American anti-monopoly and deconcentration efforts, whose motives contained the same contradictions between idealism and *realpolitik* that were evident throughout the occupation. To begin with, while the American "strategic" bombing campaign had been exceptionally effective in killing and terrorizing civilians, it had largely failed to destroy Japan's industrial base. As the head of the U.S. Reparations Mission to Japan, Edwin W. Pauley stated: "Despite all the destruction, Japan still retains, in workable condition, more plant and equipment than its rulers ever allowed to be used for civilian supply and consumption even in peaceful years."[34] While this might normally be taken to be a fortuitous outcome, and it might be thought that Japanese military production could be repurposed to civilian

[31] The American fire-bombing campaign had proved particularly effective in destroying Japanese cities, where the houses were typically made of wood. It had also proved particularly effective in inflicting almost 470,000 civilian casualties upon the Japanese population. Tsuru, *Japan's Capitalism*, 8.

[32] Dower, *Embracing*, 115.

[33] Ibid.

[34] Tsuru, *Japan's Capitalism*, 8.

production, helping Japan recover from its devastated condition, Pauley went on to state that this "surplus must be taken out."[35] Such was the logic of reparations. Behind pronouncements of moral justice being exacted on the wicked Japanese nation, there lurked the concern of the American state for the long term prosperity of its national capital. No doubt with the memory of the "dumping" that had characterized Japanese capitalist growth in mind, the Pauley report was designed to ensure that Japan would not recover on the basis of a programme of export overproduction and provoke ruinous competition in the global capitalist system.[36] Therefore instead of reparations being exacted in the form of money, workers, or manufactured products, it was decided that Japan's means of production were to be targeted as "reparations in kind." The extent of the reparations to be taken was staggering, and would have certainly devastated Japan's recovery.[37] At the same time, in a more high minded fashion, SCAP had created in 1947 the Holding Company Liquidation Commission (HCLC) which attempted to break up the *zaibatsu* capitalist cliques in order to "destroy Japan's militaristic power both psychologically and as a system, and…to enable Japanese workers, who had been exploited by the *zaibatsu* in the past, to obtain higher wages and salaries, thus expanding the domestic market."[38] We can see once again the fear of Japanese exports co-mingled with an idealistic drive in the HCLC's mission. The effect of the twin threats of expropriation in the form of reparations and dissolution of the *zaibatsu* created an environment that terrified Japanese capitalists. With the future uncertain, Japanese

[35] Ibid.
[36] Tsuru, *Japan's Capitalism*, 13.
[37] Tsuru, *Japan's Capitalism*, 14.
[38] Tsuru, *Japan's Capitalism*, 19.

capital effectively went "on strike" by refusing to send its money into circulation, meaning more scarcity, more inflation, and more unemployment for the working class.[39]

In this state of deprivation, massive government graft, and no clear prospects for the future betterment of the wellbeing of the working class, the material conditions for revolutionary action were ripe. It is to this defining crisis of the occupation that we now turn.

1.2 The Revolution from Below and the Reverse Course

This section will examine the Japanese attempt at revolution from below, the American reaction, and how these events solidified the postwar Japanese political economic order. By their end a regime that would be recognizable to a present-day observer of Japan had already taken shape.

1.2.1 The Revolution From Below

SCAP's paternalistic approach to reforming the Japanese polity had, as we saw above, originated from a missionary impulse that sought to remake Japan in the image of an "acceptable, healthy, Westernized nation." To that end SCAP had enacted a number of liberal reform measures, including importantly a vigorous expansion of workers' rights. However at the same time SCAP engaged in a punitive reparations mission and refused to ensure the material wellbeing of Japan. With their newfound freedoms, and with the reactionary Japanese government either unwilling or unable to ameliorate their condition, the Japanese working class took matters into its own hands and initiated a revolution from below that challenged the paternalism of SCAP and the Japanese state.

[39] Dower, *Embracing*, 113.

With the Trade Union Law of December 1945, unions in Japan rapidly expanded their scope. The main protagonists in this unionizing drive were the *Sodomei* lead by the Socialist Party and the *Sanbetsu* lead by the Japanese Communist Party (JCP). The fierce competition between these two parties to recruit new members to their affiliated trade unions bore considerable fruit. In the first month of 1945 union membership increased by over a million members, more than doubling the previous total membership. By mid-1948, when membership reached its peak, 6.7 million workers were unionized, comprising over half of Japan's non-agricultural workforce. Out of this total, roughly two-thirds of unions were affiliated with the JCP.[40] Because inflation affected the earning power of both white and blue collar members of the working class, and because pay scales in the public sector were slow to increase relative to the private sector, a broader scope of the working class was supportive of unionization and radical action than would typically be expected. In particular public sector unions proved receptive to the radical platform of the JCP.[41]

Indeed, the Communist leaders Tokuda Kyuichi and Nosaka Sanzo became two of the most prominent faces of the popular uprisings of 1946-1947. Nosaka had been an active participant in the struggle of the Chinese Communists, working as the head of a re-education program for Japanese Imperial Army soldiers. With the legalization of the JCP under the orders of SCAP, Nosaka returned to Japan in mid-January 1946, where he was greeted by crowds as a celebrity, and declared to a reporter that he wanted to create a "lovable Communist Party" that would act through peaceful and democratic means.[42]

[40] Dower, *Embracing*, 256.
[41] Dower, *Embracing*, 257.
[42] Dower, *Embracing*, 256.

Throughout the main phase of the "revolution from below" the JCP continued to follow this pacifist Nosaka line while actively agitating for change inside and outside parliament.

Yet despite the important role played by the Socialist and Communist parties in organizing the Left, more important still were the initiatives undertaken by members of the working class themselves. One of the most prominent such initiatives was the spontaneous eruption of "production control" – a movement of workers' self-management that began in 1945 and continued to grow thereafter. The movement is described by Dower as follows: "Employees in individual enterprises, acting largely on their own initiative, simply took over the offices, factories, or mines where they were working and ran them without consulting the owners or the managerial elite."[43] This movement was significant precisely because it lacked official support from either the Communists or the Socialists. It initially was conceived of as an *alternative* to strike action in the struggle against management.[44] Once workers' demands were met, the workplace returned to prior management practices. However this characterized only the initial wave of production control. Once workers began to realize their power to seize and manage the means of production, the movement spread, and some began to see it as a fundamental challenge to capitalist social relations. Some even went so far as to see production control as the beginning of the formation of workers' councils.[45] Amidst widespread rumours that the capitalist class was conspiring to sabotage the democratic reforms that Japan was undergoing at the time by throwing production into disarray, the

[43] Dower, *Embracing*, 257.
[44] Ibid.
[45] Dower, Embracing, 258.

production control movement was seen as a patriotic cause that sought to encourage Japan's economic recovery and protect its new democracy. Between June and February 1946 an average of thirty cases of production control occurred on a monthly basis, involving tens of thousands of workers.[46] While this important struggle was taking place in the work place, another was taking place in the streets in the form of protests.

Three days before the 1946 spring election, a massive rally to overthrow the reactionary Shidehara cabinet took place in Tokyo's Hibiya Park. Trade unionist, farmer, Korean immigrant, and "cultural groups" mustered some 70,000 participants to the gathering, presenting a vast expanse of red flags. The red flags did not necessarily imply support for the JCP, but rather were an expression of the solidarity of the working class.[47] Accompanying these flags were signs bearing slogans such as "Overthrow the Shidehara cabinet – supporter of the rich and enemy of the people!"[48] From this rally came a procession of some 50,000 people to the residence of Prime Minister Shidehara. After a scuffle with police and the intervention of American MPs, a thirteen person delegation lead by JCP Chairman Tokuda Kyuichi was allowed to enter the residence and present its demands to the Prime Minister. However the protestors' angry rhetoric so frightened the elderly Shidehara that he fled in terror.[49]

The next great gathering was on May Day of the same year, when somewhere between 1.25 million and 2.5 million protestors gathered to demand that food scarcities be addressed and a popular front government of Socialists and Communists be formed.

[46] Dower, *Embracing*, 258.
[47] Dower, *Embracing*, 259.
[48] Dower, *Embracing*, 261.
[49] Ibid.

The executive committee of the gathering prepared the following message for SCAP and the Allied Powers, which can be taken as indicative of the sentiment of the rally:

> We express our sincerest appreciation for the measures taken by the Allied Powers to liberate the people, grant freedom, and extend the rights to labor and agricultural groups.
>
> Inspired by this, we hope to uproot feudalistic and despotic oppression; establish a popular government, based on the true will of the people never to break the peace of the world again; realize political, economic and social conditions which will not jeopardize the livelihood of the people; and be recognized internationally as a peaceful and democratic nation.[50]

The message went on to describe how "bureaucrats, capitalists, landowners, and other controlling interests" had been obstructing the demonstrators' objectives and thereby had proved themselves to be "in truth enemies of the democratic revolution."[51] This spirit of acting in concert with what were perceived to be the *true* intentions of the occupation forces stretched back to the moment of Tokuda's release from prison, and continued to develop beyond the May Day demonstration. What followed was one of the strangest chapters in Japanese political history.

Eleven days after May Day, a small "give us rice" demonstration was held in the Shimomura section of Tokyo's Setagaya ward. Unexpectedly, Nosaka Sanzo, who had already coined the "lovable Communist Party" phrase, appeared at the Shimomura rally and declared that the only course of action was to appeal directly to Emperor Hirohito

[50] Dower, *Embracing*, 262.
[51] Ibid.

himself. This bold proclamation was seconded by other speakers and so a delegation of "113 men, housewives, and children carrying a smattering of red flags" set out for the Imperial Palace, which they were reluctantly allowed to enter, and presented their "Voice of the People" resolutions to a representative of the Emperor. As the news of the protest spread, more and more "food demonstrations" were held, and when the bureaucrats in charge of the ward where the protests had originated attempted to apologize to their august sovereign for allowing the population for which they were responsible to get out of line, the local residents, including a number of housewives, proceeded to berate them for lacking democratic consciousness and forced them to resign. The "food demonstrations" movement culminated in "Food May Day" on May 19, when 250,000 people gathered in the square in front of the Imperial Palace – newly christened the "People's Plaza" and demanded to be fed.[52] This protest resulted in a formal memorial to the throne – the strangeness of which is truly staggering. While Tokuda Kyuichi and others had openly mocked Hirohito at the "Food May Day" protest, the memorial which Tokuda had a hand in drafting referred in traditional terms to the Emperor as "the holder of sovereign power" and "the highest authority." Stranger still was the actual content of the memorial, which respectfully asked for the "repudiation of the corrupt politicians, officials, capitalists, and landlords who had brought Japan to the brink of starvation and ruin. In their place the emperor was asked to support a united front involving workers and farmers, Socialists and Communists."[53] Apparently appeals to the foreign capitalist occupier were insufficient, and so the head of Japan's Communist party chose suddenly to convert to monarchism so that the *ancien regime* might be overturned. As Dower

[52] Dower, *Embracing*, 263.
[53] Dower, *Embracing*, 264.

states: "The international history of popular democratic movements has few moments more farcical than this."[54] In a truly bizarre twist of fate, it was this "Food May Day" protest, which appealed to feudal norms in order to overturn capitalist social relations, that ultimately provoked the American reactionary "reverse course." It is to this counter-revolutionary moment that we now turn.

1.2.2 The Reverse Course

While the emperor's response to the "Food May Day" memorial was predictably vacuous nationalist pieties that would not have been out of place during the war, the response by SCAP came as a shock. The post-surrender policy document for the occupation had stipulated that SCAP should only intervene to halt "actions…directed toward eliminating feudal and authoritarian tendencies" when they directly threatened the security of American occupation forces or objectives.[55] Largely peaceful protests that made *appeals* to "feudal and authoritarian tendencies" hardly seemed to qualify. And yet MacArthur, whose opinion on "communists" of all sorts was made plain with his brutal suppression of the Bonus Army in 1932,[56] issued the following warning: "…that the growing tendency towards mass violence and physical processes of intimidation, under organized leadership, present a grave menace to the future development of Japan." He went on to denounce "excesses by disorderly minorities" which was rendered into Japanese in language unsettlingly similar to that used by the wartime Japanese regime to supress dissent.[57] With this statement began the famous "reverse course" that signalled

[54] Dower, *Embracing*, 264.
[55] Dower, *Embracing*, 265.
[56] Howard Zinn, *A People's History of the United States 1492 - Present*, (USA: HarperCollins, 1999), 391.
[57] Ibid.

the end of progressive reform in Japan. The missionary zeal to remake Japan in the American image evaporated, as protests, strikes, and "production management" showed that the Japanese were hardly the supine and unthinking "Orientals" that the SCAP officials had originally taken them for. As Dower states:

> Few people outside Japan were capable of imagining any behaviour from the defeated enemy other than obsequiousness to their leaders. Judging from their own domestic experience, moreover, most Americans simply regarded genuinely radical politics as beyond the pale."[58]

And yet Japanese radicalism refused to be silenced by General MacArthur's warnings alone.

Throughout the rest of 1946 and into 1947 class antagonisms continued to develop, and in January a nationwide general strike seemed inevitable. However on January 31 General MacArthur put an end to such a prospect, stating that he would not allow "the use of so deadly a social weapon." Ii Yashiro, the head of the general strike organizing committee was ordered by General Marquat, the head of SCAP's Economic and Scientific Section to call off the strike. When armed MPs were called into Marquat's office to intimidate Ii, the union organizer exclaimed "Japanese workers are not American slaves! Japanese workers are not fools!"[59] Despite Ii's defiant spirit, further resistance proved impossible. In an emotional radio address he called off the strike, and was echoed by a despondent Tokuda. Ii's address brought many of his listeners to tears, and definitively signalled an end to the pro-American stance of the Japanese Left, but

[58] Dower, *Embracing*, 254.
[59] Dower, *Embracing*, 269.

even more importantly it signalled the beginning of its marginalization. Technocracy, not democracy was to be Japan's political future, and the reverse course had only just begun.

In 1948, MacArthur removed the right of government employees to strike, and in 1949 a "Red purge" that "involved close collaboration among occupation officials, conservative politicians, government bureaucrats, and corporate managers" fired roughly eleven thousand activist public employees.[60] This was followed in 1950 (after the outbreak of the Korean War) by a further purge of ten to eleven thousand leftists in the private sector. As the leftists departed their work, the "depurge" welcomed back the militarists and ultranationalists of the wartime era.[61] As Dower states: "…the 'reverse course' helped establish a domestic conservative hegemony of politicians, bureaucrats, and businessmen that remained dominant until the end of the century…"[62] However this hegemonic bloc, beyond the explicit political action of the "Red purges," was further consolidated by a restructuring of the Japanese political economy by SCAP, to which we now turn.

[60] Dower, *Embracing*, 272.
[61] Ibid.
[62] Dower, *Embracing*, 273.

2: FROM OCCUPATION TO CRISIS – JAPAN 1945-1973

2.1 Mr. Dodge Goes to Tokyo

With the announcement of the Truman Doctrine in 1947, and the growing successes of the Chinese Communists in their war against the Nationalists in the Chinese Civil War, the American political climate became increasingly reactionary. This compounded the situation that existed in Japan, with SCAP coming under new political pressures from Washington.[63] The project of "democratization and demilitarization" was increasingly abandoned, in favour of making Japan into a "bulwark against communism" and the capitalist "workshop of Asia."[64] This entailed a near-total abandonment of the punitive reparations program, including putting pressure on countries that had been attacked or occupied by Japan during the war to abandon their reparations claims.[65] It also entailed an end to the looming "deconcentration" program of the SCAP New Dealers. In particular, the efforts of James Lee Kaufman, a lawyer for most US companies operating in Japan before the war, and George Kennan, a member of the US Secretary of State's planning staff, were instrumental in shifting opinion against the New Dealers' trust busting plans. Kennan wrote in his memoirs that: "The ideological concepts on which these anti-*zaibatsu* measures rested bore so close a resemblance to Soviet views about the evils of 'capitalist monopolies' that the measures could have only

[63] Tsuru, *Japan's Capitalism*, 37.
[64] Tsuru, *Japan's Capitalism*, 38.
[65] Tsuru, *Japan's Capitalism*, 39.

been eminently agreeable to anyone interested in the future communization of Japan." [66] This was a patent absurdity. There was never anything "socialistic" about the deconcentration programme, as was stated by General MacArthur himself when he commented on its progress: "the Japanese are rapidly freeing themselves of these [oligarchic] structures to clear the road for the establishment here of a more healthy economy patterned after our own concepts of free private competitive enterprise."[67] At any rate, with little support at either home or abroad, the deconcentration programme was scrapped.[68] In the final event, the programme only managed to break up eleven out of the 325 targeted firms, succeeding more in reorganizing the *zaibatsu* than destroying them.[69] The reform era had definitively ended, and a new era was about to begin.

Already in 1946 the Japanese Ministry of Foreign Affairs' "Basic Problems for Postwar Reconstruction of the Japanese Economy" report had embraced the concept of central economic planning. The report argued that laissez-faire capitalism was finished, and that both the capitalist and socialist countries of the world would fundamentally rely on planning in future years. While the report left open the question of whether a future Japan would pursue a capitalist or socialist path, it was clear on the need for centralized government control over the economy. The report argued that the *zaibatsu* had played a critical role in "accumulating capital, expanding trade, promoting technological innovation, and fostering the growth of heavy and chemical industry" but that this role would now have to be fulfilled by the government in a new system of "State

[66] Tsuru, *Japan's Capitalism*, 40.
[67] Ibid.
[68] Tsuru, *Japan's Capitalism*, 42.
[69] Dower, *Embracing*, 533.

capitalism."[70] Japan's comparative advantage in cheap labour would be eroded by the future development of China and India, and so high-value-added manufacturing would have to be pursed in order to maintain Japan's economic viability. In order to successfully achieve this new economic system, government direction would be necessary, in a form that Dower succinctly summarizes:

> The responsibility of central planners in making all this possible was strongly emphasized. The new mandarinate would ensure that production served the interests of the whole nation, assume many of the functions hitherto performed by the *zaibatsu*, provide credit to worthy enterprises, encourage export competitiveness in small and medium-size businesses, adopt policies to prevent basic industries from being overwhelmed by foreign capital, and maintain optimum employment stability (especially where jobs might be lost due to global competition). Foreign trade would be planned and guided by the state, while 'modern scientific management' in the civil service would replace the 'feudalistic' practices of the bureaucrats of the *ancien regime*. The educational system would be mobilized to produce students competent in statistics and the gamut of technical skills required for an advanced industrial society.[71]

However given that Japan remained under the control of the SCAP "super-government" and the fact that the Japanese bureaucracy was temporarily relegated to the role of a subordinate comprador class, the American occupation forces' actions would have a decisive impact on how all these plans would be achieved. The "reverse course" decided the question of whether Japan would turn to Socialism or not, and the occupation forces'

[70] Dower, *Embracing*, 538.
[71] Dower, *Embracing*, 540.

subsequent actions would have similarly momentous consequences. One such action was the decision to send Detroit banker Joseph Dodge to Japan to put an end to the country's runaway inflation.

Until Dodge's arrival in Japan in 1948, SCAP had pursued an economic policy based on the promotion of Japanese domestic consumption in order to inhibit the "dumping of underpriced goods abroad" as had been done in prewar Japan, and which had caused considerable instability in the global capitalist system.[72] The main engine of economic growth promoted by SCAP was what was referred to as "priority production."[73] Priority production was an interventionist program based on three policy "legs": "allocation of labor and scarce resources to key industrial sectors; direct government subsidies to those sectors; and policy-guided loans through a newly created Reconstruction Finance Bank (RFB)."[74] While this policy was meant to bring inflation into check by increasing production, it actually *both* increased production and increased inflation. This lead to further labour and social unrest, while the production priority scheme also came under fire for the massive government and private sector corruption it encouraged.[75] Lasting only two years, priority production was quite short lived, but its effects were long-lasting. As Dower states: "It focused attention on the critical heavy and chemical industrial sectors, instituted the postwar cult of top-level industrial policy making, bridged or fused a variety of economic ideologies, and brought the government and big business into an ever closer embrace."[76] When Joseph Dodge was sent to Japan

[72] Dower, *Embracing*, 537.
[73] Dower, *Embracing*, 534.
[74] Dower, *Embracing*, 535.
[75] Dower, *Embracing*, 536.
[76] Ibid.

his mission was framed by a mistrust of SCAP's economic planning competence, and was drawn in contradistinction to the priority production plan, but his actions in fact continued to emphasize the tendencies identified by Dower above.[77]

It was in February 1949 that the "dictatorial" Joseph Dodge arrived in Japan, carrying in hand "nine principles of economic stabilization" from Washington which he enforced with an iron will.[78] Under the auspices of the so-called Imperial Banker "the spigot of RFB funds was shut off, government subsidies were curbed (at least in theory), and the cabinet and parliament were forced to adopt an 'overbalanced' budget that actually showed a surplus."[79] Reversing previous American policy, Dodge believed that his goals for the country of "[s]tabilization, economic recovery, [and] self-sufficiency" should be achieved through an abrupt halt to inflation and the promotion of Japanese exports. The previously mentioned policies were all designed to halt inflation, and Japanese exports were promoted through the setting of a fixed exchange rate of 360 yen to the dollar, undervaluing the yen and thereby encouraging exports to the world market.[80] As a consequence of Dodge's termination of the financing of strategic industries through the RFB, the *zaibatsu* affiliated "city banks" became the central nexus of Japanese finance, further consolidating the power of the former *zaibatsu* cliques.[81] Dodge furthermore merged the Ministry of Commerce and Industry with the Board of Trade, to create the powerful Ministry of International Trade and Industry (MITI) which

[77] Tsuru, *Japan's Capitalism*, 46.
[78] Dower, *Embracing*, 540.
[79] Dower, *Embracing*, 540.
[80] The utility of such an undervaluation should be familiar to any casual observer of the Chinese economy of recent years.
[81] Notably the "city banks" had managed to escape the influence of the reform period of the occupation, and were therefore still very consolidated. Dower, Embracing, 545.

will figure prominently in our subsequent analysis of Information Society Theory. While MITI constituted one great power brought into being by Dodge "constituting a greater centralization of economic authority than had been achieved at the peak of Japan's mobilization for war" the Ministry of Finance under future Prime Minister Ikeda Hayato also benefited immensely from Dodge's influence, and came to constitute MITI's eternal partner and rival in the Japanese bureaucracy.[82] Dodge also reversed earlier SCAP antimonopoly measures, and created new basic laws that gave "government strong control over trade, currency, and investment."[83] The effect of these sweeping measures is described by Tsuru as follows:

> [The Dodge Line]…in the generally depressed condition of the economy, had the effect of favouring those Japanese business firms with former zaibatsu connections and penalizing small and medium-sized independents. It may be said that while the general public was being subjected to the consequential forced saving, gradual redistribution of wealth ensued through capital accumulation favouring big business and a solid link came to be institutionalized between the erstwhile zaibatsu banks and industrial enterprises.[84]

In this capacity, Dodge constituted "the first postwar channel between the conservative Japanese big business elements and their bureaucratic and political allies in Japan and the top level of officials in the US Government" thereby laying the groundwork for the postwar US-Japan relationship. Furthermore, the hardships imposed by the Dodge line induced another wave of labour radicalism, with the JCP expanding its control over

[82] Dower, Embracing, 544.
[83] Dower, *Embracing*, 541.
[84] Tsuru, *Japan's Capitalism*, 56.

unions and discontent over the "Red purge" growing. This lead to a number of mysterious sabotage and murder incidents throughout 1949 that created a tense national atmosphere.[85] The growing class antagonisms provoked by Dodge's dictates, and the continuing failure of the economy to grow despite an end to inflation turned opinion against Dodge, throwing the future direction of the occupation into uncertainty.[86] Yet out of the blue came a "gift from the gods" that radically altered the situation – The Korean War.[87]

2.2 The Age of Miracles

The "special procurements" made by the US military during the Korean War propelled Japan into a totally unforeseen economic boom. Yet despite the occurrence of this immensely significant contingency, the political economic structure that had developed during the earlier years of the occupation continued to exercise considerable influence during the subsequent period of rapid economic growth. This section will briefly consider the way in which special procurements shaped Japan's economy, how the separate peace further constrained Japan's autonomy, and how the "miracle" of capitalist expansion of the 1950s and 1960s developed into the crisis of the early 1970s.

2.2.1 Special Procurements and Economic Recovery

The outbreak of the Korean War on June 25 1950 radically changed Japan's political economy. Whereas before the war all talk was of a "stabilization panic" incited by Dodge's harsh economic line, and of impending economic depression, the wartime

[85] Tsuru, *Japan's Capitalism*, 57.
[86] Dower, *Embracing*, 541.
[87] Japanese Prime Minister Yoshida Shigeru referred to the Korean War as a "gift from the gods." Dower, *Embracing*, 541.

was characterized by a frantic scramble to fulfill a seemingly unending number of "special procurements" for the US military.[88] These special procurements stimulated virtually every sector of the economy, from medicines to munitions, as a key part of a process that Giovanni Arrighi identifies as the globalization of the "US warfare-welfare state."[89] Of particular note is that the future giant Japanese auto industry received its start from repairing US Army vehicles under the generous Army policy of "price is secondary."[90] The special procurements are estimated to have totalled $2.3 billion during the war, and were followed by $1.75 billion of "new special procurements" in the war's aftermath. The initial sum of $2.3 billion was more than the entire aid budget of the US occupation between 1945 and 1951, and was especially valuable because it came in the form of US Dollars which could be easily invested in imports.[91] Moreover, the massive increase in global manufacturing demand during the war gave Japan an excellent opportunity to grow its export industry, as it was "the only industrialized country with spare engineering capacity."[92]

This changed situation inspired confidence in Japan's long sombre capitalist class. Already empowered by the Dodge reforms, the big capital of the former *zaibatsu* invested heavily in new means of production.[93] Enthusiastically supported by the US government in its drive to turn Japan into the "workshop of Asia," Japanese capital invested in both equipment and advanced foreign technology. As Dower states: "This was the beginning

[88] Dower, *Embracing*, 541.
[89] Giovanni Arrighi, *Adam Smith in Beijing* (New York: Verso, 2009) 154.
[90] The president of Toyota described the war as "Toyota's Salvation" as demand for its products rose during this period by a staggering forty per cent. Tsuru, *Japan's Capitalism*, 58.
[91] Dower, *Embracing*, 542.
[92] Ibid.
[93] Tsuru, *Japan's Capitalism*, 58.

of Japan's systematic acquisition of rights to American commercial licenses and patents…"[94] These acquisitions were to be of decisive importance in realizing the transition to high value-added production that had been envisioned by the Ministry of Foreign Affairs in 1946. Furthermore it was under the pressure of soaring wartime production demands that Japan began to adopt the methods of Neo-Taylorist "quality control" advocated by American statistician W. Edwards Deming. These methods received little attention in the United States, and in an ironic twist of history they were later to become identified as a Japanese institution.[95] Quality control constituted just one pillar of the structure of the developing postwar Japanese capitalism, which coalesced into an enduring configuration during these years. Yet before Japan's "miracle" of development and the structure of its capitalism entering the 1970s can be discussed, one final American intervention into Japan's affairs remains to be addressed – the separate peace which clearly established it within the global capitalist bloc.

2.2.2 The Separate Peace

As we will recall, the 1946 "Basic Problems for Postwar Reconstruction of the Japanese Economy" report left the question of Japan's orientation in the world towards capitalism or socialism open. In fact there was a much greater degree of ambiguity in this matter than one would expect to exist in an occupied country. This ambiguity may have arisen from the fact that the Soviet Union was a member of the victorious Allies in

[94] Dower, *Embracing*, 543.

[95] See for instance Toyota's description of its famous Toyota Production System from which any mention of Deming is notably absent. Toyota Motor Corporation Global Website, "The origin of the Toyota Production System," http://www.toyota-global.com/company/vision_philosophy/toyota_production_system/origin_of_the_toyota_production_system.html.

the war, a point that was often referenced in JCP rhetoric.[96] Most notably, when the question of Japan's future diplomacy arose, General MacArthur surprisingly supported the idea of a neutral Japan that would become "the Switzerland of the Pacific."[97] This position was in agreement with that of figures such as the editor of the left-leaning journal of ideas *Sekai* – Genzaburo Yoshino.[98] However such opinions ran up against those held by the War, Navy, and State Departments in the USA, which saw Japan as a necessary bulwark against the spread of communism, and one that should be firmly within the US orbit. For example, a 1950 memorandum written by John Foster Dulles, adviser to the Secretary of State, argued the following:

1. Japan should be a part of the free world and friendly to the United States and should set an example to the rest of Asia by thriving in the free world, thus contributing to a general will to resist communism.
2. Japan's geographical situation makes her susceptible to failing into the communist orbit, and the West must take the initiative to prevent this from happening.
3. There is a danger of indirect aggression – i.e., subversion – in Japan, and a strong police force must be created to deal with such a contingency.[99]

It was under this line of thinking that Japan was pressured into concluding a separate peace treaty with the US and its allies, to the exclusion of the Soviet Union and communist China. This position was apparently agreeable to the conservative Japanese

[96] Dower, *Embracing*, 69.
[97] Tsuru, *Japan's Capitalism*, 59.
[98] Tsuru, *Japan's Capitalism*, 64.
[99] Tsuru, *Japan's Capitalism*, 60.

government, and in 1951 the San Francisco Conference was held, wherein the Soviet delegation "met a stone wall of procedural vetoes which prevented any of their amendment proposals even being discussed."[100] Shortly thereafter the separate peace and its accompanying US-Japan security treaty were signed, placing Japan firmly within the American empire – a position from which it has not significantly deviated since. This was the final major contribution of the occupation period to the formation of the postwar Japanese regime – one which we can now go on to analyze.

2.2.3 The Postwar Regime

Japan officially regained its sovereignty on April 28, 1952 – an occasion marked by little jubilation, as Japan remained in most respects an occupied nation. On this day Emperor Hirohito composed a poem to commemorate the occasion:

> The winter wind has gone
>
> and long-awaited spring has arrived
>
> with double-petalled cherry blossoms

The implication was clear – after a chilly and unfortunate interregnum, the beauty of traditional Japan was ready to bloom once again and resume its former glory, with Hirohito as the representative of its continuity.[101] The Emperor expressed this opinion in plainer language when interviewed on the subject in 1975:

[100] Tsuru, *Japan's Capitalism*, 62.
[101] Dower, *Embracing*, 553.

> I understand that since the conclusion of the war people have expressed various opinions, but, looking at this from a broad perspective, I do not think there has been any change between prewar and postwar.[102]

While it is true that by 1975 the Showa Emperor's good friends in the capitalist class had been restored to their former positions of eminence, the *zaibatsu* reconstituted, the war criminals exonerated, the working class opposition crushed, the socialists and communists marginalized, and the "democracy" of the SCAP reforms rendered into a near formality, the audacity of the soft-spoken monarch's words remains staggering.

Despite the clear elements of continuity with the prewar regime, Japan was a changed nation. The bureaucracy had emerged as the preeminent institution of society, with the military (now the Self Defense Forces) relegated to a distinctly secondary role. The Japanese people enjoyed a greater freedom of expression and assembly than ever before. Women had achieved a (still limited) degree of social equality. The working class had its rice, and a greater degree of wealth than imaginable either before the war or during it. Japan had become an American vassal state, under permanent occupation, with all the social and economic consequences that implied. Labour unions, although severely constrained, at least were allowed to exist. The democratic consciousness that the SCAP reformers were so concerned with creating did exist to a degree. None of this would have been permissible during the earlier phase of Hirohito's reign.

When we turn to the realm of political economy, the so-called "Japanese model" in particular stands out. While both Japanese and American conservatives have loved to attribute this intense concentration of corporate control directed from above by the

[102] Dower, *Embracing*, 556.

triumvirate of MITI, the Ministry of Finance, and the Bank of Japan to the eternal cultural characteristics of "Confucianism" (A term which means anything at all and so is eminently suited to this task)[103] the analysis we have drawn from Dower and Tsuru tells a much different story. The postwar regime was as much an American creation as a Japanese one, with Dower going so far as to call it the "SCAPanese model."[104] Dower wryly describes this point as follows:

> The guiding hand in this system was the mandarinate, and it is in this regard that one of the most consequential acts of the occupation period was an act of omission: the failure to curb the bureaucracy's influence, particularly where economic affairs were concerned. The American reformers did change the political economy of Japan in significant ways, most notably through land reform, the dissolution of family-controlled zaibatsu holding companies, and the promotion of legislation that gave unprecedented rights to organized labor. They also imposed certain specific bureaucratic reforms of lasting importance, eliminating the military establishment and breaking up the Home Ministry that exercised control over the police and local governments. But they did preserve the rest of the bureaucracy, and the '1940 system' more generally as a matter of convenience. To work through existing channels made implementing occupation

[103] To be clear, I refer not to the works of Confucius, Mencius, and Xunzi, but rather to the pseudo-Weberian orientalist label that is bandied about in uncritical social scientific studies of Asia, and is used to explain Asia's economic "backwardness," its dynamism, and its so-called "crony capitalism" at turns in whichever manner suits its author.

[104] Dower, *Embracing*, 558.

policies easier; to fundamentally change the system would have created turmoil in an already confusing situation.[105]

Dower goes on to note:

> This was only the half of it, however, for the victors also were responsible for strengthening the already powerful bureaucratic authoritarianism they encountered – and it is here that the essentially hybrid nature of the postsurrender 'model' is to be seen. From the moment of their arrival, the Americans bolstered the role and prestige of the bureaucracy by their patronage. When Cold War considerations took over and the 'reverse course' in occupation policy was launched, it was the Americans who promoted the administrative 'rationalization' that resulted in an even greater concentration of bureaucratic authority. The creation of the powerful Ministry of International Trade and Industry three years before the occupation ended was the most visible example of this.[106]

Finally Dower concludes that:

> Standing above and beyond all this, moreover was the bureaucratic model that SCAP's own modus operandi provided. The Americans did arrive as an 'army of liberation,' as even the Communists acknowledged for a while. They did initiate an impressive agenda of reform. But they ruled as mandarins themselves. General MacArthur's authority was 'supreme.' The directives issued through his General Headquarters could not be challenged. Suggestions from even low-ranking GHQ minions carried the force of informal commands. The entire

[105] Dower, *Embracing*, 560.
[106] Ibid.

> governing structure ensconced in Tokyo's 'little America' was rigidly hierarchic. There was no 'transparency' in this supergovernment, no accountability to *anyone* in Japan itself. The journalist who attempted to write that his country's prime ministers were weak because they could only be yes-men found that he could not do so thanks to the blue pencils of GHQ's censors. As it turned out, one did not have to be the bearer of a Confucian cultural heritage to promote autocracy, hierarchy, harmony, consensus, and self-censorship.[107]

Dower's account holds considerable explanatory power in describing the development of the powerful bureaucratic apparatus that came to dominate Japan's political economy. However it is deficient in two primary ways. First, it fails to adequately explain how the political economy of the capitalist Japanese state can be dominated by bureaucrats with no immediate relationship to capital accumulation, and second, it focuses too narrowly on events within Japan itself to understand how Japan's political economic development figures within the global evolution of the Fordist regime of accumulation. By briefly touching on the work of Bertell Ollman, Giovanni Arrighi, and David Harvey I will seek to remedy these deficiencies and provide an adequate framework for understanding the development of Information Society theory within Japan's political economic context.

Marx once critiqued an intellectual opponent's view of history by declaring that "One thing is clear: the Middle Ages could not live on Catholicism, nor could the ancient world on politics."[108] Similarly one might say today that modern Japan cannot live on bureaucracy. While scholars like Dower, Tsuru, and the famous political scientist Van Wolferen would readily admit that Japan is a capitalist society, they are confounded by

[107] Ibid.
[108] Karl Marx, *Capital Volume I*, trans. Ben Fowkes (Toronto: Penguin Books, 1990), 176.

the question of "the enigma of Japanese power," often arriving at Van Wolferen's thesis that Japan is ruled by a "class of administrators" comprised of "bureaucrats, businessmen, and politicians."[109] The problem with this thesis is that it tends to lead one to a conclusion that the Japanese regime is primarily concerned with administration and not capital accumulation, despite the obvious fact that Japan is a capitalist society.

As perplexing as this the question of "who rules" is, Bertell Ollman has provided an innovative response to this enigma, by formulating a new Marxist theory of the Japanese state. In contrast to conventional Marxist theories of the state, which downplay the power of the bureaucracy when compared to that of the capitalist class, Ollman argues that the Japanese capitalist class is constituted across *both* the bureaucracy and capitalist enterprise.[110] This is made possible by the practice of *amakudari* or "descent from heaven," which Ollman describes as follows:

> …a large number of top bureaucrats take up leading positions in business and to a lesser extent in politics after they retire from the civil service, which usually occurs between the ages of forty-five and fifty-five. In Japan, where people remain active until quite late in life, that gives them another twenty years or so to pursue their new careers...Today, there are several thousand upper-echelon ex-bureaucrats holding jobs as presidents, chairmen, directors, and managers of corporations, banks, business associations, and public corporations, usually in the same area in which they worked earlier as agents of the state.[111]

[109] Bertell Ollman, *Dance of the Dialectic: Steps in Marx's Method* (USA: University of Illinois Press, 2003), 199.
[110] Ollman, *Dance*, 198.
[111] Ollman, *Dance*, 197.

Therefore, while bureaucrats begin their careers as servants of the state, their self-conception is considerably different from that found in most capitalist states:

> A major effect of *amakudari* is that most of Japan's leading bureaucrats benefit directly and personally, if not immediately, from the success of Japanese capitalism. The widespread and systematic character of this mid-life change in careers also means that they know that the decisions they make as government officials will determine their future private-sector "posting" and the fortune that comes with it. Where the transition from state functionary to capitalist is so well known beforehand, the interests of the capitalists also become the interests of the bureaucrats. As for Japan's leading businessmen, many of whom are former bureaucrats, knowing the trajectory that the current cohort of top functionaries are on, they can be confident that the decisions that are made in the state sector are in their best interests.[112]

Ollman's contribution allows us to understand not simply *a la* Dower that MITI, the Ministry of Finance, and the Bank of Japan dominate Japanese capitalism, but the mechanism by which their interests are *directly convergent* with the Japanese capitalist class. Having elaborated upon the understanding provided by Dower, we can now move to further improve upon it by conceptualizing its role within the global capitalist system.

As was briefly mentioned above, the postwar expansion of Japanese capitalism, which began with the Korean War, was the result of the extension of the so-called American "warfare-welfare state" to Japan. It also represented the intensification of the Fordist regime of capitalist accumulation within Japan, which like in the United States,

[112] Ollman, *Dance*, 198.

was made possible by the reorganization of the nation's political economy during the Second World War, particularly in the forging of strong corporatist ties between the state and capital in managing the economy and society.[113] The "SCAPanese model" should then be seen not as "abnormal,"[114] but rather as one among many convergent Fordist economic models, which was inextricably implicated in the postwar project of American global hegemony. Although a capitalist "revolution from above" may have operated smoothly in Japan because it closely mimicked Japan's initial post-1868 phase of capitalist development and therefore conformed to existing Japanese social ideology,[115] it was hardly in Japan alone that this pattern was evident, with Arrighi arguing that this was the primary characteristic of the entire US postwar "warfare-welfare" system.[116] Indeed, even the postwar eruption of working class struggle in Japan and its subsequent repression in the "reverse course" was not a uniquely Japanese phenomenon, but rather echoed similar patterns found in West Germany, Italy, Britain, France, the Low Countries, and the United States itself, where the infamous Taft-Hartley Act of 1952 represented a "red purge" in its own right.[117] While this general understanding of the movement of the world capitalist system is essential to bear in mind, we must also understand Japan's specificity in relation to this generality. It is in this regard that Dower and Tsuru's close considerations of the contingencies that lead to Japan becoming the capitalist "workshop of Asia" are invaluable. Having situated Japan's capitalist class within the Japanese political economy, and Japan itself within the global capitalist

[113] David Harvey, *The Condition of Postmodernity* (USA: Blackwell, 1990), 133.
[114] The Economic Planning Agency referred to the "SCAPanese" model as the "abnormalization of Japan's economic structure." Dower, *Embracing*, 546.
[115] Ollman, *Dance*, 196.
[116] Arrighi, *Adam Smith in Beijng*, 154.
[117] Ibid.

system, we may proceed to consider the so-called "miracle" of Japanese economic growth, and its movement into crisis.

2.2.4 From Crisis and Back Again – The Economic Miracle

As we have seen, the Korean War initiated a phase of rapid economic growth in Japan beginning in 1950. The growth phase lasted until 1973, when it was definitively terminated by the oil shock that rocked the global capitalist system.[118] This was a national expansion of capitalism at a rate unprecedented in history, and outstripped even the "miracle" growth of West Germany in the postwar period. Thus many commentators did not hesitate to call this period the "Japanese miracle."[119] But what was the role of the mighty Japanese bureaucracy in encouraging and controlling this growth, and what were its particular characteristics? These are two questions which this section will seek to address.

In *Japan's Capitalism*, Tsuru Shigeto outlines seven "characteristic regularities" that exist across industries in Japan, and distinguish its capitalism from other states:

1. The so-called "one-set" oriented behaviour of major business groups.[120]
2. Paternalistic administrative guidance by the Ministry of International Trade and Industry (MITI).
3. Anticipatory public investment in creating factory sites by reclamation.

[118] Japanese real GNP grew annually by an average of 7.0% during the period of 1954-1958, 10.8% during 1959-1963, and 9.6% during 1969-1973. Tsuru, *Japan's Capitalism*, 67.

[119] Ibid.

[120] The "one-set" principle refers to the tendency of multiple *zaibatsu*-type groups, and other large corporations to invest in the same industry. For example, Mitsui established a major petrochemical complex in 1955, followed immediately by Mitsubishi in 1956 and so on. Under "normal" economic conditions of competition this would tend to lead to overproduction, with negative consequences for the firms involved. However this problem was addressed through the mechanisms of MITI's "administrative guidance." Tsuru, *Japan's Capitalism*, 77.

4. Various special tax-relief measures favourable to private industries.
5. The low interest-rate policy.
6. Deliberate temporarization of the trade- and capital-inflow liberalization.
7. Specific subsidy measures as regards the use of water and electricity for industrial purposes.[121]

It is sufficient for the purposes of our analysis to note that these are all areas of government intervention in the path of capitalist development, with MITI sitting atop the whole enterprise. The question of MITI's *modus operandi* in engaging in such interventions has already been addressed in our previous section, and so we will move on address exactly how the famed "administrative guidance" system operated.

As Tsuru establishes, economic planning in the style of a "command economy" played a rather minimal role in Japan's economic growth. Despite the enthusiasm for the concept among socialists following the Second World War, the conservative Prime Minister Yoshida was dismissive of economic planning, and the whole endeavour steadily declined in relevance as time progressed.[122] Administrative guidance was not economic planning, it was something rather different. Tsuru describes it as follows: "That a responsible government agency or an official can and does, without having explicit legal authority, direct or induce private firms or persons to take or refrain from taking certain actions is the essence of the practice of administrative guidance in Japan."[123] Administrative guidance is a particular type of paternalistic coercion that uses

[121] Tsuru, *Japan's Capitalism*, 87.
[122] Tsuru, *Japan's Capitalism*, 95.
[123] Tsuru, *Japan's Captialism*, 97.

the "power to provide – or withhold – loans, grants, subsidies, licenses, tax concessions, government contracts, permission to import, foreign exchange, approval of cartel arrangements, and other desirable (or undesirable) outcomes" to guide the actions of Japan's capitalist enterprises.[124] However, as we have seen in our discussion of the relationship between the Japanese bureaucracy and the capitalist class, industry often follows bureaucratic guidance without the need to resort to disciplinary measures, as it understands that the bureaucracy ultimately has capital's best interests at heart. Out of all the areas in which the administrative guidance method is in use, the most important is that of coordinating the investments of major industry. Instead of letting market forces, or planning bureaus of major corporations determine the direction of investments, MITI takes on this allocation of resources itself in order to promote a smoother expansion of Japan's capitalism (theoretically) unaffected by the crises of overproduction and disproportionality that characterize standard capitalist growth. By alternately encouraging and discouraging investment, encouraging cartel formation, and taking other measures to restrict competition, MITI was able to orchestrate a faster capitalist expansion than would otherwise have been possible.[125] When Marx described the capitalist state as a "committee for managing the common affairs of the whole bourgeoisie"[126] he scarcely could have imagined such a literal manifestation of his words as MITI! This paternalistic organization presided over Japan's "miracle" of economic growth, the central characteristics of which we shall now address.

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[124] Ibid.

[125] Tsuru, *Japan's Capitalism*, 98

[126] Karl Marx and Friedrich Engels, "Manifesto of the Communist Party," trans. Samuel Moore, Marxists.org, http://www.marxists.org/archive/marx/works/1848/communist-manifesto/index.htm.

In *Beyond Computopia* Tessa Morris-Suzuki outlines five factors that were crucial to making Japan's economic "miracle" possible. While administrative guidance was certainly important to the configuration of Japanese capitalism during this period, forming an essential part of Japanese capital's mode of regulation, administration does not in itself constitute the economic whole. It is therefore necessary to consider some factors beyond the walls of MITI.

To begin with, throughout the 1950s and 1960s Japanese capital was able to obtain very high rates of surplus value from its workers by restraining wages in the midst of a massive increase in productivity. As Morris-Suzuki states: "By 1972 the average Japanese manufacturing worker was earning almost three times as much as in 1953, but producing almost five times as much."[127] This relatively high rate of the exploitation of workers yielded the highest share of profits in national income in the entire world. The profits thus derived were used to invest in new means of production and helped to further expand Japan's capitalism. However as is well known, if productivity vastly outstrips wages then a crisis of overproduction occurs, as workers cannot purchase the goods they have produced, and the Money-Commodity-Money circuit that constitutes capital accumulation cannot be completed. Clearly, this did not occur during the "miracle" period of Japanese capitalism, and so it is reasonable to assume that there must have been sufficient effective demand somewhere to absorb Japanese production. Japanese manufacturing workers could not be the source of this effective demand, as the repression of unionism first by SCAP, and then by the Japanese government suppressed their wage demands. Many observers of the Japanese economy such as Tsuru have pointed to the

[127] Tessa Morris-Suzuki, *Beyond Computopia* (Wiltshire: Routledge, Chapman and Hall Inc, 1988), 44

export market as the source of this effective demand, with the undervaluation of the yen by Joseph Dodge providing Japan with an export advantage that allowed it to export competitively to the lucrative American market. No doubt this was an important factor, as between 1960 and 1970 exports as a proportion of Japanese GNP rose from 9 to 13 percent. However Morris-Suzuki points out another factor which must be considered – the way in which rural farm families were exploited by the capitalist system during this period.

As new labour-saving farming technologies were introduced to Japanese communities, younger members of farm families were able to commute from home to work in factories, leaving mothers and grandparents to work the farm. These workers were employed in a dualistic labour system that exploited them as temporary or casual labour, receiving few benefits, little job security, and on average being paid less than half the salary of full-time unionized workers.[128] Therefore Japanese capital profited doubly from this marginal sector of labourers, first by selling farming implements and consumer goods to them as a way of relieving the pressures of overproduction, and second by exploiting the wealth created by their farms in order to use them as a flexible work force that could put downward pressure on the wages of other workers.[129] Thus the non-capitalist farm sector provided Japanese capital with a kind of "primitive accumulation" that allowed it to enjoy very high rates of surplus value.

Another benefit enjoyed by Japanese capital was the peculiar structure of the Japanese population during this period. A sudden improvement in the health of the Japanese population because of post-war economic recovery and medical advances,

[128] Morris-Suzuki, *Beyond*, 45.
[129] Ibid.

combined with a high birth rate, typical of poor agrarian societies like Japan, lead to a temporary population explosion.[130] This baby boom, followed by a drop in the birth rate because of "improved life expectancy, liberal abortion laws, rising incomes and urbanisation" meant that Japanese capital was temporarily provided with a very large young workforce that had relatively few dependents. This meant not only that the cost of reproduction of labour was relatively low, but also that workers could easily be trained in the skills required for new areas of production.[131]

Also important to the "miracle" were the mental conceptions of the world amongst the Japanese working class, who had just emerged from the horrors of war and starvation, and were suddenly presented with relative affluence. As Morris-Suzuki explains:

> [A] consciousness of increasing material prosperity…was felt by a sizeable section of the population. The sense of prosperity was not entirely an illusory one. As we have seen, real wages in Japan were rising faster than in most other industrialised countries. And the social effects of this rise were almost certainly magnified by the fact that the relative affluence of the late fifties and sixties was contrasted, in people's memories, with the exceptionally bleak years of the war and American occupation. By 1965, 51 per cent of households owned refrigerators, 90 per cent owned television sets and 98 per cent owned washing machines. For a population in which many people had experienced homelessness

[130] Ibid.
[131] Morris-Suzuki, *Beyond*, 46.

> and malnutrition in the immediate post-war period, acquisition of these consumer items represented a real gain.[132]

It was this sense of prosperity which helped ensure that Japanese workers would complain little about government services that lagged behind the rest of the advanced capitalist world, and which allowed for the undiluted service of the state to capital (which we saw in our earlier consideration of MITI) to go largely unprotested. Furthermore, wages rose so quickly during this period that workers often had no idea how to use them up in consumption, and so placed them in savings accounts which helped fuel further corporate investment.[133]

Japanese capital also benefitted greatly from access to ready-made technologies from American and Europe. As we saw earlier, the American foreign policy initiative to turn Japan into the "workshop of Asia" lead to America offering Japanese corporations access to the latest technologies, which greatly reduced Japanese research and development costs and opened up new markets that would prove crucial to Japan's capitalist expansion. Between 1957 and 1969 Japan imported 6326 individual items of technological knowledge, mostly from the US, 80% of which were related to three key areas of its industrial development: machinery, metals, and chemicals.[134]

Finally, Japan benefited greatly from its position in the postwar capitalist bloc. Bretton Woods and GATT gave Japan access to markets in the developed world while simultaneously allowing it to protect its domestic markets (With considerable help from the non-transparent and ultra-concentrated national power structure inherited from the

[132] Morris-Suzuki, *Beyond*, 46.
[133] Morris-Suzuki, *Beyond*, 47.
[134] Morris-Suzuki, *Beyond*, 48.

SCAP military regime). After 1963 Japan came under increasing pressure to open its domestic markets, yet temporization on this matter by the Japanese bureaucracy and growing competitiveness of Japanese industry largely alleviated these concerns, with the undervalued yen continuing to help Japanese export growth. Yet another windfall for Japanese capital was its opportunity to "piggyback" on American imperial endeavours in the developing world. Foreign-financed development projects in Asia offered Japanese companies lucrative contracts, and the unequal nature of American development efforts meant that these developing countries sold raw materials to the world market (and by extension Japan) at low-costs, which provided excellent inputs for Japanese industry and remained low until the 1973 oil shock.[135]

During the "miracle" period then, Japanese capital enjoyed its good fortune, with conditions prevailing in Japan not unlike those that lead Daniel Bell in the United States to declare the "End of Ideology," as the class struggle was assumed dealt with and capitalism was to carry on its merry way into the sunny uplands of the future. However such prophecies were soon to be proven false, as storm clouds of crisis grew ominously at the fringes of this pastoral scene, and the capitalist class' brief respite from its frantic scramble to maintain profitability was about to come to an end. The US occupation of Japan had brought the newly "independent" nation securely within the fold of America's capitalist empire. And although it had enjoyed the benefits of its semi-peripheral role within the American imperial enterprise, Japan would now suffer the limitations borne of its inclusion, for factors both within the imperial center and in Japan itself incited a crisis

[135] Ibid.

that called for a drastic rethinking of the capitalist trajectory – this new ideology was to become known as Information Society Theory.

3: THE POLITICAL ECONOMY OF INFORMATION SOCIETY THEORY

In the period of 1965-1973 increasingly powerful currents of instability began to emerge within the foundations of capitalism, throwing the apparently placid period of sustained high growth in Japan into crisis. Contradictions at both the global and national levels, which had appeared resolved, in fact had merely been internalized in a new set of contradictions which grew increasingly threatening. While many strategies presented themselves for addressing these contradictions in Japan, the information society programme in particular emerged as a solution favoured by the Japanese ruling class. This chapter will outline the rise of the 1973 crisis and explain how the central ideas of Information Society Theory addressed the barriers to capital accumulation which arose at the end of the "golden age" of Fordism.

3.1 The Miracle Ends

Entering the 1960s, the Japanese ruling class was increasingly optimistic about Japan's future. With its plans for growth having been consistently exceeded throughout the 1950s, the Japanese government brought forth its famed "Plan for Doubling National Income" in 1960, which called for an average annual growth rate in real GNP of 7.2%.[136] Incredibly, this plan's projections were actually exceeded, and gave way to even more optimistic projections.[137] Yet although they were initially unheeded, the roots of crisis

[136] Tsuru, *Japan's Capitalism*, 96.
[137] Tsuru, *Japan's Capitalism*, 120.

had already begun to grow. This section will outline the origins of the crisis of the early 1970s within their global context.

To begin with, while the non-capitalist rural farming population had been exploited by the Japanese capitalist system both as a source of cheap labour and a sink for its production, this basis for "primitive accumulation" began to dry up. In 1965 the incomes of farm households overtook those of non-farm households, and the flow of labour from farms to factories began to slow.[138] Given their newfound prosperity on the farm, this population was increasingly less and less likely to seek low paying and precarious work in factories. The net outflow of labour from agricultural to industrial employment had fallen from 700,000 people in 1963 to 575,000 in 1968.[139]

The labour shortage that resulted from the changing economic fortunes of the agricultural sector was compounded by changes in the population structure. The effects of improved medicine and increased affluence that had initially produced the baby boom now began to work against the needs of capital accumulation. A falling birth-rate and rising life expectancy meant that the very low number of dependents relative to the working population, which had characterized the "miracle" period steadily began to rise, raising the cost of the reproduction of labour.

Furthermore as the affluence of the working class rose, and the ideology of a democratic and meritocratic education system (which had been introduced by the American occupation forces) became a foundational tenet of the Japanese national consciousness, more and more young people were sent by their families to senior high

[138] See: Teruoka Shuzo, "Land Reform and Postwar Japanese Capitalism" In *Japanese Capitalism Since 1945: Critical Perspectives*, edited by Tessa Morris-Suzuki, 74-104. USA: M.E. Sharpe, 1989.
[139] Morris-Suzuki, *Beyond Computopia*, 50.

school and college, with the dream of upward mobility in mind. This lead the number of school and college graduates entering the workforce to fall between 1965 and 1975 annually by 430,000.[140]

The combined effect of a changing population structure and rising student population painted a picture that horrified the planning departments of Japanese corporations. As Morris-Suzuki describes:

> The falling Japanese birth-rate was certain to reduce the proportion of people in the working age-groups. The decline in the outflow of labour from agriculture was irreversible, and the tendency for more and more young people to remain in the education system seemed likely to continue.[141]

The labour shortage first made itself felt in the small firms at the bottom of the "dualistic" Japanese employment system. These small and medium firms, with their weak unionization and greater flexibility, had typically exploited the farming population, and as the labour supply grew tighter they were forced to raise their wages. Because these firms were often parts suppliers to larger corporations their increased costs put pressure on large firms' profitability. Furthermore the labour shortage was soon felt amongst large firms themselves.[142] Thus the classic scenario of a profit squeeze was brought about, with the amounts of surplus value extracted by the Japanese capitalist class falling under pressure from the working class. This barrier to capital accumulation was made particularly acute because the labour shortage most affected Japan's fastest growing economic sectors ("engines" as they were called by MITI). The general machinery

[140] Morris-Suzuki, *Beyond Computopia*, 51.
[141] Ibid.
[142] Ibid.

(including automobile manufacturing) and electrical machinery sectors were particularly hard hit, with the assembly line jobs of welding, electrical, and automobile assembly, as well as the clerical jobs in the large administrative structures of these sectors experiencing the highest wage rises during this period.[143] The rise of wages in these industries is essential to understanding the composition of Information Society Theory.

Beyond these labour supply issues, changing mental conceptions of the world amongst the working class also put pressure on Japanese capital. The contradiction between the progressive and reactionary aspects of the occupation, which had appeared resolved in the "reverse course," was in fact internalized in a new contradiction, in which a newly resurgent Japanese Left took up the ideals of "democratization and demilitarization" as well as a commitment to broad-based welfare that had characterized the progressive aspect of the American occupation. It positioned itself in opposition to the oppressive state structures that had been born out of the "reverse course" and the military-bureaucratic organization of the SCAP regime. The revival of the Japanese Left manifested itself in two ways, the first of which was constituted by the growing number of radical students in post-secondary institutions.[144] In a surge of unrest, students rebelled against the oppressive structures of the "warfare-welfare state" as part of the New Left movement that swept the globe in the late 1960s. As Morris-Suzuki explains:

> Beginning from a variety of relatively insignificant discontents (fee rises, financial maladministration and so on), these protests rapidly converged to become a wholesale rejection of the values of capitalism, a declaration (as one

[143] Morris-Suzuki, *Beyond Computopia*, 52.

[144] It is important to recall that these were often the same students who working class parents were sending to university in search of social advancement.

> student put it), 'of uncompromising struggle against a violent state structure which is remote from and indifferent to the people.' In 1967-68 alone, 167 Japanese colleges were occupied, and the authorities were even forced to postpone entrance exams to that pillar of the establishment, Tokyo University.[145]

The second manifestation of a resurgent Japanese Left was a broad "rejection of economism"[146] that was spearheaded by a growing awareness of the environmental consequences of a single-minded focus on economic growth. A series of environmental cases, of which the "Niigata Minamata disease" case of mercury poisoning was the most prominent, were victorious in court, raising public awareness and bringing environmental concerns within the legal realm.[147] The changing mental conceptions of the world during this period made it impossible for the Japanese state to carry on with its almost exclusively pro-capitalist programmes. From 1967 onwards the language of welfare improvement and environmental protection began to appear within the government's Economic White Papers.[148] Again this put pressure on the profitability of Japanese capital.

Yet another problem encountered by Japanese capital during this period was the decline of Japanese access to ready-made foreign technology. Japan's increasing technological sophistication meant that the "low hanging fruit" of postwar technological imports from the United States and Europe had now been consumed, and Japan's growing economic might made Western firms cautious about leasing or selling

[145] Morris-Suzuki, *Beyond Computopia*, 55.
[146] Ibid.
[147] Tsuru, *Japan's Capitalism*, 135.
[148] Morris-Suzuki, *Beyond Computopia*, 55.

technology to their Japanese counterparts.[149] As a consequence Japanese capital was no longer able to easily rise up the value-added "ladder," posing another barrier to further capital accumulation.[150]

Finally Japan found itself caught up in the crisis of the American capitalist empire of the early 1970s, presenting its capitalists with a number of challenges. Drawing on Morris-Suzuki, Harvey, and Arrighi's work, we can attempt to understand Japan's place in the crisis and what its implications were for the development of Information Society Theory. Following Harvey and Arrighi, we find that the crisis of the early 1970s was a crisis simultaneously of capitalist overproduction and of imperial decline. The dimensions of capital and empire were internally related to one another and should be considered as such. In the postwar period the Fordist regime of accumulation was saved from the problems of overproduction that had plagued it during the Great Depression through the introduction of two forms of displacement, both of which were fundamentally dependent on the US imperial state. The first form was that of spatial displacement, which operated within the United States itself in the form of suburbanization and economic expansion in the American South and West, but more importantly operated under American imperial auspices at a global level. This took the form of the expansion of the American "warfare-welfare state" to Western Europe through the Marshall Plan, and to Japan through "special procurements" and various subsidies of the Korean War. It also involved a number of "development" projects throughout the Global South – a "Fair Deal" as Truman called it.[151] This organized

[149] Morris-Suzuki, *Beyond Computopia*, 56.
[150] Tsuru, *Japan's Capitalism*, 120.
[151] Arrighi, *Adam Smith in Beijing*, 155.

expansion of global capitalism, under US auspices, was integral in maintaining the stability of the world economic system in the 1945-1973 period by providing an enormous sink for overproduction. Temporal displacement was the second method of dealing with overproduction during this period. It was largely accomplished through Keynesian government spending on infrastructure and armaments, which displaced the problem of overproduction into the future in the form of debt, and helped achieve the "force projection" necessary to maintain US hegemony. According to Harvey:

> It was primarily through spatial and temporal displacement that the Fordist regime of accumulation resolved the overaccumulation problem during the long postwar boom. The crisis of Fordism can to some degree be interpreted, therefore, as a running out of those options to handle the overaccumulation problem. Temporal displacement was piling debt upon debt to the point where the only viable government strategy was to monetize it away. This was done, in effect, by printing so much money as to trigger an inflationary surge, which radically reduced the real value of past debts…Turnover time could not easily be accelerated without destroying the value of fixed capital assets. New geographical centers of accumulation…were created. As these Fordist production systems came to maturity, they became new and often highly competitive centers of overaccumulation. Spatial competition intensified between geographically distinct Fordist systems, with the most efficient regimes (such as the Japanese) and lower labour-cost regimes (such as those found in third world countries where notions of a social contract with labour were either lacking or weakly enforced) driving other centers into paroxysms of devaluation through deindustrialization.

> Spatial competition intensified, particularly after 1973, as the capacity to resolve the overaccumulation problem through geographical displacement ran out…It was simply that the mechanisms evolved for controlling crisis tendencies were finally overwhelmed by the power of the underlying contradictions of capitalism."[152]

While Harvey's point is well taken, we may state with Arrighi that it was not *simply* that the underlying contradictions of capitalism caused the crisis, but that they engaged in a mutual interaction with the crisis of American empire that manifested itself most acutely in the Vietnam War, where "the United States lost much of its political credibility as global policeman, thereby emboldening the nationalist and social revolutionary forces that Cold War policies were meant to contain."[153] This was an important factor in the outbreak of the Fourth Middle East War in 1973 (leading to the first oil shock) as well as the breakdown of temporal displacement as a solution to overaccumulation, for the debts accrued from the war were hardly insignificant.

What then was Japan's place in the crisis? As a product of and participant in American empire, Japan used the same Fordist-Keynesian strategies of displacement that were used by the United States itself. Indeed, Prime Minister Tanaka's "Plan for Remodeling of the Japanese Archipelago" perfectly exemplified both the spatial and temporal displacements that were characteristic of postwar Fordism. It sought to disperse Japanese industry throughout the country (creating new centers of accumulation as Harvey describes was done in the American South and West) supported by "…vast networks of transportation and communication..." which would be created through

[152] Harvey, *The Condition of Postmodernity*, 185.
[153] Arrighi, *Adam Smith in Beijing*, 155.

massive government investment.[154] However while Japan may have pursed similar strategies to the United States in order to maintain the viability of its capitalist system, and while it may have been closely implicated in American empire, it is important to remember that the crisis unfolded unevenly across various geographical regions. Japan was undergoing its own particular crisis that was embedded within the global crisis of the early 1970s. The competitive overproduction of various capitalist centers that characterized this period meant that Japanese capital faced a number of "formal and informal trade barriers" during this period, and with Nixon's end to the fixed currency rate system, Japan's preferential exchange rate (which it had enjoyed since its implementation by Joseph Dodge) evaporated, further affecting the competitiveness of Japanese exports.[155] While the advanced capitalist countries engaged in protectionism, new centers of accumulation in the Global South threatened Japanese basic industrial goods exports with their drastically more competitive labour costs.[156] The prophecies of the 1946 "Basic Problems for Postwar Reconstruction of the Japanese Economy" report were coming true.

Faced with a profit squeeze at home, Japanese capital also then faced both protectionism and low-cost competition abroad. It was the combination of these factors with the unexpected "oil shock" of 1973 that lead to the severity of the crisis. As Morris-Suzuki states:

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[154] Tsuru, *Japan's Capitalism*, 121.

[155] Morris-Suzuki, *Beyond Computopia*, 56.

[156] "Wage rates for skilled workers in Japan were now anywhere from 4 to 14 times the level of wages in Japan's Asian neighbours, and this obviously made it difficult for Japanese firms to compete with these countries exports of basic, labour-intensive goods." Morris-Suzuki, *Beyond Computopia*, 57.

> The…factors [that contributed to the "miracle"] were not independent contributions to high growth but were intimately interconnected, working with and reinforcing one another in such a way that, if any one factor had been absent, none of the others would have operated as powerfully as it did. But when the end of high growth came, it arrived not because of the disappearance of a single one of these factors, but because within the short span from 1965 to 1975 they all began to crumble.[157]

Indeed the significance of the oil shock is underlined by the fact that by 1975 Japanese energy consumption had increased tenfold from its total at the end of the war, and had shifted drastically from the use of coal to that of oil, with the latter forming 72% of total Japanese energy resource consumption.[158] A fourfold increase in the price of oil between October 1973 and January 1974 therefore truly came as a shock.[159] Needless to say Tanaka's plans of endless highways covering the Japanese archipelago were in need of revision. It was in this environment of crisis that the Japanese ruling class was able to rapidly implement radical changes in order to respond to the crisis in which it found itself. Among these changes were new "policies for promoting the creation of the 'information society'."[160]

[157] Morris-Suzuki, *Beyond Computopia*, 49.
[158] Tsuru, *Japan's Capitalism*, 151.
[159] Tsuru, *Japan's Capitalism*, 121.
[160] Morris-Suzuki, *Beyond Computopia*, 57.

3.2 Information Society Theory as Convergent Solution

By the time of the "Nixon Shock" of 1971[161] two strategies to overcome the barriers confronting Japanese capitalism had gained significant currency. These were a strategy of intense infrastructure development on the model of Tanaka's "Plan for Remodeling of the Japanese Archipelago" and a significant expansion of the welfare state on the model of European social democracies.[162] While both these strategies would have addressed a number of the barriers to accumulation addressed above, they would have aggravated others. As Morris-Suzuki explains:

> Both of these alternative proposals attracted fierce criticism from sections of the establishment. The first was opposed because it threatened to aggravate inflation and spread, rather than control, environmental problems; the second, because it seemed likely to increase the budget deficit and divert capital from private industry.[163]

The various factions of the Japanese ruling class were rescued from their quarrels by a proposal advanced to MITI by the Japan Computer Usage Development Institute (JACUDI), a privately funded think tank. This proposal was titled *The Plan for an Information Society*.[164] The report argued that in contrast to the infrastructure and welfare proposals already being discussed, a plan based on "[c]omputerisation to increase

[161] Faced with growing deficits due to the growth of the warfare-welfare state, and the growing uncompetitiveness of American manufacturing capital relative to Japan and Germany because of technology transfer and wage repression in those countries, Nixon abandoned the Bretton Woods gold standard system in 1971, drastically devaluing the dollar. The immediate effect of this devaluation was to worsen the competitive position of Japanese and Germany manufacturing capital, producing a "shock" to their economies. Arrighi, *Adam Smith in Beijing*, 104.

[162] Morris-Suzuki, *Beyond Computopia*, 58.

[163] Morris-Suzuki, *Beyond Computopia*, 65.

[164] Morris-Suzuki, *Beyond Computopia*, 7.

information and knowledge" presented a clearly superior alternative, and that failure to pursue its implementation would mean disaster.[165] While JACUDI's efforts were rewarded with widespread acceptance, Morris-Suzuki complicates the narrative they presented:

> JACUDI and other bodies were…I think, successful in popularising the information society idea, not so much because it offered a clearly superior solution to any one of these impending disasters, but because it could plausibly be presented as the *convergent* solution – that is, as the single plan whose implementation would ameliorate all (and aggravate none) of the major problems threatening the Japanese economy in the 1970s.[166]

In order to attain a proper understanding of Information Society Theory it is necessary to understand how exactly it presented such a convergent solution. Such an understanding can be found in a further examination of the work of Morris-Suzuki.

To begin with, the computerization of the workplace offered relief from the labour shortage that was afflicting Japanese capital. Computers could be deployed "…precisely in those areas of work where the pressures of labour shortage and rising wages were most acutely felt: office work and skilled assembly-line labour."[167] The advantage presented by computers is that they could apply "non-human energy to certain types of mental labour: specifically, memory and logical reasoning."[168] In the office this took the form of the automation of a variety of clerical work such as payroll calculation

[165] Morris-Suzuki, *Beyond Computopia*, 58.
[166] Ibid.
[167] Morris-Suzuki, *Beyond Computopia*, 59.
[168] Ibid.

and document filing, as well as labour saving in the "complex tasks of planning and design."[169] On the assembly-line it was the robot that signalled salvation to the Japanese capitalists, for it led "to the automation of many skilled assembly-line jobs such as cutting, welding, and spray-painting."[170] From 1969 to 1974 the number of computers in use in Japan had almost quintupled to 30,100, and the number of robots produced annually by Japanese industry had risen from 600 to 2,500.[171] Presumably, the benefits of automation had made themselves clear to the Japanese capitalist class.

Information Society Theory also found acceptance because it offered to overcome a number of limits to supply and demand – both material and ideal. Environmental limits were first on JACUDI's agenda, with *The Plan for an Information Society* seeking to address the Club of Rome's limits to growth with a transition "from industrialisation to informationalisation." This sentiment became only more widespread following the 1973 oil shock, and was underscored by a pervasive fear that effective demand for consumer durables such as televisions and automobiles might eventually reach its limit. This fear was particularly enforced by the political atmosphere created by the New Left, whose preaching of the evils of wasteful consumerism unsettled Japanese manufacturers.[172] While Keynesian strategies of managing overproduction such as MITI's administrative guidance and the introduction of planned obsolescence had helped to smooth the expansion of Japanese capitalism, the Japanese ruling class was anxious to find new sources of effective demand in order to ensure future profitability. One such source was

[169] "The combination of computing and typewriting in the word-processor was a development of special significance for Japan, since it enormously simplified the handling of the thousands of characters needed to write the cumbersome Sino-Japanese script." Ibid.
[170] Ibid.
[171] Morris-Suzuki, *Beyond Computopia*, 60.
[172] Morris-Suzuki, *Beyond Computopia*, 61.

"opening up new areas of consumer demand by persuading people to buy from private corporations things which they previously obtained in quite different ways: for example, from the state, from the local community or from within the household."[173] In Information Society Theory this "extensive demand creation" took the form of the commodification of information.

Morris-Suzuki identifies two "steps" to this extensive demand creation. The first involved a push for computerized education, particularly in the form of educational software. Educational software was to be sold to both children and adults, displacing state and 'craft' private tutor services and expanding the commodification of knowledge. The second step consisted of a further expansion of "informisation" of services such as home banking and home shopping.[174] As Morris-Suzuki states:

> Just as, in the earlier stages of industrialisation, home-made soap (for example) came to be replaced by manufactured soap bought from a shop, so these new services will replace home-made information with commercially produced information. Instead of using his or her own time and energy to go to the shops and check the products and prices on the shelves, the consumer will now buy this information from a corporation. The savings in time which this involves (one might almost call it 'buying time' rather than 'buying information') means that the consumer has more time for money-earning activities. For example, home shopping will make it easier for women who were full-time housewives to go out

[173] Ibid.
[174] Morris-Suzuki, *Beyond Computopia*, 62.

> to work. So workers can earn the money to buy the new products, and the capitalist system can expand its influence into new areas of human life.[175]

The commodification of information would therefore function in much the same way as the introduction of labour-saving farm equipment to rural Japan had in the postwar period - simultaneously providing a sink for Japanese overproduction and opening a new section of the Japanese population to capitalist exploitation. Such cynical perversion of the liberatory potential of technology[176] was masked not only by the traditional language of "progress" but also that of conservation, with the promotion of concepts such as the "increasing importance of 'information values' as against previously dominant material values"[177] exploiting the conservationist ethos in the same manner as today's capitalists, who turn the language of environmentalism into little more than vacuous marketing slogans.

Finally, the information society programme promised to address the vexing problems of Japan's position within the global capitalist system. The problems of competition from low-cost labour in the Global South and growing protectionism from the Global North would both be addressed with a technological fix. As ready-made foreign technologies became more and more scarce, Information Society Theory was used to justify a programme of "technological nation-building"[178] involving "the promotion of research by means of grants, tax concessions and the establishment of

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[175] Ibid.

[176] This is of course an old pattern that stretches throughout the history of capitalist development. For a systematic analysis see: Marx, *Capital Volume I*, 492-638. David Harvey, *A Companion to Marx's Capital* (New York: Verso, 2010), 198-235.

[177] Ibid.

[178] Morris-Suzuki, *Beyond Computopia*, 63.

cooperative projects linking governmental and privately funded research."[179] This surge in research investment (it was argued) would allow Japan to transition away from those low tech industries in which it was under threat from the Global South, staying always "one step ahead" of its competitors. Such a strategy would allow Japan to simultaneously lower trade barriers while raising those of intellectual property and technological transfer. Each country would therefore be able to pursue its so-called "comparative advantage" in a new age of global trade. As Morris-Suzuki states:

> The fact that Japan's own earlier economic development had clearly run counter to its (conventionally defined) 'comparative advantage' was conveniently forgotten. In the information society, this argument ran, the nation's economy would be based upon its most abundant resource: knowledge. In this way international as well as national prosperity would be enhanced.[180]

According to the Information Society planners, trade relations with the Global North would be resolved with the same technological fix, for Japan's exports would become diversified away from problematic areas such as textiles and electrical appliances (where they faced increasing trade barriers) to new informational commodities. Increased competitiveness of Japanese industry would also allow Japan to lower its own trade barriers, relieving political pressure from the United States and Europe.

The programme was further encouraged by the oil crisis, as computerized production promised both considerable energy savings and increased productivity. This promise was realized for instance in the iron and steel industry where pig-iron production

[179] Ibid.
[180] Morris-Suzuki, *Beyond Computopia*, 65.

increased by 2.2% annually between 1977 and 1979 while at the same time fuel usage fell 1.9%. While at first glance this may seem to lend credence to the information society theorists' conservationist rhetoric, it is important to recognize that energy saving, like labour saving, was ultimately used for the purpose of more not less "material" production. Japan's energy saving programme was therefore completely consistent with the logic of capital accumulation.

The information society theorists' programme of efficiency and productivity gains made possible through computerization and automation therefore offered what seemed to be a solution to the barriers of accumulation facing Japanese capital that was almost magical in its simplicity. While some of these technological fixes proved more illusory than others (particularly those in the field of Japan's external economic relations)[181] the programme was sufficiently appealing that it resulted in a number of policy changes that ushered in a shift away from the Fordist-Keynesian paradigm that had characterized the postwar period in Japan, and toward a new period of what Morris-Suzuki calls Information Capitalism.

3.3 Information Capitalism and its Consequences

While a panoply of terms have arisen to describe the capitalist transition of the 1970s (such as Post-Fordism, Neo-Fordism, Flexible Accumulation, Neoliberalism, and Network Capitalism) it should be recognized that each of these frameworks succeed in emphasizing some aspects of a changing capitalism at the expense of others. Morris-Suzuki's Information Capitalism framework is no different. In contrast to David Harvey's Flexible Accumulation framework, which emphasizes changes in regulatory,

[181] Morris-Suzuki, *Beyond Computopia*, 64.

organizational, and geographical forms of capitalist society, the Information Capitalism framework emphasizes changes in the labour process and technological forms. A brief description of the Information Capitalism argument will serve to highlight its advantages and limitations in examining Information Society Theory's material manifestations, from which a more comprehensive understanding might be constructed.

Morris-Suzuki's Information Capitalism model is constructed in contrast to the ideas of Baran, Sweezy, and Braverman, whose work on monopoly capital constitutes some of the classic analyses of the Fordist-Keynesian period. Morris-Suzuki characterizes their understanding of monopoly capital as follows:

1) An economy dominated by large corporations whose competitive instincts are constrained by a powerful urge to mutual self-preservation
2) An ever-increasing economic surplus channelled to non-productive uses (the sales effort, militarism and waste) and yet always threatening to engulf the system;
3) A managerial ruling class whose ownership of capital has been generalised (i.e. the class as a whole owns most of the capital as a whole, but individuals do not normally own the particular fragment of capital which they manage);
4) A large, deskilled and generally passive working class; and
5) A stratum of technical and professional workers who, in Braverman's words, constitute a 'real middle class', that is, their economic position is in effect an intermediate one between the controllers and the controlled.[182]

[182] Morris-Suzuki, *Beyond Computopia*, 73.

As Morris-Suzuki states: "The most vital distinction between this model of monopoly capitalism and information capitalism lies in the labour process. In the pursuit of cost-cutting and automation, something crucially important has happened to labour itself."[183] This "something" is the advent of computing, which represents a crucial break in the history of labour. In the past the storage of knowledge manifested itself in two contradictory tendencies. Knowledge stored in machines tended to deskill labour, while knowledge stored in books tended to produce an increase in learning and skill acquisition: "The mechanisation and deskilling of relatively routine tasks went hand in hand with a demand for increased levels of 'book learning' in the spheres of supervisory and technical work."[184] However this composition of the working class into workers and managers is altered by the advent of computing technology. With computers: "…recorded instructions (software) could now be 'read' directly by the machines (hardware) without being interpreted by a human intermediary."[185] With the robot, we might say that unlike in pre-computerized manufacturing, production becomes increasingly "self-fermenting," requiring less and less living labour to bring the dead materiality of machines to life, this quantitative change leading to a qualitative break.[186] Furthermore with the use of Information Communication Technologies (ICTs) it becomes increasingly possible to separate the worker physically from the productive machinery. Morris-Suzuki comments that:

[183] Morris-Suzuki, *Beyond Computopia*, 74.
[184] Ibid.
[185] Ibid.
[186] "By the purchase of labour-power, the capitalist incorporates labour, as a living agent of fermentation, into the lifeless constituents of the product, which also belong to him." Marx, *Capital Volume I*, 292.

> …with the use of software in production the situation is fundamentally altered. The worker, for example, who programs the playback robot by guiding its arm through a series of movements (which it will then endlessly repeat) does in a very real sense 'surrender to the capitalist his or her capacity for work'. The physical coming together of worker and machine is sundered, and we are left with, on the one hand, machines which work automatically, endlessly responding to the instructions provided by workers who may be physically far removed from the production site; and, on the other, the increasing channelling of living labour into the process of designing, composing and altering those instructions themselves.[187]

Morris-Suzuki then goes on to argue that:

> The outcome of this fission is that the center of economic gravity shifts from the production of goods to the production of innovation – that is, of new knowledge for the making of goods. This happens for two main reasons. Firstly, the process of automation enormously increases the speed and reduces the cost with which goods can be produced. Given the existing physical restrictions on the size of the market, this would rapidly result in market saturation and stagnation if corporations did not devote a growing share of their resources to the continual alteration and upgrading of their products. Secondly, as fewer and fewer workers are required in the production of goods themselves, so it becomes increasingly difficult for corporations extract profits from the exploitation of their manufacturing workforce. Socialist analyses of capitalism have generally rested on the idea that this exploitation was the primary source of profit. It therefore

[187] Morris-Suzuki, *Beyond Computopia*, 75.

> seems to follow that, as the workforce shrinks, either profits will dwindle or the level of exploitation will have to rise to impossible levels. The inescapable conclusion, some writers believe, is that automation will lead to the spontaneous collapse of capitalism[188]

Yet Morris-Suzuki ultimately does not agree with this analysis. She instead advances the hypothesis that "[p]erpetual innovation…offers a way out of this trap."[189] As evidence she first suggests that

> …while the number of people producing material goods shrinks, the number of producers of knowledge grows. The commodities made by these workers (inventions, programs for automated equipment and so on), however intangible they may appear, can be bought and sold at a price. The corporation, therefore, can exploit the knowledge-producer's labour to create a profit in just the same way as it could exploit the labour of the industrial blue-collar worker.[190]

While the argument that informational jobs will replace manufacturing jobs has some truth to it, if taken too far it falls into the sort of extremely questionable Post-Fordist analysis peddled by former Clinton administration labour secretary Robert Reich, who suggests that a bright capitalist future for all will be created by "symbolic analysts" who will seize the opportunities afforded by the informational economy.[191] As Acemoglu and Autor have demonstrated this thesis simply does not hold water when subjected to careful scrutiny, with the tendency towards mass immiseration due to automation becoming

[188] Morris-Suzuki, *Beyond Computopia*, 76.
[189] Ibid.
[190] Morris-Suzuki, *Beyond Computopia*, 76.
[191] Frank Webster, *Theories of the Information Society*, 3rd ed. (New York: Routledge, 2006), 85.

progressively more pronounced even among the educated.[192] However Morris-Suzuki does not rely upon this rather questionable thesis alone, suggesting that computerization "also opens up a new method for the private appropriation of the economic surplus: one that has extremely far-reaching social and economic implications."[193] What is this new method? As automation progresses the tendency towards "continual alteration and upgrading" of products becomes more pronounced. This is because as production becomes more automated less and less surplus value can be extracted from workers by simply producing the same design of goods. Furthermore when a new product is introduced its novelty will lead to it selling better than those of its competitors - yet this monopolistic advantage will be eroded as competitors produce similar products. A convergent solution to this problem is to constantly employ a design staff to create an endless stream of new products, continually riding a wave of novelty to profitability. However the crucial difference about this process from that of the pre-computer era is that the use of intellectual labour in design allows capitalists to engage in "the private expropriation of social knowledge."[194] Morris-Suzuki argues that this is the case because while the production of physical objects requires material inputs, the production of knowledge's main input is "knowledge itself." In the production of knowledge:

> …new ideas are formed by combining existing ideas and data in ways which are (sometimes) undreamed-of or (far more often) merely superficially different. Whereas the knowledge which comes out of this commercial production process is the private property of the corporation, fenced around with monopoly barriers

[192] Daron Acemoglu and David Autor, "Skills, Tasks, and Technologies: Implications for Employment and Earnings," *NBER Working Paper Series* (2010), http://www.nber.org/papers/w16082.
[193] Morris-Suzuki, *Beyond Computopia*, 76.
[194] Morris-Suzuki, *Beyond Computopia*, 79.

> which endow it with market value, the knowledge which goes in as raw material is mostly social knowledge, produced and owned jointly by society as a whole. The process which uses social knowledge to create private knowledge can generate profits far larger than those which could be obtained from the simple exploitation by the corporation of its workforce.[195]

To illustrate her point, Morris-Suzuki gives the example of state funded Japanese researchers working on the development of materials for integrated circuit production. In their work these researchers draw on two levels of knowledge: a lower level that provides a "basic 'infrastructure' of general knowledge – the understanding of language, the rules of social behaviour and so forth…" and a higher level which "consists of scientific expertise itself."[196] This higher level of knowledge is "in theory freely available: most of it is contained in textbooks to which the reader can have free access in libraries. In practice, however, its very complexity means that only a privileged few can obtain this knowledge, normally through the state-financed but highly selective education system."[197] Ultimately both forms of knowledge come from the commons, and are privately appropriated for profit.[198] The implication of this theory is that:

> Information capitalism, therefore, not only exploits the labour of those directly employed by corporations, but also depends, more than any earlier form of economy, on the indirect exploitation of the labour of everyone involved in the maintenance, transmission and expansion of social knowledge: parents, teachers, journalists – in the end, everybody…the economic system itself becomes a vast

[195] Ibid.
[196] Morris-Suzuki, *Beyond Computopia*, 80.
[197] Ibid.
[198] Ibid.

> mechanism for converting the knowledge created by society into a source of corporate profits: profits which are then redistributed to the few on the basis of their financial stake in the corporate system.[199]

Based on this conclusion, Morris-Suzuki summarizes the system of Information Capitalism as follows:

1) In information capitalism, the progressive automation of manufacturing causes a shift in the focus of corporate activity from the production of goods to the production of new information.

2) This results in a corporate structure where large firms, rather than colluding to maintain oligopoly prices, use their innovative activity to acquire temporary monopolies of particular areas of production.

3) In this situation, oligopoly no longer results in an ever-rising surplus. Rather, corporations are able to tap a new source of profit by their use of freely obtained social knowledge to create private knowledge.

4) Information capitalism forms a complex and apparently self-regulating system in which profit derived both from the direct exploitation of the corporate workforce and from the indirect exploitation of a mass of ancillary service workers is channelled through large firms into the hands of the managerial ruling class.[200]

Morris-Suzuki then situates the primary contradiction of information capitalism in the site of knowledge:

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[199] Morris-Suzuki, *Beyond Computopia*, 81.
[200] Morris-Suzuki, *Beyond Computopia*, 83.

> Like older forms of capitalism, the new system is a paradoxical one. By linking profit to innovation, it gives new impetus to the eternal human desire to discover and create new knowledge, but at the same time, the content of this new knowledge is distorted precisely by the fact that it emerges from the pursuit of profit. Information capitalism not only exploits the mass of social knowledge but also alters its structure and influences the patterns of the development of knowledge. It possesses the potential to liberate human individuals from material want and physical drudgery, but incorporates them more firmly than ever into a pervasive, complex and exploitative social system whose workings are difficult to unravel and to challenge.[201]

While there is much to recommend Morris-Suzuki's innovative analysis, it is also on some fundamental levels confused. It is true that "the private expropriation of social knowledge" is a source of wealth appropriation for capitalists in today's society, but it must be stated that it is not in fact *productive* of wealth, except in the manner in which it is manifested in the labour-powers of highly educated workers. Fencing in knowledge with "monopoly barriers which endow it with market value" i.e. "monetizing" knowledge does not create value, but rather allows capitalists to collect rents on the knowledge they have enclosed with their laws.[202] In this way it *does* open "up a new method for the private appropriation of the economic surplus" - redistributing wealth from other sectors of society to the rentier capitalists - but it does not "offer a way out" of the trap of overproduction caused by automation. This is particularly the case because (as Morris-

[201] Morris-Suzuki, *Beyond Computopia*, 84.
[202] David Harvey, *The Enigma of Capital and the Crises of Capitalism* (London: Profile Books, 2010), 221.

Suzuki herself admits)[203] the workers employed to create new designs and research are quantitatively tiny, and even with the addition of the ranks of the capitalist class to their numbers, the effective demand they can afford the system is wholly insufficient for the productive powers the capitalists have unleashed. Already in the Japan of the 1980s this trend towards an unequal and dualistic division of the working class was evident:

> As workers find themselves unable to enter industrial employment, they may increasingly compete for jobs in the diminishing area of employment unaffected by automation – particularly some parts of the commerce sector and the personal services (jobs like cooking, bartending, hair-dressing, cleaning and so on). Here enterprises are mostly small-scale, barriers to entry are low and labour is mostly non-unionised. As a result, these sectors can quite easily expand their workforces to absorb the unemployed, but this expansion will occur only at the cost of a relative decline in wages.[204]

While the "extensive demand creation" made possible by a never-ending stream of new designs and products is certainly effective in stimulating consumers' desire to spend, if they do not have sufficient funds to purchase the products in question it is all for naught. The ever-heightening contradiction between the enormous capacity of society to create wealth through automation and the shrinking capacity for it to be profitably realized (what Harvey refers to as the capital-surplus-absorption problem)[205] is not only at least as important as the contradictory character of knowledge under information capitalism, but intimately related to it. Not only does automation necessitate ever increasing rates of

[203] Morris-Suzuki, *Beyond Computopia*, 85.
[204] Morris-Suzuki, *Beyond Computopia*, 101.
[205] Harvey, *A Companion to Marx's Capital*, 222.

product innovation, but also aggravates the lack of effective demand through the dualistic wage structure it promotes. While Morris-Suzuki does not deny the significance of the capital-surplus-absorption problem, she fails to adequately integrate it into her analysis. Given that a more clear-headed analysis indicates that information capitalism[206] is not "self-regulating" and that the tendency towards collapse is still evident within it (despite important countervailing tendencies and contingencies the crisis of 2008 lends credence to this idea)[207] it is vitally important that we maintain not only that the perversion of social knowledge towards the private ends of profit-making is unjust, but also that the further devotion of the productive powers of humanity to the dubious sustainability of the capitalist cause is simply unacceptable.

The course of our analysis has brought us from the roots of information society theory in the postwar period of Japan's history, through its development in the crisis of the 1970s, and finally to its realization as "information capitalism." It has addressed how capitalism in Japan suppressed its internal contradictions in a new system of domination. Yet it has not addressed the implications of the hope for a better future that persists throughout this narrative, and which can in fact be found within Information Society Theory itself. Moving away from the methods of political economy, the final section of this work will take up those of critical theory in order to perform a close reading of prominent Information Society theorist Masuda Yoneji's *The Information Society as*

[206] It is still important to recognize that the Information Capitalism rubric represents a partial understanding of capitalism, and that there are numerous factors operative within contemporary capitalism it does not address. Importantly it does not address the "spatial fix" represented by globalization, the "temporal fix" represented by the rise of global finance capital, and the regulatory changes associated with neoliberalism. Furthermore it does not make clear the relationship between these factors and the development of ICTs. Nevertheless, the insights into changes in the productive forces of capitalist society afforded by Morris-Suzuki's work are not to be dismissed.

[207] Harvey, *The Enigma of Capital*, 217.

Post-Industrial Society, and consider how as a work fraught with its own contradictions it might indicate possibilities for a better tomorrow.

4: THE FUTURE AND ITS DISCONTENTS

The information capitalism framework developed by Tessa Morris-Suzuki is effective in demystifying the discourse of Information Society Theory, demonstrating how the information society programme was a project of the Japanese capitalist class that sought to circumvent the barriers to accumulation that confronted Japanese capitalism at the end of the "miracle" period of high growth. While Morris-Suzuki's work is closely attuned to the contradictions of Japanese society during this period, it is not nearly so closely attuned to the contradictions found within the texts of Information Society Theory themselves, and what they might reveal.[208] This chapter will seek to address this limitation of Morris-Suzuki's theory by making use of the Critical Theory of Herbert Marcuse and Andrew Feenberg. Marcuse's work offers a kind of alternative utopianism to that found in Masuda, providing a useful basis for comparison and critique that Feenberg's theories clarify and reveal. By drawing together the critical threads offered by Morris-Suzuki, Marcuse, and Feenberg, this chapter articulates a comprehensive critique of Masuda's work at both the level of its idealist utopianism and that of its repressive social effects as a strategy of accumulation and ideology of legitimation. Building on this critique, the chapter concludes by offering a socialist response to information society theory that seeks to outline a revived politics of technology.

[208] While Morris-Suzuki acknowledges that Information Society Theory functioned as an ideology of legitimation that sought to co-opt the protests of the New Left and environmentalists, she fails to consider in depth why this ideology would be convincing beyond the ranks of administrators and capitalists. Only a closer analysis of Information Society Theory as ideology can address why it was both appealing to the broader population and effective in providing the ruling class with legitimacy.

4.1 Information Capitalism and Computopia: The Contradictions of Information Society Theory

Masuda Yoneji's *The Information Society as Post-Industrial Society* begins with a summary of the Japan Computer Usage Development Institute (JACUDI)'s "The Plan for Information Society – A national goal toward the year 2000" of which Masuda was the project chair.[209] This first chapter, entitled "Emerging Information Society in Japan" describes the concrete measures JACUDI proposed to the Japanese government (particularly MITI) and the results of their economic development plan. The plan includes a number of projects that range from the mundane to the extravagantly utopian, including: computer storage for government administration data, fully automated supermarkets, automated hospitals, computerized communication and education projects, pollution monitors, job retraining centers, and computer controlled personal passenger rail systems.[210] While these technologies would certainly increase the convenience and variety of daily life, there is nothing about them that would suggest an epochal shift in human history, as they mainly entail improvements or combinations of already existing technologies. Yet the ameliorative measures the plan proposes stand in stark contrast to its rhetoric, which declares breathlessly that "The goal of the plan is the realization of *a society that brings about a general flourishing state of human intellectual creativity, instead of affluent material consumption*"[211] and goes on to declare:

> If the goal of industrial society is represented by volume consumption of durable consumer goods or realization of heavy mass consumption centering around

[209] Yoneji Masuda, *The Information Society as Post-Industrial Society*, (USA: World Future Society, 1983), 3.
[210] Masuda, *Information*, 13.
[211] Italics as in original, here and throughout. Masuda, *Information*, 3.

> motorization, information society may be termed as a society with highly intellectual creativity where *people may draw future designs on an invisible canvas and pursue and realize different individual lives worth living*.[212]

While it is unclear in the report how exactly automated supermarkets and improved weather forecasts would allow for "a general flourishing state of human intellectual creativity" Masuda is joined in his enthusiasm by foreign academics and futurists, such as A. J. Dakin of the University of Toronto, who declares effusively:

> I think this plan is a magnificent effort at trying to handle an entirely new emerging actual situation and a social aspiration toward a new kind of society which is basically concerned with *higher levels of self-actualization of the individual*.[213]

Robert Jungk carries on in similarly millennial terms:

> Human beings will face a crisis if we continue to extend the materialistic civilization. The Japanese information society plan is *one of the best solutions* to get through this serious crisis.[214]

At first the contradiction between the rather mundane proposals of the information society theorists and their rapturous rhetoric appears to defy explanation, yet an examination of Masuda's subsequent predictions (which only grow more implausible) begins to shed light on this mysterious enthusiasm.

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[212] Ibid.
[213] Masuda, *Information,* 12.
[214] Masuda, *Information,* 11.

At its core, Information Society Theory is a technological determinist eschatology. It posits the coming of "a new type of human society, completely different from the present industrial society" based on self-motivated development of the "prime innovative technology" of computers, which will "substitute for and amplify the mental power of man."[215] It consistently reifies its desiderata of social change into immutable manifestations of the internal logic of technological development, rarely invoking human choices or social forces in its explanation of social change.

That technological determinism forms the foundation of Information Society Theory does not make it exceptional, as it forms the foundation of a great many other social theories as well. It is the predictions that Information Society Theory makes, beyond the simple assertion of new possibilities of self-actualization, which are truly surprising. While it never in fact mentions it by name, and is to some extent confused on the issue, Information Society Theory rejects capitalism and argues for its natural and logical supersession through the development of technological forces. For instance Masuda states that:

> The economic structure of industrial society is characterized by (1) a sales-oriented commodity economy, (2) specialization of production utilizing divisions of labor, (3) complete division of productions and consumptions between enterprise and household. In the information society (1) information, the axis of socio-economic development, will be produced by the information utility, (2) self-production of information by users will increase; information will accumulate, (3) this accumulated information will expand through synergetic production and

[215] Masuda, *Information,* 31.

> shared utilization and (4) the economy will change structurally from an exchange economy to *a synergetic economy*.[216]

While the meaning of "a synergetic economy" is at first unclear, after further inspection it becomes increasingly obvious:

> In industrial society the socio-economic system is a system of private enterprise characterized by private ownership of capital, free competition, and the maximization of profits. In the information society, the socio-economic system will be a voluntary civil society characterized by the superiority of its infrastructure, as a type of both public capital and knowledge-oriented human capital, and by a fundamental framework that embodies *the principle of synergy and social benefit.*[217]

Given the opposition between private and public ownership of capital, the "industrial society" is clearly synonymous in Masuda's work with capitalism, and the "synergetic economy" or "information society" clearly synonymous with socialism. Masuda appropriates Marx's feudalism-capitalism-socialism historical schema and adapts it for his purposes,[218] creating a strange new formulation of so-called "Automatic Marxism" that views the productive forces as determining the course of history. Yet while Masuda borrows a great deal from the Marxian tradition, he altogether ignores the concept of class struggle, viewing the relative merits of social formations in purely technical terms.

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[216] Masuda, *Information*, 32.

[217] Ibid.

[218] In this case as agricultural society, industrial society, information society. While the agricultural/industrial schema is clearly borrowed from conventional historiography, the emphasis on the public ownership of capital as a defining feature of next historical era ultimately situates Masuda's historical framework within the Marxian tradition, even while his dismissal of class struggle as a significant historical force means that he can by no means be labeled a Marxist. Masuda, *Information*, 75.

Particularly revealing is Masuda's statement that under the information society "[n]ew social information systems will make use of the computer networks in a variety of social fields, covering matters such as pollution, traffic, and problems of distribution."[219] This absurd notion that "problems of distribution" exist under capitalism because of a lack of computing power, and possess roughly the same importance as traffic congestion illustrates the degree of Masuda's technological determinism. Social antagonisms simply do not exist for Masuda, who views history as a smooth continuum of technological and social progress.

But if class domination is not the primary basis for Masuda's anti-capitalist stance, what is? Masuda advances two critiques of capitalism, one based on technical grounds and the other on moral grounds. The technical critique is expressed most clearly in the section of *The Information Society as Post-Industrial Society* that describes "the information utility," which Masuda believes will replace the modern factory as the "societal symbol of the information society" much as the factory once supplanted the farm.[220] Masuda defines the information utility as "an *information infrastructure* consisting of public information processing and service facilities that combine computer and communication networks. From these facilities *anyone, anywhere, at any time will be able easily, quickly, and inexpensively to get any information which one wants to get*."[221] Masuda's idealism leads him to assert that "the information utility by its very nature will be for the use and benefit of the public, its service being of a unique character,

[219] Masuda, *Information*, 38.
[220] Masuda, *Information*, 75.
[221] Ibid.

that is *self-multiplication*."[222] He believes that the very nature of information necessarily implies this character, describing information's unique properties (relative to material goods) as follows:

1. It is *not consumable* – goods are consumed in being used, but information remains however much it is used.
2. It is *non-transferable* – in the transfer of goods from A to B, they are physically moved from A to B, but in the transfer of information it remains with A.
3. *Indivisible* – materials such as electricity and water are divided for use, but information can be used only as 'a set'.
4. *Accumulative* – the accumulation of goods is by their non-use, but information cannot be consumed or transferred, so it is accumulated to be used repeatedly. The quality of information is raised by adding new information to what has already been accumulated.

Masuda naively fails to recognize the way in which intellectual property law can be used to overcome these characteristics and commodify information, carrying on to declare that free access to the information utility will allow for "*production and utilization*" as a "*combined operation*" allowing for a "production structure of information" that is "*self-multiplying*." Masuda explains that:

[222] Masuda, *Information*, 77.

> ‘Self-multiplication’ does not mean the successive production of new information, but *the utility’s continuous expansion in the production of information, both in quantity accumulation and qualitative improvement.*[223]

Briefly considering the possibility of an information utility of “the business type,” Masuda states that:

> The major types of services will be information such as is related to every-day convenience in the lives of the general public (news requests, information on shopping, etc.), or concerned with various sorts of mental exercises or recreation (spaceship games).
>
> Chief merits of the business type are that efficiency in management will be essential and the services thorough. Negative values would result from excessive commercialism resulting in information services encouraging mental laziness and stagnation by the emphasis placed on convenience, accompanied by aggressive advertising.[224]

However Masuda ultimately rejects the notion that capitalistic information utilities will gain ascendency, as information utilities of the “citizen management type” offer a technically superior alternative:

> In the production of goods, the expansion in manufacturing that follows a big increase in production equipment has a great mass production effect. That is to say, the greater the investment in capital equipment, the more productive power increases and production costs decrease. This decrease in costs expands the

[223] Ibid.
[224] Masuda, *Information,* 79.

> market and encourages further profits and further accumulation of capital. This mass production effect of goods is, from the enterprise's point of view, the multiplying effect of capital, in the sense that any accumulation of capital results in further accumulation of capital.
>
> The self-multiplication of private capital has been a fundamental cause of the formation and expansion of modern manufacturing industries as a whole.
>
> In the case of information also, expansion in the scale of production cannot be ignored, but here the cumulative effect is more important.
>
> The most important point in the production of information from a macro standpoint is *the self-multiplication of information value* itself – how to accumulate information and how to continue the further accumulation of information by adding new information to what has already been accumulated.[225]

Masuda then goes on to describe the information utility's social character:

> The information utility is not used simply by a limited group of users; it is widely used in the public interest by people in general. Moreover, it is the general public themselves that operate the information utility freely. Having the information utility take the form of synergetic production and shared use will raise the macro-cumulative effect of information utilities to the highest level. The citizen management type that is oriented toward voluntary synergistic production and shared use of information by citizens themselves is the form of management of the information utility that will have the greatest macro-cumulative effect, rather

[225] Masuda, *Information*, 82.

> than the business type that aims to increase profits through the self-multiplication of capital, or the government managed type that prevents citizens from using the information utility freely.[226]

Further arguing that citizen management will lead to both a more responsive and more flexible democracy, while simultaneously avoiding the specter of a surveillance society controlled by "despotic state organization," Masuda claims that the expansion of information utilities to a global scale will usher in a new era of universal peace, democracy, and fraternity:

> A new society, with new economic principles, would come about, consistent with the basic characteristics of GIU's [Global Information Utilities] – the global joint creation and utilization of information. Thus, the transformation from the present individualistic principle of free competition to the principle of synergic activity among independent individuals cooperating functionally for a common objective would eventuate; human society formed on the principle of synergetic cooperation would mean a global society based on mutual assistance.[227]

[226] Ibid.
[227] Masuda, *Information*, 85.

Masuda's description of "Computopia" bears considerable similarity to communist treatises such as Lenin's *The State and Revolution*,[228] a point that he obliquely acknowledges:

> The keynote of utopian societies in the past has been the establishment of communal life through the common ownership of the means of production, based more or less on the prototype of primitive communism. This type of society has inevitably operated with a relatively low level of productive power; but the future information society will ensure more active voluntary communities, because humans will be liberated from dependence on subsistence labor, and because of the expanded possibilities for future time-value realization.[229]

Characteristically, Masuda attributes all the failings of state socialism to the insufficient development of the productive forces, arguing that unlike the bureaucratically dominated socialist bloc, the information society will be a true "*classless society*, free of overruling power, the core of society being voluntary communities."[230] Furthermore, unlike communism, the technologically based development of the information society will be effected through a "systematic, orderly transformation," ruling out the necessity of

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[228] For instance: "Only in communist society, when the resistance of the capitalists have disappeared, when there are no classes (i.e., when there is no distinction between the members of society as regards their relation to the social means of production), only then "the state... ceases to exist", and "it becomes possible to speak of freedom". Only then will a truly complete democracy become possible and be realized, a democracy without any exceptions whatever. And only then will democracy begin to wither away, owing to the simple fact that, freed from capitalist slavery, from the untold horrors, savagery, absurdities, and infamies of capitalist exploitation, people will gradually become accustomed to observing the elementary rules of social intercourse that have been known for centuries and repeated for thousands of years in all copy-book maxims. They will become accustomed to observing them without force, without coercion, without subordination, without the special apparatus for coercion called the state." Vladimir Lenin, "The State and Revolution: The Economic Basis of The Withering Away of the State." Marxists.org, http://www.marxists.org/archive/lenin/works/1917/staterev/ch05.htm#s4.

[229] Masuda, *Information,* 150.

[230] Masuda, *Information,* 151.

revolutionary action.[231] Therefore, according to Masuda, Information Society Theory presents a clearly superior alternative to both capitalism and communism, based on the grounds of the development of society's material base.

Masuda's second critique of capitalism is a moral one, based on an antipathy to "material values" and connected to Masuda's Christian belief.[232] There is powerful sense in Masuda's work that while industrial society has satisfied humanity's material needs, it has limited the human spirit. According to Masuda, this limitation will be overcome in the information society, a new age of voluntary democratic association, freedom from toil, creativity, wellbeing, and spiritual wholeness. These sentiments can be found throughout Masuda's work, in passages such as:

> In industrial society, the materialistic values of satisfying physiological and physical needs are the universal standards of social values; but in the information society, seeking *the satisfaction of achieved goals* will become the universal standard of values.[233]

This "satisfaction of achieved goals" forms the basis of "synergetic feedforward," which in turn forms the basis of the "synergetic economy." As Masuda explains:

> In industrial society the law of price, the universal socio-economic principle, is the invisible hand that maintains the equilibrium of supply and demand, and the economy and society as a whole develop within this economic order. In the information society *the goal principle* (a goal and means principle) will be the

[231] Masuda, *Information,* 153.

[232] It is important to note that the moral and technical critiques are connected to one another, and the distinction made here is an abstraction for the purposes of clarity of explanation.

[233] Masuda, *Information,* 33.

> fundamental principle of society, and the synergetic feedforward, which apportions functions in order to achieve a common goal, will work to maintain the order of society.[234]

This is to say that the coercive forces of competition that exist under capitalism will be overcome, with economic production and social goals finally being reconciled. Humanity will therefore enjoy a hitherto unknown degree of freedom, in much the same manner as was predicted by communists such as Lenin. This is the image of "Computopia," the "ultimate goal" of which is "the rebirth of theological synergism of man and supreme being."[235]

To explain this concept, Masuda tells a familiar tale of humanity's fall from grace with the Industrial Revolution, where the "conquest of nature meant the destruction of nature…"[236] Masuda carries on with this narrative, stating that "…now nature's retaliation has begun, the sequel to man's relation with nature that turned into destruction."[237] But just as paradise has been lost, so too shall it be regained:

> Now, a new relationship is beginning. At last, man and nature have begun to act together in a new ecological sense, on a global scale, in synergistic society. At the base of this conversion of human society into an ecological system is the awareness of the limitations of scientific technology. It means awareness that scientific technology is simply the application of scientific principles, and that these can not be changed by man, nor can he create new principles to work and

[234] Masuda, *Information*, 32.
[235] Masuda, *Information*, 154.
[236] Masuda, *Information*, 155.
[237] Ibid.

> live by. It is also a new awareness of the commonality of man's destiny, in that there is no place where man can live except on this earth, which first gave him life; from this very awareness is emerging the idea of a synergistic society where man and nature must exist in true symbiosis.
>
> This is the assertive, dynamic idea that *man can live and work together with nature, not by a spirit of resignation that says man can only live within the framework of natural systems*; but, not living in hostility to nature, man and nature will work together as one. Put another way, man approaches the universal supra life, with man and god acting as one.
>
> God does not refer to a god in the remote heavens; it refers to nature with which we live our daily lives. The scientific laws that we have already identified and are aware of are simply manifestations of the activity of this supreme power. The ultimate ideal of the global futurization society will be for man's actions to be in harmony with nature in building a synergistic world.
>
> This synergism is a modern rebirth of the theological synergism which teaches that *'spiritual rebirth depends upon the cooperation of the will of man and the grace of God, '* however it may be expressed. It aims to build an earthly, not a heavenly synergistic society of god and man.[238]

Behold! The determining force of technology has been transubstantiated into the very hand of God! To what lofty heights we have ascended from our base discussions of surplus value and effective demand. But is it not also written: "Take heed that ye be not

[238] Ibid.

deceived: for many shall come in my name, saying, I am [Christ]; and the time draweth near: go ye not therefore after them?"[239] Perhaps some scepticism is in order.

Indeed we might ask how this ostensibly anti-capitalist text is connected to the project of information capitalism described by Morris-Suzuki, to which Masuda (as the main author of *The Plan for an Information Society*) is clearly connected. Where Masuda advances a technical and moral critique of capitalism, we might identify economic and ideological blind spots in this critique that ultimately draw it into the orbit of the information capitalism project.

At the level of economics we can see the weakness of Masuda's Information Society Theory first in the area of automation, where he flippantly declares:

> If the freeing of man from subsistence labor is a positive social result of the information revolution, a second social result, unemployment, will represent a negative side of automation. There is ample reason to fear that the unemployment of old and middle-aged persons and the obsolescence of old techniques as a result of automation will pose a serious social problem. This is an unavoidable choice between either an increase in free time or mass unemployment, a choice that the future information society will have to face. I feel that, just as in the past, developments in industrial productive power have ultimately brought about an increase in consumption and income, not an increase in unemployment, the fruit of automation resulting from the development of information productive power in

[239] Luke 21:8 (KJV).

> the near future will probably be an increase in free time, rather than unemployment.[240]

With this careless extrapolation of a poorly researched historical tendency, Masuda dismisses the very real possibility of misery and social unrest being caused by the implementation of automation technology. Ironically, Masuda, the theorist of the Information Society, denies that there might be a fundamental difference between simple mechanization of production and its automation – namely that production could reach such a high level of labour saving that the jobs necessary to increase consumption and income would become ever scarcer. Indeed, Masuda never concerns himself to any great degree with material production, instead preferring to dwell upon the realm of information production, with automation invoked when necessary to assuage any concerns about the fate of the economic sectors which have hitherto formed the vast majority of human production. Yet even in the realm of information production Masuda engages in a great deal of wishful thinking, conceiving of technology as isolated from any of the institutional forms within which it is actually embedded, and free to proceed without social interference.

Masuda's failure to properly understand both material and informational production rests on a fundamental misconception of "industrial society" - that "[t]he goal of industrial society is to establish a Gross National Welfare Society, aiming to become a cradle-to-grave high welfare society."[241] As much as we might like to believe this is the case, capitalist society is not (as Masuda would have us believe) fundamentally interested in the maximum production and equitable distribution of *wealth* (use value), but rather is

[240] Masuda, *Information,* 63.
[241] Masuda, *Information,* 32.

interested in the maximum accumulation of *capital* (exchange value). To whatever extent the production and distribution of wealth can further or at least maintain the accumulation of capital we may speak of a welfare society, but welfare is not capital's primary aim (as self-expanding value).[242] This is why automation has not been employed to increase free time and provide welfare for all, and why the form of "citizen directed" information production described by Masuda has been marginalized or yoked to capital accumulation in the form of "crowdsourcing" instead of being embraced as the central form of information production in society. While "citizen directed" information production, in the form of self-expanding information, may provide the greatest wealth of information to the greatest number of people, organizations such as the Recording Industry Association of America and the World Intellectual Property Organization consider it at best a commons to be preyed upon for future profit, and at worst anathema to the "free market" that forms their *raison d'etre*.

These economic misconceptions are fundamentally related to Masuda's further ideological misconceptions, particularly those of his dichotomy between "material values" and "information values." There is an ideological slippage in Masuda's work between material production and materialism, with the latter assumed to be the natural consequence of the former. In contrast, because information production is not "material" it is assumed to not lead to materialism, but rather produce high-minded "information values." When Masuda refers to materialism he speaks essentially of greed and narrow-minded utilitarianism, manifested in the single-minded accumulation of consumer

[242] The class struggle and mental conceptions of the world of course play major roles in determining the extent to which capitalist society concerns itself with welfare, but demands that emphasize the aim of welfare over and against that of capital accumulation become revolutionary, and as such cannot be tolerated by the capitalist class. It is therefore clear that it is inaccurate to describe "industrial society" as a "Gross National Welfare Society." See David Harvey, *A Companion to Marx's Capital*, 138, 158.

goods.[243] Yet Masuda fails to understand that this consumerism arises not from the production of *material goods*, but rather from the production of *commodities,* which must be sold in order to realize profits and maintain the expansion of the capitalist system. This, and not material production as such, is the root of the culture of the advertising and cheap consumerism that Masuda holds in distain.[244] It matters not in the slightest to capital whether a commodity is material or informational – it is only concerned with its sale. Indeed, as we saw in Chapter 2, informational commodities were seen by Japanese capitalists as a new frontier for the promotion of the very culture Masuda argues they would abolish, circumventing the barriers presented by a saturation of the market for consumer durables. Given these rather obvious ways in which capital is able to marginalize, co-opt, or repress the revolutionary forces that Masuda envisions to be present in information technology, the prospects of Computopia appear very dim indeed.

Yet is it not possible that the very outlandishness of Information Society Theory's utopianism is what allowed it to function so well as the imaginary resolution of real contradictions – that is, as ideology *par excellence*? Indeed, Masuda's work is constantly haunted by the specter of the "managed,"[245] "automated," and "controlled society"[246] the nightmarish and "fearful Orwellian" dystopian negative image of Computopia.[247] The automated society is one of mass unemployment, class oppression, enormous global inequality, total surveillance and administration, environmental destruction, and spiritual

[243] Masuda, *Information*, 33.
[244] Masuda, *Information*, 79.
[245] Masuda, *Information*, 64.
[246] Masuda, *Information*, 83.
[247] Ibid.

bankruptcy. The strange ambiguity of the automated society in Masuda's work is best demonstrated by the following passage:

> …I believe and predict that the catastrophic course to an 'Automated State' will be avoided, and that our choice will be to follow the path to 'Computopia.'…The first theoretical basis is that the computer as innovational technology is an ultimate science. By 'ultimate science' I mean a science that will bring immeasurable benefits to humanity if wisely used by which would lead to destruction if used wrongly. Nuclear energy, for example, can be an extremely useful source of energy, but it could kill the greater part of the human race in an instant. The computer may, in one sense, be more important, as an ultimate science, than atomic energy.[248]

Masuda then goes on to explain his view of the significance of computing technology:

> If computers were to be used exclusively for automation, a controlled society, the alienation of mankind and social decadence would become a reality. But if used fully for the creation of knowledge, a high mass knowledge creation society will emerge in which all people will feel their lives to be worth living. Further, an on-line, real-time system of computers connected to terminals with communication lines would turn society into a thoroughly managed society if utilized in a centralized way, but if their utilization is decentralized and open to all persons, it will lead to the creation of a high mass knowledge creation society. Similarly, if data banks were to be utilized by a small group of people in power to serve their political purposes, it would become a police state, but if used for health control

[248] Masuda, *Information*, 153.

> and career development, every person can be saved from the sufferings of disease, and be enabled to develop full potentialities, opening up new future opportunities and possibilities.
>
> The computer thus confronts us with these alternatives: An "Automated State" or a "Computopia." So it is not the forecasting of the state of a future information society, but our own choice that is decisive. There is only one choice for us – the road to computopia. We cannot allow the computer, an ultimate science, to be used for the destruction of the spiritual life of mankind.[249]

For a moment the possibility of choice interrupts the inevitable and happy march of technologically determined history. With choice comes the possibility of catastrophe, the possibility that we do not live in "the best of all possible worlds" but rather a horrible mockery of what that world might be. With choice also comes the question of who is entitled to choose, the question of power – but as soon as it is raised choice is negated. There is, after all "only one choice for us" we need only "believe in Mankind's wisdom, goodwill and future."[250] The possibility of critique is therefore negated and we are returned to our warm, triumphant narrative. Information capitalism will surely deliver us from itself, "the information society will come about through a systematic, orderly transformation." As Masuda states:

> As old socio-economic systems gradually become ineffectual and unable to meet the needs of the times, they will atrophy, and new, responsive socio-economic systems will take their place, in the way that a metamorphosis takes place with an

[249] Ibid.
[250] Masuda, *Information*, Dedication.

> organism, the useless parts of the body atrophying and other parts developing in response to the new demands.[251]

Yet could this calm certitude not be a mask that conceals a greater anxiety about the information society project? Masuda identifies the use of computers by "military and other government organizations and large private institutions"[252] as cause for concern that the realization of "Computopia" might be frustrated and an automated society established, yet these are in fact *the very organizations for which Masuda worked* as a leading figure at JACUDI.[253] Masuda's patrons are in fact the greatest source of his anxiety for the future. The forces that worked most vigorously to promote Information Society Theory and employ it as a strategy for further capitalist expansion are at the same the focus of its critique. This is the contradiction that lies at the heart of Information Society Theory, and one that is "resolved" (however imaginarily) through recourse to technological determinism and divine providence (which are in Masuda's terms one and the same). In order to properly situate this contradiction, it is useful to conceptualize it in terms of Herbert Marcuse's theory of negative thinking and one-dimensionality, which offer insights into the dilemmas facing utopian thought under advanced industrial society.

4.2 Negativity and Information Society Theory

Addressing the extremely conservative constellation of thought of the early 1960s, Herbert Marcuse's *One-Dimensional Man* argues for the need for "negative

[251] This is of course nothing more than a reformulation of the Marxist theory of the "withering of the state" leading from socialism to communism. Masuda, *Information*, 154.

[252] Masuda, *Information*, 152.

[253] It is important to recall that Masuda's idealist theories were not simply ineffectual, but gained widespread acceptance as a strategy to overcome the crisis of capitalism of the early 1970s, and that their utopianism worked to co-opt the more radical currents of thought represented by the New Left. See: Chapter 2.

thinking" to break the stultifying "happy consciousness" of the time and the various forms of oppression it reinforces.[254] According to Marcuse, in industrial society domination and general welfare were mutually exclusive. Capitalism was assumed to be incapable of providing for all, and socialist revolution therefore had an objective basis for realization in the proletariat's struggle for freedom and well-being. However history has proved this assumption incorrect, with the objective basis for revolution evaporating in the face of the technologically advanced welfare state, which conflates domination and general wellbeing, leading to a one-dimensional society of "sublimated slavery" that cannot conceive of anything other than its own perpetuation:

> The impact of progress turns Reason into submission to the facts of life, and to the dynamic capability of producing more and bigger facts of the same sort of life. The efficiency of the system blunts the individuals' recognition that it contains no facts which do not communicate the repressive power of the whole. If the individuals find themselves in the things which shape their life, they do so, not by giving, but by accepting the law of things-not the law of physics but the law of their society.
>
> I have just suggested that the concept of alienation seems to become questionable when the individuals identify themselves with the existence which is imposed upon them and have it in their own development and satisfaction. This identification is not illusion but reality. However, the reality constitutes a more progressive stage of alienation. The latter has become entirely objective; the

[254] "…loss of conscience due to the satisfactory liberties granted by an unfree society makes for a *happy consciousness* which facilitates acceptance of the misdeeds of this society. It is the token of declining autonomy and comprehension." Herbert Marcuse, *One-Dimensional Man* (USA: Beacon Press, 1991), 76

> subject which is alienated is swallowed up by its alienated existence. There is only one dimension, and it is everywhere and in all forms. The achievements of progress defy ideological indictment as well as justification; before their tribunal, the 'false consciousness' of their rationality becomes the true consciousness.[255]

Marcuse then continues:

> This absorption of ideology into reality does not, however signify the 'end of ideology.' On the contrary, in a specific sense advanced industrial culture is more ideological than its predecessor, inasmuch as today the ideology is in the process of production itself. In a provocative form, this proposition reveals the political aspects of the prevailing technological rationality. The productive apparatus and the goods and services which it produces 'sell' or impose the social system as a whole. The means of mass transportation and communication, the commodities of lodging, food, and clothing, the irresistible output of the entertainment and information industry carry with them prescribed attitudes and habits, certain intellectual and emotional reactions which bind the consumers more or less pleasantly to the producers and, through the latter, to the whole. The products indoctrinate and manipulate; they promote a false consciousness which is immune against its falsehood. And as these beneficial products become available to more individuals in more social classes, the indoctrination they carry ceases to be publicity; it becomes a way of life. It is a good way of life-much better than before-and as a good way of life, it militates against qualitative change. Thus emerges a pattern of one-dimensional thought and behaviour in which ideas,

[255] Marcuse, *One-Dimensional*, 11.

> aspirations, and objectives that, by their content, transcend the established universe of discourse and action are either repelled or reduced to terms of this universe. They are redefined by the rationality of the given system and of its quantitative extension.[256]

How then can we situate Masuda's Information Society Theory within this framework? First it is important to recall that the welfare state in Japan was relatively undeveloped during the period of development of Information Society Theory, and its full implementation in the manner of European social democracies, or even in the manner of LBJ's "Great Society" programme was a future possibility for Japanese society, rather than an actuality at this stage. Furthermore we should recognize that *One-Dimensional Man* is a product of the postwar capitalist boom era,[257] whereas *The Information Society as Post-Industrial Society* is a product of the crisis of capitalism that proceeded that era. These are two points that complicate any simple application of Marcuse's theory to Masuda's work, and are important to bear in mind in our analysis.

Indeed, Masuda's work should not be viewed ahistorically, but, as Morris-Suzuki argues, as a response to the crisis of capitalism of the late 1960s – early 1970s. As such, Masuda's Information Society Theory should be understood as an establishment response to changes in the composition of the Japanese working class and their consequent material demands, Japan's changing position in the world capitalist system, and the ideological platform of the New Left. Insofar as it represents an articulation of these historical phenomena, Information Society Theory possesses a negative and critical quality that would appear at odds with Marcuse's theory of Advanced Industrial Society.

[256] Ibid.

[257] In Japan, this era was the "miracle" era of high-growth.

The very articulation of "Computopia" as a society that transcends capitalism would appear to go beyond the boundaries of thought Marcuse suggests exist under Advanced Industrial Society.[258] However, as we have seen, this negative aspect of Masuda's work is ultimately cancelled by an uncritical belief in technological determinism, the very "rationality" of one-dimensional thinking that Marcuse identifies. It would appear that Marcuse's characterisation of consciousness in advanced industrial society as being constituted by "immediate, automatic identification"[259] with what already exists would preclude even Masuda's cancelled negativity, but another passage in Marcuse suggests how this weak negativity might exist:

> The reign of such a one-dimensional reality does not mean that materialism rules, and that the spiritual, metaphysical, and bohemian occupations are petering out. On the contrary, there is a great deal of 'Worship together this week,' 'Why not try God,' Zen, existentialism, and beat ways of life, etc. But such modes of protest and transcendence are no longer contradictory to the status quo and no longer negative. They are rather the ceremonial part of practical behaviourism, its harmless negation, and are quickly digested by the status quo as part of its healthy diet.[260]

This "digestion" of harmless negation as a part of the diet of the status quo recalls Marcuse's earlier statement that:

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[258] Marcuse himself was not dismissive of the possibility that one-dimensionality might be transcended, as was demonstrated by his active support of the New Left. See: Herbert Marcuse, *An Essay on Liberation* (USA: Beacon Press, 1969).

[259] Marcuse, *One-Dimensional*, 10.

[260] Marcuse, *One-Dimensional*, 14.

> "ideas, aspirations, and objectives that, by their content, transcend the established universe of discourse and action are either repelled or reduced to terms of this universe. They are redefined by the rationality of the given system and of its quantitative extension."[261]

The presentation of negative thinking by Masuda, its reduction to the terms of the capitalist universe,[262] and finally its "digestion" in the form of a strategy of capitalist development and an ideology of legitimation incorporating the demands borne of the early 1970s crisis into the capitalist system, describes the arc of integration that reigns in Information Society Theory's negativity and renders it into an instrument of domination. Here then we have an account of Information Society Theory that recognizes Morris-Suzuki's Information Capitalism critique, while simultaneously acknowledging the utopian dimension that she largely ignores.

However this description of Information Society Theory's incorporation is of little value if it does not point beyond itself to a more substantial negation of the existing system. It would merely serve as an instance to prove correct Marcuse's argument that the "defeated logic of protest"[263] remains defeated, that although there is an alternative, it appears purely "metaphysical."[264] In order to address this challenge, it is important to understand what Marcuse conceived of this alternative to be. Given their common

[261] Marcuse, *One-Dimensional*, 11.

[262] In the form of a technological determinist utopianism that reaffirms the positive and progressive qualities of capitalism.

[263] Marcuse, *One-Dimensional*, 123.

[264] Marcuse, *One-Dimensional*, 15.

Marxist heritage,[265] it is perhaps not surprising that Marcuse's conception of "the alternative" bears considerable similarity to Masuda's Computopia:

> 'Progress' is not a neutral term; it moves toward specific ends, and these ends are defined by the possibilities of ameliorating the human condition. Advanced industrial society is approaching the stage where continued progress would demand the radical subversion of the prevailing direction and organization of progress. This stage would be reached when material production (including the necessary services) becomes automated to the extent that all vital needs can be satisfied while necessary labor time is reduced to marginal time. From this point on, technical progress would transcend the realm of necessity, where it served as the instrument of domination and exploitation which thereby limited its rationality; technology would become subject to the free play of faculties in the struggle for the pacification of nature and of society.[266]

However the use of increasing productivity to "deliver the goods," the use of media to maintain a one-dimensional discourse, and the constant threat of war have been used to subvert this alternative to the point that it "finds a firm mass basis in the underlying population, and finds its ideology in the rigid orientation of thought and behaviour to the given universe of facts."[267] This leads to a "thoroughly static system of life" in which the contradiction of "a trend toward consummation of technological rationality, and intensive

[265] Although Masuda and Marcuse both owe an intellectual debt to Marxist thought they by no means adopt the same aspects of Marxism, nor are they equally faithful to the Marxist tradition. Like many thinkers in the post-industrial and informationalist traditions, Masuda owes a considerable intellectual debt to Marxism, even while his technological determinism sets him apart from it. Conversely Marcuse's commitment to analyzing society in terms of class struggle, capitalist exploitation and the relationship of ideology to these two phenomena demonstrates a much closer affinity with Marxist thought.

[266] Marcuse, *One-Dimensional*, 16.

[267] Marcuse, *One-Dimensional*, 17.

efforts to contain this trend within the established institutions" is paralyzed and history remains frozen.[268] On purely empirical grounds, some of Marcuse's pessimism can be rejected. The crisis of the early 1970s and the subsequent neoliberal revolution demonstrated convincingly that the use of technology and science "for the ever-more-effective domination of man and nature" under the welfare state has its limits. The brutal neoliberal project has produced glaring inequalities across the globe, with levels of income inequality in the United States reaching the levels of the "roaring twenties"[269] and projected to reach Victorian levels in the United Kingdom within the next two decades.[270] Since the crisis of 2008 unemployment has reached fearful levels with no clear end in sight, triggering massive protests among embattled workers and disenfranchised youth who, brought up on tales of the "knowledge economy," feel disillusioned by the realization that their educations are of little value in the face of ever-expanding automation and globalization.[271] The neoliberal project of "development" in the Global South has been proven a monstrous farce, with predatory loan agreements and "privatization" plans consigning millions to misery.[272] Meanwhile the catastrophic eventualities of peak oil, global climate change, and general ecological collapse appear increasingly inevitable in the face of an unyielding capitalist drive for growth, provoking a deep anxiety about the future.[273] In Japan these developments have been met only with

[268] Ibid.

[269] David Leonhardt, "Income Inequality," The New York Times, http://topics.nytimes.com/top/reference/timestopics/subjects/i/income/income_inequality/index.html?scp=1&sq=us%20inequality&st=cse.

[270] Graham Snowdon, "Pay Gap Widening to Victorian Levels," guardian.co.uk, http://www.guardian.co.uk/business/2011/may/16/high-pay-commission-wage-disparity.

[271] Rachel Donadio, "Europe's Young Grow Agitated Over Future Prospects," The New York Times, http://www.nytimes.com/2011/01/02/world/europe/02youth.html?scp=18&sq=european%20protests,%20students&st=cse.

[272] See: David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2007).

[273] See: David Harvey, *The Enigma of Capital.*

resignation and apathy, with youth scrambling frantically for ever-scarcer employment and preparing themselves for a future of ever-diminishing expectations.[274] Yet even there, the aftermath of the Kanto-Tohoku Earthquake and Japan's ongoing economic malaise has led to a questioning of Japan's future course, and a weakening of the bureaucracy's grip on the country.[275] Society certainly is not "static."

However even under these circumstances the prospect of an alternative appears "metaphysical," as many look to socialism but see only its numerous failures. Communist and Socialist parties, where not thoroughly corrupted and implicated in the neoliberal project, remain utterly marginalized, and people shrink back from any radical change to nostalgic dreams of a Fordist-Keynesian golden age, where they might enjoy the happy consciousness of a sublimated slavery.[276] Is there truly nothing to be done? In the final section of this chapter I will respond to this question by referring to the work of Marcuse's student Andrew Feenberg, who has sought to further develop and critically examine his ideas on the subject of technology.

4.3 Rationality and the Socialist Future

Taking up Marcuse's work, Andrew Feenberg has sought to further refine his theory of technology in order to provide a more nuanced critique of advanced industrial society. In particular, Feenberg has provided a critique of the substantivist theory of

[274] Martin Fackler, "In Japan, Young Face Generational Roadblocks," The New York Times, http://www.nytimes.com/2011/01/28/world/asia/28generation.html?scp=3&sq=japan%20university%20graduates&st=cse.

[275] Hiroko Tabuchi, "Japan Ponders Its New Normal," The New York Times, http://www.nytimes.com/2011/05/12/business/global/12normal.html?pagewanted=1&ref=world.

[276] See: Frank Rich, "Who Killed the Disneyland Dream?," The New York Times, http://www.nytimes.com/2010/12/26/opinion/26rich.html?scp=1&sq=frank%20rich%20golden%20age&st=cse.

technology that underlies both positive accounts of technological rationality such as that of Masuda, as well as negative accounts such as that of Martin Heidegger. Drawing on the insights of social constructivism, Feenberg argues that both these approaches lead to a myopic technological determinism, and that an expanded social conception of rationality is required to properly understand the potential of technology.

In order to escape a technological determinist position, Feenberg begins with the work of Marcuse, who sought to find a way out of oppressive power of one-dimensional thought. Following the theories of Heidegger, Adorno, and Horkheimer, Marcuse believed that instrumental reason, in the form of science and technology, had developed in such a manner that it now perpetuated structures of domination by its very nature. Not only the logic of the market and production, but the logic of philosophy itself had become "one-dimensional," rejecting even the grounds of an idealist critique.[277] Despite its rejection of capitalism, the socialist bloc had also succumbed to this mode of thought, with an obsessive focus on production and administration drawing it into the same system of domination as that of capitalism. Faced with such a deep-rooted basis for oppression, Marcuse believed that a "new science"[278] was required in order to open the way for a genuinely new society to flourish. This new science would proceed from different grounds from that of the old, seeking to treat nature, and by extension humanity, as "another subject" rather than an object of domination.[279] This would open the way for "a technology of liberation, product of a scientific imagination free to project and design the

[277] Marcuse, *One-Dimensional*, 170.
[278] Andrew Feenberg, *Questioning Technology* (New York: Routledge, 2008), 166.
[279] Feenberg, *Questioning Technology*, 154.

forms of a human universe without exploitation and toil."[280] Critically taking up this "third term between anti- and pro-technology positions" Feenberg simultaneously rejects the need for an entirely new science as excessive, while arguing for the need to question the "concrete instantiations" of "technical action systems and rationalities" where "instrumental reason becomes historically active."[281] This allows for an extension of the form of critique pioneered by Marx in his analysis of the ideology of market rationality to technological design and implementation.[282] As Feenberg states:

> Substantivism identifies technology in general with modern Western technology. There are undoubtedly universal achievements underlying that technology, many of them borrowed from other civilizations in the first place. However, the particular form in which these achievements have been realized in the West incorporates values that, far from being universal, belong to a definite culture and economic system. Thus the error of substantivism is not so much in the details of its description of modern technology as the failure to acknowledge its historical contingency.
>
> That history shows that modern Western technology has been profoundly shaped by capitalist enterprise. As such it privileges the narrow goals of production and profit. The enterprise organizes the technical control of its workers and dispenses with the traditional responsibilities for persons and places that accompanied technical power in the past. It is this peculiar indifference of modern capitalism to its social and natural environment that frees the entrepreneur to extend

[280] Herbert Marcuse, *An Essay on Liberation*, 19.
[281] Feenberg, *Questioning Technology*, 178.
[282] Feenberg, *Questioning Technology*, 160.

> technical control to the labor force, the organization of work, and aspects of the natural environment that were formerly protected from interference by custom and tradition."[283]

In response to this "technical rationality" which through its supposed value-neutrality provides an ideological basis for capitalist expansion, Feenberg proposes a "rational critique of rationality" that reveals the "rationally underdetermined"[284] character of technology, and promises "a type of development that is both technically and normatively progressive."[285] Feenberg's critique rests on the insights of research into the social construction of technology, which has demystified the illusion of "pure rationality" that technological determinists take as the guiding force of technological development.[286] Feenberg instead points to the importance of "the social dimensions of technology" such as "delegated norms, aesthetic forms, work group organization, vocational investments, and various relational properties of technical artifacts."[287] These social dimensions form what Feenberg terms "secondary instrumentalizations" which integrate into the lifeworld the purposive and rational subject-object relations, or "primary instrumentalizations" that we typically identify with technological development. The primary instrumentalizations only lay out in a "skeletal fashion the basic technological relation" and because of their underdetermination *require* the integrating role of the secondary instrumentalizations in order to be realized. As Feenberg states:

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[283] Feenberg, *Questioning Technology*, 222.
[284] Andrew Feenberg, *Between Reason and Experience* (USA: The MIT Press, 2010), 169.
[285] Feenberg, *Questioning Technology*, 220.
[286] Feenberg, *Between Reason and Experience*, 169.
[287] Feenberg, *Questioning Technology*, 178.

> The underdetermination of technological development leaves room for social values and interests to participate in this process. As decontextualized elements are combined, these interests and values assign functions, orient choices and insure congruence between technology and society. The essence of technology thus includes a secondary level that works with dimensions of reality from which the primary instrumentalization abstracts.[288]

Recognizing the vital importance of the secondary instrumentalization opens the way for a "theory of social struggle" that "suggests the possibility of radical transformation through political action."[289]

This concept of technological rationality stands in stark contrast to that of Masuda, who is forced by his blind belief in the "pure rationality" of technological development to submit to the "efficiency" of capitalist development in the hope that its considerable failings will be redeemed in "Computopia" – the anticipated revelation of technology's ultimate goodness. Despite his misgivings about capitalism, Masuda is only capable of viewing technology in a one-dimensional quantitative understanding of progress from less to more. In contrast, Feenberg's understanding of technology's underdetermination allows him to view technological development in a multi-dimensional manner, opening the way for a conception of struggle for "democratic rationalization." Democratic rationalization is a call for a struggle for "a type of development that is both technically and normatively progressive" in the here and now, rejecting the Faustian bargain with capitalism in which Masuda finds himself trapped. It

[288] Feenberg, *Questioning Technology*, 205.
[289] Feenberg, *Between Reason and Experience*, 168.

recognizes that a better society must be predicated on normative progress, and not realized suddenly in a future rapture which is uncertain, and indeed unlikely to arrive.

Using the concepts of the "rational critique of rationality" and democratic rationalization, it may be possible for socialism to once again capture the discourse of the future, rejecting the assumptions of latter-day information society theorists such as Manuel Castells, who pessimistically posit an endless expansion of capitalism on the basis of its technological dynamism. Such a position finds support in contemporary theory and events. On a theoretical level, David Harvey has frequently mentioned the importance of recognizing that technology is not value-neutral, and that a true transition from capitalism to socialism would require a transition from capitalist technology to socialist technology.[290] This is a position with which Feenberg is in considerable agreement.[291] The question of technology and capitalism also forms a large part of the influential theories of Autonomist Marxists such as Nick Dyer-Witheford, who have

[290] "One way to defend Marx [against charges that he believed in the value-neutrality of technology] is to go back to how he depicts the rise of capitalism. In the manufacturing period, capitalist development rested on late feudal handicraft and manufacturing technologies (while changing their organizational form), and this was necessarily so given the conjunctural conditions. It was only later that capitalism came to define its specific technological basis. In exactly the same way, socialism was bound to make use of capitalist technologies in its early revolutionary stages, and given the exigencies of the moment (war and mass disruption), Lenin was therefore correct to turn to the most advanced capitalist technological forms in order to revive production and so protect the revolution. But a socialist revolutionary project in the long term cannot, given my reading of the footnote, avoid the question of the definition of an alternative technological basis as well as alternative relations to nature, social relations, production systems, reproduction through daily life and mental conceptions of the world. And this, it seems to me, has been one of the acute failures of actually existing communisms. This issue is, of course, broader than communism, since the question of appropriate technologies to realize certain social and political aims, be they feminist, anarchist, environmentalist or whatever, is a general matter deserving of close consideration. Technologies, we have to conclude, are not neutral with respect to the other moments in the social totality." Harvey, *A Companion to Marx's Capital*, 218.

[291] "Why, if capitalism is the problem was communism not the solution? It is too easy to clear capitalism of responsibility on the grounds that the Soviets did no different and no better. The regime never constituted a serious alternative; it followed the capitalist example in essential respects, importing technology and management methods, in some cases, such as protection of the environment, carrying capitalist irresponsibility even further. While early illusions about the Soviet Union are understandable, it is hard to see how anyone can argue in good faith today that the principles of socialism were tested in the one-party bureaucratic state it eventually became. This rearguard defense of the essentialist position will not wash." Feenberg, Questioning Technology, 222.

expanded on Marx's comments on the struggle for general intellect in the *Grundrisse*, attempting to link the struggle to democratize technology with the class struggle in general.[292] These ideas seem to be gaining currency at the popular level. For example, the recent "Manifesto of the Commons" issued by the Spanish "*los indignados*" anti-neoliberal austerity protesters prominently demands the following:

> Right to Information and to the Free Production and Reproduction of Knowledge.
>
> Knowledge is one of the most important common assets of our time: produced by media that are increasingly collective, resulting out of an enormous social investment (as well as huge quantities of public money), this knowledge is shared in publicly-accessible networks and spaces of exchange. It is for this reason that we must aim to break all institutional shackles on the production, modification, and multiplication of knowledge. Instead of presenting a viable framework to house our expanding stores of intellectual wealth, the current drive to privatize knowledge undermines forms of cooperation and exchange that make this wealth possible. We advocate for local governments to intervene in the terrain of knowledge production through public investment efforts, as we strongly support collective experimentation and innovation vis-a-vis the production and distribution of knowledge. Only in this way will the

[292] Nick Dyer-Witheford, *Cyber-Marx: Cycles and Circuits of Struggle in High Technology Capitalism* (USA: University of Illinois Press, 1999), http://www.fims.uwo.ca/people/faculty/dyerwitheford/, 5.

> social value of one of our greatest collective intellectual assets be recognized and defended.[293]

The manifesto recognizes the "self-expanding" character of knowledge identified by Masuda, while simultaneously recognizing the capitalist character of organizations like the World Intellectual Property Organization (WIPO), and incorporating the struggle for democratic rationalization into the class struggle in general. With 25,000 people gathering for the "#SpanishRevolution" in Puerta del Sol square in a manner reminiscent of the recent risings and revolutions of North Africa and the Middle East, *los indignados* have proved to be more than an isolated intellectual current.[294] This is only the most recent and spectacular of a long list of struggles for democratic rationalization that Feenberg and others have documented.[295]

These current tendencies suggest that the internal contradiction of advanced industrial society identified by Marcuse may finally, in a tentative form, be unfreezing, opening the way for the socialist struggle for the "pacification of existence" to resume.[296] While the struggle for democratic rationalization is hardly sufficient in itself to build socialism, it does provide a perspective that allows us to identify what David Harvey calls the "interstitial spaces" and connections across the various spheres of capitalist society, from which we might build new revolutionary strategies and initiate new

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[293] "Manifesto of the Commons: Towards a New Charter of Social Rights," Universidad Nomada, http://www.universidadnomada.net/spip.php?article372.

[294] Joseba Elola, "The #Spanish Revolution," El Pais, http://www.elpais.com/articulo/english/The/23Spanish/Revolution/elpepueng/20110523elpeng_1/Ten.

[295] The protests are perhaps most reminiscent of the technologically conscious protests of the 1968 May Events in France, which Feenberg has documented as a former participant. Andrew Feenberg and Jim Freedman, *When Poetry Ruled the Streets: The May Events of 1968* (USA: SUNY Press, 2001).

[296] Marcuse, *One-Dimensional*, 16

struggles against the dominion of capital.[297] Such an approach would imply moving beyond Information Society Theory's technological determinism and the socialist theory upon which it was built, while simultaneously internalizing an understanding of the historical contradictions it expressed, creating a higher socialism ready to confront the capitalism of our times.

[297] Harvey, *The Enigma of Capital*, 138.

CONCLUSION: THE INFORMATION SOCIETY IN CRISIS

At the beginning of the second decade of the 21st century, the "SCAPanese" form of Japanese capitalism finds itself in profound crisis. The "National Goal toward the Year 2000"[298] which its primary organ, MITI, fashioned in order to ensure its perpetuity has been consumed by the roiling tides of global capitalism, and dashed against the rocks of history. While the information society programme was able to help overcome the crisis of the early 1970s, ushering in the brief *belle époque* of the 1980s bubble economy where Japan stunned the world with its (fictitious) wealth, this great effervescence of capital drew Japan ever more closely into a globalized Neoliberalism that exists in contradiction to the Fordist-Keynesian "SCAPanese" state. This concluding section draws on the work of Manuel Castells to help bring together the preceding analysis under a contemporary perspective and understand how the information society project has reconstituted itself under the threat of Neoliberalism.

Writing in 1993, an alarmed Tsuru Shigeto described the shocking scandals that marked the burst of the Japanese bubble economy, and attributed these calamities to a shift in "the center and focus of the capitalist economy…from the production of goods and services to the buying, selling, and multiplication of financial assets."[299] Speaking in despair of Japan's "money-contaminated materialistic society,"[300] Tsuru hoped that a new generation might learn from the wisdom of the past, so as to not repeat its mistakes. Yet

[298] This was the subtitle of *The Plan for an Information Society*.
[299] Tsuru, *Japan's Capitalism*, 2.
[300] Tsuru, *Japan's Capitalism*, 3.

in 1997 calamity returned in the form of the Asian Financial Crisis, driving the Japanese state ever further into debt. These troubles were only intensified by the global financial crisis of 2008, during which effective demand for the products of Japan's export oriented manufacturing sector evaporated as debt-fuelled American consumer demand collapsed. The end of Japan's economic greatness seemed to be confirmed in August, 2010, when it was surpassed by China as the world's second largest economy.[301] What had happened to the information society theorists' dreams of always staying "one step ahead" of their competition?

In short, the inadequacy of Information Society Theory as a programme for capitalist expansion can be attributed to the unforeseen rise of Neoliberalism, the primary characteristic of which has been what David Harvey calls the "financialization of everything."[302] As noted by Manuel Castells, the ascendency of global finance capital has had a profound impact on Japanese capitalism, radically altering the principles upon which it operates.[303] A necessary corollary of financialization is deregulation, in which the strong state regulatory agencies which characterized the Fordist-Keynesian regime of accumulation are dismantled in order to maximize the free flow of capital.[304] This deregulation in turn further empowers global finance capital to pressure states into further deregulation. In Japan these forces were at the core of the creation of the bubble economy, and the corresponding crisis of the "SCAPanese" model, along with the practices of "administrative guidance" it represented.

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[301] David Barboza, "China Passes Japan as Second-Largest Economy," The New York Times, http://www.nytimes.com/2010/08/16/business/global/16yuan.html?scp=1&sq=china%20second%20largest%20economy&st=cse.

[302] Harvey, *A Brief History of Neoliberalism*, 33.

[303] Manuel Castells, *The Information Age Economy, Society and Culture Volume III: End of Millennium*, 2nd ed. (USA: Blackwell Publishing, 2000), 250.

[304] Harvey, *A Brief History of Neoliberalism*, 73.

In order to understand how the crisis of the "SCAPanese" model came about, it is first important to understand the forces within global capitalism that precipitated this situation, particularly those at work within the American capitalist empire.

In the crisis of the early 1960s – mid 1970s American capital was faced with a crisis of profitability at home, and fierce competition from the German and Japanese centers of accumulation that had been created as a part of American postwar policy.[305] In response American capitalists began to invest heavily in the "Eurodollar and other extraterritorial financial markets."[306] This extraterritorial investment first undermined the Bretton Woods system of fixed exchange rates, and upon that system's collapse created an ever expanding mass of fictitious capital in the form of hedges against increasingly volatile market fluctuations.[307] The ease of receiving financing in these quickly expanding markets gave corporations who participated in this expansion of global finance capital a competitive advantage over those who relied on financing from strictly national sources. Under the Fordist-Keynesian "administrative guidance" system, Japanese corporations received their financing mainly from those *keiretsu*-affiliated "city banks" which had been empowered by Joseph Dodge's reforms, and which were under the control of the Japanese Ministry of Finance and the Bank of Japan. While this system of financing had allowed for the development of the high-growth period, it now placed Japanese corporations at a disadvantage with their international competitors, who were receiving their financing from the Eurodollar and other extraterritorial markets.[308] These

[305] See: Chapter 3.

[306] Arrighi, *Adam Smith in Beijing*, 156.

[307] Arrighi, *Adam Smith in Beijing*, 157.

[308] Yves Tiberghien, "Navigating the Path of Least Resistance: Financial Deregulation and the Origins of the Japanese Crisis," *Journal of East Asian Studies* 5, (2005), 446.

corporations made common cause with US trade negotiators, who pursued a policy of encouraging deregulation in Japanese markets, hoping (in vain) that deregulation of Japan's internal markets would address the trade imbalances that were the combined effect of the extremely concentrated and opaque bureaucracy left in place by SCAP, the US policy of supporting Japan as the "workshop of Asia," and the enduring protectionism of the Japanese capitalist class. [309] Under these pressures the Japanese Nakasone administration pursued a policy of deregulation that greatly weakened the power of the Japanese bureaucracy (particularly the Ministry of Finance) to engage in administrative guidance. As Japanese corporations began to borrow heavily in international markets, Japanese banks were left without their best customers, and still flush with savings accrued from Japan's trade surplus began to lend more and more heavily in the real estate sector and participate in the sale of equities as alternatives.[310] The result was the Japanese bubble of 1985-1990 that, upon bursting, caused a massive crisis in the Japanese capitalist system.[311]

In the aftermath of the bubble Japanese growth stagnated, and Japanese capital increasing began to look abroad for investment opportunities. In particular they looked to the "emerging markets" of East Asia, where the massive influx of Japanese capital contributed significantly to the crisis conditions of 1997-8.[312] As Japanese capital grew increasingly globalized, it rendered the administrative guidance structures that had created it progressively weaker. The state's role increasingly became one of simply

[309] Tiberghien, "Navigating," 445.
[310] Tiberghien, "Navigating," 440.
[311] By 1996 most of the value created since 1985 had been erased. Castells, *End*, 236.
[312] Castells, *End*, 237.

bailing-out Japanese capital after one of its waves of excess,[313] creating escalating levels of public debt in a pattern repeated around the world throughout the age of the neoliberal regime of accumulation.[314] As the structures of the Japanese bureaucracy grew ever-weaker, more and more decision-making power accrued to the feeble Japanese parliament, creating a prolonged political crisis that shattered the long-ruling Liberal Democratic Party (LDP).[315] In the wreckage of the "SCAPanese" state, Japan and its capitalism were left rudderless, buffeted by waves of crisis and globalization to which they found it difficult to respond.

Where then in this gloomy picture was Information Society Theory? Clearly Japanese development had not run according to either MITI's plans or the abstract utopian formulations of Masuda. Manuel Castells offers an explanation:

> …Japanese society evolved toward its culturally/historically specific model of the information society, and this came into contradiction not only with the technocratic blueprints of an abstract social model, but with the institutional and political interests of its procreators. Furthermore, after Japan bet its entire technological and economic development on the informational paradigm, the logic of the state came into contradiction with the full blossoming of this paradigm.[316]

Castells offers eight reasons for why this occurred:

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[313] Castells, *End*, 239.
[314] Harvey, *A Brief History of Neoliberalism*, 73.
[315] Castells, *End*, 240.
[316] Castells, *End*, 250.

1) "…[T]he globalization of Japanese corporations, and financial markets…undermined the influence of the developmental state, and exposed its bureaucratic, paralyzing dimension…"

2) "…[T]he wave of deregulation and privatization, in the world and in Japan, forced the Japanese government gradually, but surely, to loosen its grip on telecommunications, the media, the utilities, construction work, and a number of other areas, thus losing many of its ways to control the economy, and to steer the country.

3) [T]he weakness of Japanese science limited Japanese ability to improve existing technology, to make it better and cheaper, once Japanese companies reached the cutting edge of technological innovation. The success of American electronic companies to reverse the tide of Japanese competition in the 1990s, as well as the limited progress of Japanese firms in biotechnology and software, stem from this lagging behind in basic science and research training. The explanation for this gap…lies, essentially, in the bureaucratic character of the Japanese university system, and in the examination-oriented, outdated pedagogic system, focused on assuring cultural reproduction rather than on stimulating intellectual innovation.

4) [T]he potential calling into question of the system of long-term employment tenure for the core labor force.

5) [T]he culture of real virtuality is diffusing fast in Japan [creating a crisis of Japanese cultural homogeneity].

6) [T]he new avenues of identity-based social mobilization, around the defense of territorial community, gender, and the environment, directly contradict the myth of Japanese social homogeneity, and the image of a supreme national community represented by the state bureaucracy.

7) [T]he information society created in Japan over the past 20 years is an active, autonomous, assertive civil society, which has grown increasingly critical of a corrupt, inefficient political system, and rejects the routinzation of the political debate.

8) [A]t the turn of the century, there were multiple signs that Japan's network society was developing along unforeseen lines, in spite of the obstances mentioned above. [Entrepreneurship, greater mobility for individuals, greater women's rights].[317]

In short, the Japanese "information society," was incapable of adapting to what Castells terms "the rise of the network society." Castells' network society framework represents a synthesis of Information Society Theory with Neoliberalism, in a form reminiscent, though somewhat less extreme, than the work of Thomas Friedman.[318] While Castells' work holds (in the author's opinion) considerably less explanatory value than the critique of Neoliberalism advanced by David Harvey, Castells' detailed analysis of the rise and

[317] Castells, *End*, 251.

[318] See: Thomas L. Friedman, *The World is Flat: A Brief History of the Twenty-First Century*, 3rd ed. (Vancouver: Douglas & McIntyre, 2007). For an informative critique of Castells see: Webster, *Theories*, 98-123.

fall of Information Society Theory in Japan does possess some considerable merit, provided it is subjected to proper criticism.[319]

As Castells correctly states, the information society programme was a project of the Japanese "developmental state."[320] It represented an *evolution* of the Fordist-Keynesian "SCAPanese" model in response to the crisis of the late 1960s – early 1970s.[321] This took the form of a number of state-guided development projects that Castells documents as follows:

> The developmental state…found a new gold mine of strategic initiatives: each ministry competed in creating technology-oriented programs which, in their respective areas of competence, aimed at transforming Japan by setting up the infrastructure of the information society. Then, MITI launched the Technolopolis Program, whose target was to mass-produce Silicon Valleys and, in the process, to patronize regional prefectures, strengthening MITI's political position in the Information Age. The Ministry of Posts and Telecommunications asserted its privileged role in telecommunications and, among other initiatives, launched its Teletopia Program, to install interactive media in 63 model cities. The Ministry

[319] While it would be impossible to fully substantiate the author's reservations about Castells work here, a brief description may help to clarify the position of the analysis. Castells' work exhibits a number of weaknesses: 1) An "empirical" approach, that, in the manner identified by Marcuse (See: Chapter 4), tends to affirm the existing universe of "facts" 2) Following this empirical approach a technological determinism exhibited by Castells' analysis of events following the "neoliberal revolution" of the 1980s, with caveats interspersed throughout his work but left unpursued 3) A capitalist triumphalism that uses technological/economic determinism to justify a naturalization and mystification of capitalist social relations 4) A thoroughgoing system of apologetics for the Transnational Capitalist Class (TCC) that denies their existence and instead speaks of an impersonal system of digital capitalism that exists beyond any human agency 5) An attempt to construct an informational form of "Third Way" social democracy that echoes the worst theoretical errors of Jurgen Habermas in his artificial bifurcation of "system" and "lifeworld" and poses no real challenge to global capitalism. While all these theoretical problems call Castells' overall project into question, his meticulous research still holds considerable merit, and is useful for the purposes of the analysis.

[320] Castells, *End*, 250.

[321] See: Chapter 3.

> of Construction countered with its own Intelligent Cities Program, using its control of rights of way to install optical fiber networks, and its control of public works to construct smart buildings, office and residential complexes. The Japan Regional Development Corporation created the Science City of Tsukuba, and obtained from the national government the establishment of a new university, and the location in Tsukuba of 40 national research institutes, with emphasis on agriculture and biological research. Powerful prefectures developed programs of their own, so that most of Japan became involved in building the material basis of the new information society, as promised by an army of futurologists, led by retired top bureaucrats and executives heading a whole array of think-tank foundations.[322]

In light of the analysis of Information Capitalism conducted in Chapter 3,[323] we might argue that this flurry of activity was an attempt at creating a *state-lead* form of what David Harvey has called "flexible accumulation." Harvey defines this term as follows:

> *Flexible accumulation*, as I shall tentatively call it, is marked by a direct confrontation with the rigidities of Fordism. It rests on flexibility with respect to labour processes, labour markets, products, and patterns of consumption. It is characterized by the emergence of entirely new sectors of production, new ways of providing financial services, new markets, and, above all, greatly intensified rates of commercial, technological, and organizational innovation. It has entrained rapid shifts in the patterning of uneven development, both between

[322] Castells, *End*, 250.

[323] In particular the use of computer automation and communication technology to alter the labour process, the composition of the working class, and the geographical organization of Japanese capitalism in order to promote "flexibility."

sectors and between geographical regions, giving rise, for example, to a vast surge in so-called 'service-sector' employment as well as to entirely new industrial ensembles in hitherto underdeveloped regions (such as the 'Third Italy', Flanders, the various silicon valleys and glens, to say nothing of the vast profusion of activities in newly industrializing countries). It has also entailed a new round of what I shall call 'time-space compression' in the capitalist world – the time horizons of both private and public decision-making have shrunk, while satellite communication and declining transportation costs have made it increasingly possible to spread those decisions immediately over an ever wider and variegated space.

These enhanced powers of flexibility and mobility have allowed employers to exert stronger pressures of labour control on a workforce in any case weakened by two savage bouts of deflation, that saw unemployment rise to unprecedented postwar levels in advanced capitalist countries (save, perhaps, Japan). Organized labour was undercut by the reconstruction of foci of flexible accumulation in regions lacking previous industrial traditions, and by the importation back into the older centers of the regressive norms and practices established in those new areas. Flexible accumulation appears to imply relatively high levels of 'structural' (as opposed to 'frictional') unemployment, rapid destruction and reconstruction of skills, modest (if any) gains in the real wage, and the roll-back of trade union power – one of the political pillars of the Fordist regime.[324]

[324] Harvey, *The Condition of Postmodernity*, 147.

In Japan the information society project attempted to use computer technology as a weapon in inducing this flexibility. Automation would lower labour costs, communication technology would allow for the creation of back offices or new centers of accumulation in underdeveloped sections of the country,[325] and an increased rate of product innovation would increase the competitiveness of Japanese goods.[326] Indeed, the "dualistic" labour system characteristic of flexible accumulation was already evident in the Japan of the 1970s, and due to the information society project became progressively more pronounced.[327] While Castells argues that this system was overturned by the coming of the "network society," the information society project already included a great many features of this network society, even though it existed under state guidance and regulation.[328] In light of these facts it would appear more logical to attribute the failure of Japanese Information Society Theory to the rise of the "neoliberal revolution" of deregulation that was precipitated by a crisis of the American capitalist empire, the specifics of which have been identified by Harvey and Arrighi.[329] Whatever the cause, the existence of a crisis is clear, and in light of this crisis Castells suggests that Japan's future trajectory will proceed along essentially neoliberal lines of further deregulation, globalization of Japanese capital, offshoring of production, an end to stable employment, growth of postmodern individualist cultural production, and oppositional politics

[325] This strategy, clearly embodied by MITI's Technopolis programme was most successful in Kyushu. Castells, *End*, 241.

[326] See: Chapter 3

[327] Ibid.

[328] Castells' Network Society framework represents a combination of informationalism and Neoliberalism. It is a transnational and deregulated form of informationalism that diverges considerably from the national and state-lead form of Information Society Theory that developed in Japan.

[329] Let us recall that the beginning of the end of the old "SCAPanese" state was deregulation borne of external pressures that primarily originated *in a crisis of American empire and capital*, not some abstract technological logic.

articulated along mainly identity-based lines outside the struggle to seize state power. Some tendencies in Japanese society would appear to confirm these predictions, yet a persistent contradiction between the old "SCAPanese" establishment and insurgent neoliberal forces suggests that Japan's future may be more complex.

At the end of his analysis of Information Society Theory in End of Millennium, Castells concludes with the following triumphant statement:

> [F]or MITI's strategic planners, if they are still around, the future is now. And, as is always the case in history, it looks messier than was forecast in their blueprints because it is filled with the actual needs, claims, fears, and dreams of the Japanese people.[330]

The implication is clear, *The Plan for an Information Society* has been superseded by the global forces of the "network society," and Japan's obsolete Fordist-Keynesian establishment has been sent to the dustbin of history. There are some reasons to support such a view. After all, if the "SCAPanese" state was the result of the "globalization of the warfare-welfare state"[331] would it not follow that a globalization of the neoliberal state would imply a drastic change in the Japanese state structure, which remained subjugated to its imperial master? Castells' view only seemed to be confirmed in January 2001, when MITI was renamed the Ministry of Economy, Trade and Industry (METI), appearing to reflect the growing irrelevance of industrial policy. However a closer inspection of the sort conducted by Mark Elder suggests that a more complex change is underway in the Japanese state.

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[330] Castells, *End*, 255.
[331] See: Chapter 2

In the wake of the catastrophic 1990s, METI has begun to portray itself as a "ministry of reform" and "ministry of deregulation," encouraging alterations to Japanese regulatory regimes in order to benefit Japanese manufacturing capital.[332] Yet while deregulation generally tends to have a liberal cosmopolitan orientation, METI has retained its nationalist orientation, as evidenced by its statement that the Science and Technology Basic Law of 1995 aimed to "transform Japan into a truly independent nation capable of making an original contribution instead of following the policies of other countries," a veiled reference to Japanese resentment of American imperial power.[333] METI has also in fact continued to promote industrial policy, notably in the area of technology development, where it has taken measures to encourage basic science research, promoted the creation for a legal framework for e-commerce, embarked upon a programme of "demand creation" for Japanese IT manufacturing through the "e-government" initiative, and most interestingly encouraged further development of Japan's information technology infrastructure. Two aspects of this infrastructure promotion are of special note. First, METI sought to strengthen the Japanese IT infrastructure not only through the promotion of "engine" industries as it had in the past, but actually worked to weaken the monopoly held by telecommunications giant NTT. This deregulation was encouraged because NTT's "dominance over this market…was viewed as having created formidable obstacles to the spread of the internet and e-commerce in Japan."[334] METI therefore implemented a neoliberal-style programme of deregulation *in order to pursue its traditional Fordist-Keynesian objectives of national capitalist development.*

[332] Mark Elder, "METI and Industrial Policy in Japan: Change and Continuity," in *Japan's Managed Globalization: Adapting to the Twenty-First Century*, ed. Ulrike Schaede and William Grimes, 167 (USA: M.E. Sharpe, 2003).
[333] Elder,"METI," 164.
[334] Elder, "METI," 173.

Furthermore, METI has clearly not abandoned its traditional methods of industrial policy promotion, providing billions of dollars of material support for the construction of fiber-optic cables and other forms of infrastructure. Interestingly:

> The IT Strategy Council's report did not just call for the promotion of IT for its own sake or as part of a competition among nations. It also viewed IT as a way to help Japan solve pressing social problems. These included coping with the aging society, medical and nursing care, improving transportation and traffic, environmental protection, improving education, and promoting art and science. Nevertheless, IT promotion was clearly an example of national targeting. Japan was afraid of falling behind, and a feeling of national crisis could be sensed. But the way in which the Japanese government planned to promote this agenda appeared to respond to past criticism of industrial policy. Thus IT promotion was launched as an economy-wide promotional effort, with a focus on reducing information and transaction costs, stimulating demand, and upgrading technology, and not a traditional policy of using infant industry protection and reducing excess competition.[335]

Based on this account, it would appear that the information society project has not been sent to the dustbin of history, but rather has been reconstituted under a new manifestation of state power comprised of a hybrid of Fordist-Keynesian and Neoliberal forms, or what we might term an *Embedded Neoliberalism*.[336] From this perspective the state-lead project of "flexible accumulation" that constituted Information Society Theory was not

[335] Elder, "METI," 174.

[336] This term is an adaptation of David Harvey's description of Fordist-Keynesianism as "embedded liberalism." Harvey, *A Brief History of Neoliberalism*, 20.

eviscerated by the forces of the "network society" but is rather in the process of the *incorporation* of these forces into a reconstituted form of the "SCAPanese" state. There is further evidence that lends weight to this hypothesis. Elder describes how METI has begun to act as a "policy entrepreneur," forming case-by-case alliances and negotiations with other ministries and focusing heavily on public relations in a manner that closely mirrors the organizational form of the "network enterprise" described by Castells in *The Rise of the Network Society*.[337] This new "soft" approach appears to be yielding considerable results, confirming METI's ongoing adaptation to changing circumstances.[338]

Indeed, a reaction to the forces identified by Castells is evident in Japanese society in general, the most famous instance of which was the arrest and trial of dot-com entrepreneur Horie Takafumi, whose ostentatious lifestyle and outspoken manner reminiscent of the right-libertarian *nouveaux riche* capitalists of Silicon Valley earned him the ire of the Japanese establishment. Horie's reputation was widely viewed to be the cause of his arrest and conviction on charges of accounting fraud and spreading false information and a rejection of the values of neoliberalism.[339] Horie's trial made international headlines, and sent a strong signal not only to Japanese entrepreneurs, but also to the rest of the Transnational Capitalist Class that this form of "cowboy capitalism" was not welcome in Japan.

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[337] Manuel Castells, *The Information Age: Economy, Society and Culture Volume I: The Rise of the Network Society*, 2nd ed. (Singapore, Blackwell Publishing, 2010), 187.

[338] Elder, "METI," 167.

[339] Leo Lewis, "Nail that stuck up has been 'hammered down'," FT.com, http://www.lexisnexis.com.proxy.lib.sfu.ca/hottopics/lnacademic/.

Yet the persistence of the establishment and its potential reconstitution in the form of Embedded Neoliberalism should not be taken as signs of any great vitality or indeed desirability on its part. The Japanese government's disclosure in 2010 of poverty statistics (that had thus far been kept hidden from the public) shattered the myth of a universally "middle class" Japan, with Japan's poverty rate, at 15.7% nearing the United States' dismal poverty rate of 17.1%. As the New York Times reports, research data suggests that Japan is in the process of creating a permanent underclass of precariously employed working poor, demonstrating the effects of thirty years of "Information Capitalism" compounded by the effects of global Neoliberalism, and confirming the continued relevance of the critique advanced in Chapter 3 of this thesis.[340]

The importance of democratic rationalization (as discussed in Chapter 4) was also demonstrated by recent events in Japan, where the horrific Kanto-Tohoku Earthquake severely damaged the Fukushima Daiichi power plant, inflicting significant damage to three of its reactors and causing explosions that released dangerous radioactive substances into both the air and water.[341] In the wake of the disaster, revelations of mismanagement and collusion between the Tokyo Electric Power Company (TEPCO) and METI in recklessly expanding Japan's nuclear power supply have appeared in the

[340] Martin Fackler, "Japan Tries to Face Up to Growing Poverty Problem," The New York Times, http://www.nytimes.com/2010/04/22/world/asia/22poverty.html?scp=3&sq=japan%20social%20inequality&st=cse.

[341] The New York Times, "Nuclear Energy – Crisis in Japan," The New York Times, http://topics.nytimes.com/top/news/business/energy-environment/atomic-energy/index.html?scp=3&sq=japan%20nuclear&st=cse.

news media.[342] Public outrage has lead to a suspension of METI-lead plans to greatly expand Japan's nuclear power capacity, yet the choice of alternatives remains unclear, as the METI-connected power companies stand opposed to alternative power sources that might undercut their monopolies, and alternative power production appears too expensive to maintain Japanese economic competitiveness in the global capitalist system. Unless a massive public intervention occurs it appears that Japan will return to fossil fuel as its primary power source, reversing a trend towards nuclear energy that began when the resource-poor country sought to solve the barriers to accumulation presented by the 1973 oil shock, and consigning the country to a dependence on the dubious future of fossil fuels.[343]

These two examples are indicative of broader trends in Japanese society that call for a revival of socialist politics. Japan faces anaemic economic growth, a broadly declining standard of living, increasing income inequality, a political system in paralysis, the retrenchment of the "SCAPanese" state in the form of Embedded Neoliberalism, the failure of the information society programme to deliver much of any of its utopian predictions, and the continuing subjugation of their country to the American empire, making it somewhat surprising that the Japanese have not yet joined in the global wave of protest that David Harvey has recently suggested signals the "autumn of capital,"[344] and

[342] Nuclear energy has long been an area of Japanese industry fostered by MITI/METI, and its development displays the characteristic behaviour of a state agency single-mindedly devote to the expansion of Japanese capital. Indeed the anti-capitalist Japanese Communist Party (JCP) and Social Democratic Party (Japan) (SDPJ) have represented the most consistent opposition to government nuclear policy. Asahi.com, "Political parties divided on nuclear issue," Asahi.com, http://www.asahi.com/english/TKY201104020230.html

[343] Andrew Pollack, "Japan's Nuclear Future in the Balance," The New York Times, http://www.nytimes.com/2011/05/10/business/energy-environment/10yen.html?scp=2&sq=japan%20nuclear&st=cse.

[344] David Harvey, "The Meaning of Maghreb" (lecture, cinema EUROPA, Zagreb, Croatia, May 18, 2011).

has lead Neil Smith to declare Neoliberalism "dead but dominant."[345] The objective conditions for a revival of the radical traditions seen in Chapter 1, leading to a pursuit of an anti-capitalist and perhaps socialist project of democratic rationalization appear to exist, yet the question of when and if the subjective conditions for such an uprising might be met remains open. In this respect the recent revival of the popularity of the Japanese Communist Party (JCP) among workers does offer some cause for hope.[346] Certainly the ideology of legitimation represented by Information Society Theory no longer holds any great sway over Japan, yet in the place of its boundless utopian optimism, apathy, cynicism, and resignation appears to offer an adequate substitute for the moment. However each moment is followed by another, and each holds the potential for change. The Japanese future does remain open even as it faces such a plethora of daunting challenges. We may conclude with that thought in mind.

[345] Neil Smith, "The Revolutionary Imperative" (lecture, VIVO, Vancouver, Canada, April 17, 2011).

[346] Particularly encouraging is the newfound support for socialism among the temporary workers who have been marginalized by the development of Information Capitalism. Roland Buerk, "Communism on rise in recession-hit Japan," BBC News, http://news.bbc.co.uk/2/hi/asia-pacific/8027397.stm.

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