



PROGRAM ON U.S.-JAPAN RELATIONS
Weatherhead Center FOR INTERNATIONAL AFFAIRS
HARVARD UNIVERSITY



HARVARD
UNIVERSITY

RESTRUCTURING JAPAN: ADMINISTRATIVE REFORM AND THE QUEST FOR FREE TRADE

Diana Stanescu

**Harvard Program on U.S.-Japan Relations
Occasional Paper Series
2021-13**

Restructuring Japan: Administrative Reform and the Quest for Free Trade*

Diana Stanescu[†]

June 2021

Abstract

Recent research has highlighted the importance of bureaucracies in shaping trade policy. What are the mechanisms underlining this relationship? I argue that more autonomous and consolidated bureaucratic structures support trade liberalization via two mechanisms: by limiting interest groups' access to bureaucratic processes and networks, as well as by reducing the number of veto players. This paper features a within-case study of Japan to illustrate mechanisms for how interest groups maneuver within bureaucratic structures to exert influence over trade policy. It leverages the bureaucratic reforms Japan experienced since late 1990s to show reduced interest group access during periods of increased autonomy and consolidation drove trade liberalization. In contrast, increased access during periods of lower bureaucratic autonomy led to less trade liberalization.

*I thank Christina Davis, Kosuke Imai, Minju Kim, Lauren Konken, Melissa Lee, Elisabeth van Lieshout, Sayumi Miyano and members of the Japanese Politics Online Seminar Series (JPOSS) and Program on U.S.-Japan Relations at Harvard University for helpful feedback on this project. I thank Christina Davis, Kawase Tsuyoshi and Eri Nakatani for introducing me to policymakers in Japan, as well as the Center for International Security Studies at Princeton University, the Lynde and Harry Bradley Foundation, the East Asian Program at Princeton University, and the Princeton Institute for International and Regional Studies for generous research support for fieldwork in Japan.

[†]Program on U.S.-Japan Relations, Weatherhead Center for International Affairs, Harvard University. Email: stanescu@wcfia.harvard.edu.

How do bureaucratic arrangements condition stakeholder participation during the policy-making process? Does this impact trade policy outcomes? A wealth of research on postwar East Asian state-led industrialization has long recognized the role of the bureaucracy—and the public-private partnership between the state and industry—in promoting economic growth (Johnson 1982, 1987; Amsden and Chu 2003; Evans 2012; Pempel 1999; Doner, Ritchie and Slater 2005; Stubbs 1999; Vu 2007). Yet recent political discourse has highlighted the need for bureaucratic reforms as a prerequisite for successful economic initiatives. For example, many of the steps Japan’s Prime Minister Suga proposed to accelerate a structural reform of the economy involve bureaucratic reforms: pushing ahead with deregulation, eliminating ministry sectionalism and vested interests, cutting through administrative tape, or creating a new digital agency.

Bureaucratic reform proposals in Japan are not a novel phenomenon. Japanese central bureaucracy underwent several major episodes of bureaucratic restructuring during the past twenty years, targeted at various aspects of its functioning. In 2001, following the groundwork of Prime Minister Hashimoto in the late 1990s, Prime Minister Koizumi implemented reforms that reorganized Japan’s central administration. In 2009, the Democratic Party of Japan (DPJ) proposed reforms that tightened control over the bureaucracy. In 2014, control over bureaucratic appointments was centralized in the newly created Cabinet Bureau of Personnel Affairs. Throughout this period, several other less salient changes targeting the bureaucracy were implemented. Laws such as the National Public Service Ethics Law (2000), the Government Policy Evaluation Act (in force since 2002), or the National Civil Service Law (2007), among others, significantly shifted bureaucratic procedures and operations.

At their core, this set of reforms aimed to shift the balance of power between politicians and bureaucrats, and in doing so, increase political control over policymaking. Yet these changes in bureaucratic design also reshaped the relationship between bureaucrats and interest groups, with consequences for Japan’s preferential trade liberalization agenda. In this paper, I argue micro-level personnel and procedural reforms undertaken in Japan in the last

twenty years aimed at increasing overall political control also led to decreased bureaucratic autonomy from interest groups. This period of lower bureaucratic autonomy contributed to mixed trade liberalization, despite a transition in the early 2000s in Japan's trade policy towards a proliferation of preferential trade agreements. As of 2020, Japan's network of preferential trade agreements includes 17 Economic Partnership Agreements (EPAs), with provisions covering areas from trade in goods and services, to intellectual property and competition policy. Yet its bilateral arrangements have also been criticized for bringing little liberalization (Solís 2017), for their low utilization rates (Ando and Urata 2018), and for their import-restricting complicated rules of origin (Cheong and Cho 2009). Until 2018, Japan's 15 EPAs had a coverage ratio¹ of only 23.4 percent.

It was not until 2014 that Japan was able to sign two of its most comprehensive agreements to date: Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Japan-EU FTA. CPTPP and the Japan-EU Free Trade Agreement provided a departure to the mixed liberalization trend of earlier agreements, with a coverage ratio of 36.7 percent (JETRO 2019a). While centralizing TPP-related policymaking under the Cabinet Office strengthened the Prime Minister's decision-making authority over TPP, it also isolated the bureaucrats working on TPP from politicians and bureaucrats outside of the office, as well as reduced interest group access to the policymaking process. I argue these changes increased the ability of Japanese policymakers to upgrade the standard of trade agreements because it restored consolidation and autonomy vis-a-vis interest groups for the bureaucrats in charge of trade.

This paper contributes to the literature on bureaucratic politics and trade policy in two ways. First, within-country analysis gives us the opportunity to study bureaucratic design and its effects on trade policy at a more granular level than in a cross-national setting. This particular within-country design varies across organizations and within-organization over time, a useful feature for the study of bureaucracy (Koop and Hanretty 2018). The

¹Defined as the trade percentage with preferential trade agreements partners out of total trade

Japan study allows us to explicitly trace how different degrees of autonomy or consolidation changed over time and across distinct bureaucratic organizations. While other scholars of Japanese political economy have illustrated the important role trade bureaucrats played in Japan's trade policy (e.g. Solís 2017; Manger 2009; Ogita 2002), I depart from these studies by explicitly theorizing how bureaucratic design features can make bureaucrats more susceptible to lobbying influence and subsequently have an effect on policy.

Second, this study accounts for the multiple channels that allow interest group access to trade policy-making. Most existing research studying interest group - bureaucratic coordination and its effects on policy tends to focus on one form of such coordination in isolation. Yet bureaucrats and interest groups coordinate through a variety of channels, oftentimes employing multiple channels at the same time. These range from informal contact as part of their daily activities to formalized contact in an advisory capacity, and even cooptation of bureaucrats as representatives of private industry through revolving door activities. All these forms of coordination are present in the Japanese case, where informal contact through practices such as administrative guidance (*gyosei shido*), interest groups participation in advisory groups (*shingikai*), as well as employment of former bureaucrats in private positions (*amakudari*) have traditionally bolstered bureaucratic-interest group networks.

Bureaucratic Politics & Trade Liberalization

Trade liberalization is a measure of government driven policy that comprises tools ranging from tariffs and non-tariff barriers to participation in regional trade agreements and trade facilitation measures. Empirically we observe a lot of within country variation in trade policy tools along the liberalization dimension. Governments may seek liberalization on one dimension of trade policy while at the same time introducing protectionism on another. Even domestic institutions such as democracy that have a positive effect on trade policy liberalization may exhibit a combination of liberalizing elements like lower tariffs with protectionist

elements like higher non-tariff barriers (Kono 2006). Likewise, democracies are both the high violation and high enforcement countries, as shown by Davis (2012) in the context of WTO disputes. Liberalization and protectionism elements can co-exist even within the same policy instrument.

Preferential Trade Agreements (PTAs) have proliferated extensively during the past few decades, becoming central in state’s trade policymaking portfolios.² Although overall they are seen as a channel of pursuing trade liberalization, they may contain protectionist provisions or trade restrictive measures as well. To make agreements politically feasible, PTAs often include exceptions and flexibility measures that allow accommodation of competing interests. A PTA may eliminate tariffs on some products, while excluding or delaying items or sectors from tariff liberalization, or even introducing trade restrictive measures like stringent rules-of-origin or non-tariff barriers.

Table 1: Measures of PTA Activity and Their Relationship to Liberalization

PTA Elements	Liberalization Effect
1. Participation & Engagement	
Count of agreements	+
Choice of partners	conditional on partner
Coverage rate	+
Import utilization rate	+
2. Agreement Content	
Trade liberalization rate	+
Excluded sectors or items	-
3. Agreement Design	
Flexibility: tariff removal delays	-

PTAs receives intense lobbying from interest groups, who try to shape preferential trade liberalization to their advantage. This lobbying targets PTA design, rather than only the binary choice of whether to pursue an agreement or not (e.g. Manger (2009); Panagariya and Duttagupta (2003)). Recent empirical evidence from the US on lobbying activity has noted that an overwhelming majority of PTA-related lobbying is in pursuit of PTAs, with

²I include in my definition of PTAs all bilateral preferential trade agreements: regional trade agreements (RTAs), free trade agreements (FTAs), economic partnership agreements (EPAs).

very little lobbying against (Gubbay, Conconi and Parenti 2020). While import competing interest groups are generally expected to lobby against liberalization, they may not expend resources to try to block an agreement as long as they can assure exceptions for their own products. In the setting of reciprocal trade negotiations, where negotiations are conducted on a product-by-product basis, even exporters can act as narrow-interest groups. As Betz (2017) has shown in the context of tariff rates in trade agreements, reciprocal trade agreements incentivize both import competing and exporting interest groups to make particularistic demands on select products.

I argue the degree of such exceptions to liberalization in PTAs depends on bureaucratic structure. Interest groups often shape preferential trade liberalization through bureaucratic channels of influence. Bureaucrats are responsible for many of the decisions around preferential trade liberalization. While the decision to pursue a particular trade agreement is political in nature, bureaucrats can participate in agenda setting by proposing partners and researching feasibility and benefits of agreements. Moreover, bureaucrats have considerable discretion over trade agreement content because of the agreements' technical nature, as well as the secretive nature of trade negotiations, which oftentimes do not offer direct access to other actors besides bureaucrats.

Recent research has shown governments with fragmented trade policy processes and formalized channels of stakeholder participation are more likely to raise protection barriers (Stanescu 2020). This paper argues autonomy and consolidation are dimensions of bureaucratic structure that shape the degree of influence interest groups exert over preferential trade policy as well. Higher levels of autonomy and consolidation lead to increased liberalization in the form of high standard agreements. In contrast, by limiting access to the policymaking process, lower levels of autonomy and consolidation lead to agreements with more flexibility provisions and narrow exceptions.

Autonomy

An autonomous bureaucracy is able to “take sustained patterns of action consistent with [its] own wishes, patterns that will not be checked or reversed by elected authorities [or] organized interests” (Carpenter 2001, p. 14). Higher levels of autonomy allow bureaucrats to pursue policies that deviate from the position of their principals and of the interest groups these politicians represent. Bureaucracies endowed with more autonomy operate under fewer and more general mandates, such that a “completely autonomous bureaucracy gets no mandates at all but sets its own goals independently of the political principal [while a] non-autonomous or subordinated bureaucracy is micromanaged by the principal, which establishes detailed rules that the agent must follow” (Fukuyama 2013, p. 10). More detailed legislative statutes have been associated with less discretion (and therefore autonomy) as well (Huber and Shipan 2002). Detailed legislative statutes or mandates constrain the range of action available to bureaucrats by setting not only the broad policy goal but also specific steps that the bureaucrats must follow and intermediate outcomes the policy must reach.

We can expect bureaucratic preferences in preferential trade liberalization to diverge from those of politicians or interest groups, due to differences in career incentives and time horizons. Chief executives support preferential trade agreements to demonstrate credible commitment for liberalization to the domestic electorate (Milner and Mansfield 2012). Yet electoral cycles may incentivize them to pursue shorter-term strategies that allow faster completion of negotiations during their time in office. In addition, they must also accommodate the preferences of other political actors, who may try to shape the agenda in favor of their narrower constituencies (Nielson 2003; Owen 2017). PTAs in particular can facilitate this dynamic, as they can accommodate the exclusion of sensitive sectors from liberalization, while still supporting pro-liberalization interest groups. Recent research has found that PTAs contain more flexibility and weaker dispute settlement clauses in systems with more veto players (Allee and Elsig 2017).

In contrast, bureaucrats’ longer tenure cycles allow them to pursue longer-term strategies

than politicians and interest groups. Longer tenure cycles also motivate bureaucrat to pursue policies that minimize policy uncertainty (McCubbins, Noll and Weingast 1987, 1989; Reenock and Gerber 2008). In the trade realm, we can therefore expect bureaucrats to prefer a long-term strategy for high standard agreements with characteristics that decrease policy uncertainty: fewer exceptions, less flexibility, and shorter liberalization schedules. Exceptions give more room for influence to groups in future policy - we know trade agreements build upon each other, so being able to push through an agreement that provides no exceptions will create a precedent that increases probability no exception will be given in the future either. In addition, such measures lock in the initial change by promoting domestic reforms to adjust to liberalization. Flexibility and longer liberalization schedules allow stakeholders to renege on some of the commitments they previously made, increasing policy uncertainty.

Consolidation

Consolidation refers to the degree to which multiple tasks or jurisdictions are allocated to the same institution. It represents a fundamental feature of bureaucratic design, with jurisdictions allocated based on multiple criteria, from technical considerations (similar, related tasks gathered together), to redundancy considerations (similar tasks separated across agencies as insurance against random failures), to strategic considerations (tying the hands of a future coalition with divergent preferences from the current one) (Ting 2003). Consolidation decreases in the number of distinct institutions that participate in policy-making (Freeman and Rossi 2012; Gersen 2006; Buzbee 2005; Biber 2011), in the number of distinct agents involved in policy-making, regardless of whether they are located in a single or multiple institutions (Kagan 1998; Jordana and Sancho 2004), and in the number of institutions with overlapping jurisdiction over rule-making (Marisam 2011; Ting 2003; Lewis 2004).³

³See Farhang and Yaver (2016) for a more extensive discussion of this literature. The works cited in this paragraph discuss this in the context of bureaucratic fragmentation. I consider bureaucratic fragmentation to be the opposite of bureaucratic consolidation.

Consolidation has been noted as an important bureaucratic design feature by both policy practitioners and academics. Scholars have argued increasing the number of actors involved in policymaking leads to government inefficiencies, by making policymakers unresponsive and unaccountable, and policy incoherent (Moe 1989; Lewis 2004; Farber and O’Connell 2014). This concern is echoed by policy-makers themselves, for whom a proliferation of domestic trade institutions is often associated with negative outcomes. For example, while reviewing the trade policy of Sri Lanka, the WTO Secretariat argues its “large number of ministries contributes to overlapping jurisdictions in trade and trade-related policies and a lack of coherence in their formulation and implementation. This undermines cost-effective implementation of policy measures and delivery of government programmes” (WTO 2003, p. 17). International organizations such as the WTO often recommend institutional consolidation to member countries, developed and developing alike. Developed countries such as New Zealand have followed recommendations for a more centralized bureaucratic design as well.

Higher levels of consolidation decrease access. Access points theory posits that the “more access points there are in a system, the cheaper lobbying will be because access points will compete for the benefits provided by lobbyists, thus driving down the price of each access point” (Ehrlich 2007, p. 576). Although access points theory does not explicitly theorize bureaucracies, I argue bureaucrats fall under the definition of access points, i.e., “policymakers with power in a particular policy sphere who are susceptible to interest group lobbying” (Ehrlich 2007, p. 576), as they exercise considerable discretion over policymaking and, as a consequence, are often lobbied by interest groups. As is the case with legislative access points, as consolidation decreases and the number of bureaucracies increases, interest groups may forum shop and contact the bureaucracy that is most likely to listen.

Higher levels of bureaucratic consolidation also allow bureaucrats to better bolster their own policy position. An institution with jurisdiction over multiple groups can leverage the support or backing of those groups that align with its preference. Bureaucrats face career

related incentives and preferences that shape their behavior: they pursue the organizational objectives, while trying to maximize the autonomy of their bureaucracy (Carpenter 2001). Bureaucrats proactively pursue these goals, within the mandates set by their principal-agent relationship with politicians, but do not necessarily wait for outside pressure to do so. Instead, they use a range of strategies that strengthens the position of groups or principals supportive to the bureaucrats' position, while weakening the position of those groups and principals with divergent preferences (Hawkins and Jacoby 2006; Elsig and Dupont 2012). They can do so because bureaucrats must represent a mix of constituents with divergent interests and therefore preferences over the shape of liberalization. For example, the United States Department of Agriculture (USDA) has jurisdiction over a range of products, some of which are import-sensitive (e.g., sugar) while others are export-oriented (e.g., corn). While USDA may want to pursue trade liberalization on behalf of its export-oriented constituencies, it must balance the trade-offs this would imply for its import competing constituencies.

Table 2 represents a 2-by-2 of variation in access by degree of autonomy and consolidation, dichotomized for illustration purposes. If autonomy and consolidation are negatively associated with access, the diagonal cases of low autonomy and low consolidation, and high autonomy and high consolidation, will lead to highest and lowest level of access, respectively. For the off-diagonal cases of low autonomy - high consolidation and high autonomy - low consolidation, I assume autonomy conditions the effect of consolidation. As autonomy increases, the effect of consolidation decreases. I base this assumption on the following intuition. Consolidation matters because 1) it allows bureaucrats to leverage competing interests to support their position, and 2) prevents interest groups from forum-shopping and leveraging competitive dynamics among bureaucratic actors. But if autonomy is high enough to afford insulation from interest groups, I expect that interest groups will be unable to forum-shop and bureaucrats will have less need for external support for their position. Therefore, while consolidation affects access, this effect is more pronounced in environments where autonomy is lower.

Table 2: Variation in Access and Liberalization by Combinations of Bureaucratic Autonomy and Consolidation

		Consolidation	
		Low	High
Autonomy	Low	highest access lowest liberalization	high access low liberalization
	High	low access high liberalization	lowest access highest liberalization

Observable Implications: Bureaucracy and Liberalization in Japan

Previous research in the developmental state literature has demonstrated Japan’s bureaucracy had a significant role in promoting Japan’s postwar economic growth (Johnson 1982). Scholars have portrayed the Japanese bureaucracy as an entrenched bureaucracy with substantial discretion over foreign economic policymaking. The Japanese bureaucracy is also known to coordinate extensively with politicians and interest groups (Vogel 2006; Schaede 2012). Such patterns of decision-making will influence the trajectory of subsequent reform. Indeed, this has been the case in Japan as well: “in politics, the same economic ministries collaborate with the same ruling party to dominate the policy process ... (Vogel 2006, p. 5).” These institutional continuities allow us to explore how the decision-making process and existing patterns of bureaucracy-stakeholder coordination adjust to new models of bureaucratic design.

Changes in design of bureaucracy across the world are generally rare, given the sticky nature of institutions. Yet the Japan case presents us not only with multiple changes in bureaucratic structure, but also variation in the direction of these changes with respect to the degree of bureaucratic autonomy and consolidation. Japanese central bureaucracy underwent several major episodes of bureaucratic restructuring during the past twenty years, targeted at various aspects of its functioning. Among the most well known such reforms is

Japan’s 2001 central administration reorganization, which substantially reduced the overall number of ministries. Over the following years, the government introduced a number of reforms shifting personnel rules and procedures. These reforms started in the early 2000s, accelerated during the DPJ governments, and culminated in the creation of the Cabinet Bureau of Personnel Affairs in 2014 (first proposed much earlier on, in 2007). While less prominent, these reforms—overviewed in Table 3—cumulatively and substantially reduced bureaucratic autonomy over the following years. New efforts to further consolidate the bureaucracy in charge of preferential trade agreements were introduced in 2013, with the creation of the Trans-Pacific Partnership (TPP) Headquarters.

Table 3: Bureaucratic Reforms and Expected Effects on Bureaucratic Characteristics

Treatment	Year	Expectation	
		Autonomy	Consolidation
Pre-reforms		+	
Personal affairs reforms:			
Act on Personnel Exchange	1999	-	
Government Policy Evaluation Act	2002	-	
National Civil Service Law	2007	-	
DPJ reforms	2009	-	
Cabinet Bureau of Personnel Affairs	2014	-	
TPP Headquarters	2013	+	+

The variation in autonomy and consolidation resulting from these reforms gives us leverage in examining the changes in bureaucratic - interest group coordination that followed, and subsequently their effect on trade policy liberalization. Several observable implications can be derived from the argument. First, bureaucratic autonomy affords increased bureaucratic discretion over the preferential trade liberalization agenda. Under high autonomy we should therefore observe an agenda aiming for more comprehensive, deeper agreements over time, that try to incorporate not only reductions in tariffs on goods, but also explicitly considers other measures. Japan started advancing a liberalization agenda through PTAs starting in the late 1990s, when bureaucratic autonomy was at its height. We should therefore observe bureaucrats proactively formulating a comprehensive, long-term FTA strategy during this

period.

Second, bureaucratic autonomy and consolidation confer insulation from outside actors. Consequently, as personnel affairs reforms introduced in Japan from the early 2000s erode bureaucratic autonomy, we should observe deepening interest group access to the bureaucracy. Given these reforms were cumulative, with new reforms introduced over time, I expect the temporal variation in access to be monotonically increasing over the period under study. In contrast, we should observe lower interest group access to those bureaucrats working in the more consolidated TPP Headquarters.

Third, when low levels of bureaucratic autonomy allow groups to more readily access the policymaking process, we should observe agreements with more particularistic provisions or that try to carve out more narrowly-targeted exceptions. The use of staging in tariff removals represents one such form of exceptions. Staging allows countries to phase out tariffs over a predefined period of time upon entry into force of the agreement. In practice, countries use staging to alleviate the impact of tariff elimination on affected industries. Where access is low, I expect exceptions in the form of tariff removal delays to be concentrated only in the most sensitive sectors. As personnel affairs reforms decrease the autonomy of the Japanese bureaucracy, we should observe tariff removal delays persisting over time across agreements and across sectors.

Increasing Political Control, Eroding Bureaucratic Autonomy

Politicians can increase control of a bureaucracy through various means, from recruitment and promotion along partisan lines, to the outright exclusion of civil servants from policymaking by delineating new areas of activity ([Suleiman 2003](#)). For example, in the United Kingdom, between 2010 and 2013 the Prime Minister doubled his number of personal advisers, a consulting role that previously rested with ministry bureaucrats ([Lodge and Rogers](#)

2006). In Italy, higher positions in the national public administration were made more politically dependent upon ministers, such that after the 1993-1998 New Public Management reforms, civil service appointments were rendered temporary (Battini 1998). Most European countries have experienced increased politicization of the civil service starting in the 1990s (Rouban 2015).⁴

In an attempt to increase political control, the Japanese government implemented through the mid-2000s and 2010s a series of personnel reforms that led to the gradual erosion of bureaucratic autonomy. Perhaps the most well known such measures were introduced by the Democratic Party of Japan (DPJ), who explicitly tried to subordinate bureaucrats to politicians once they came to power in 2009. DPJ's anti-bureaucratic measures included eliminating or restricting venues through which bureaucrats were actively involved in policymaking, such as administrative vice-minister weekly meetings, bureaucrats' contact with Diet members, testimonies in the Diet, or holding press conferences (Noble 2011, p. 257-259). Increasing political control over the bureaucracy has not been solely the prerogative of the DPJ. Prior governments since the early 2000s also aimed to consolidate power for the Prime Minister and his Cabinet Office. These efforts culminated in the creation of the Cabinet Bureau of Personnel Affairs in 2014, under an LDP administration. With heightened political control over personnel appointments, the number of politically appointed bureaucrats dramatically increased, tripling up to 600 positions by 2014 (Yoshida 2014).

Concrete changes followed in the level of politicization and functioning of the Japanese bureaucracy. A METI official noted that the "Cabinet Bureau of Personnel Affairs was a big change in terms of the distance between politics and the bureaucracy. We are much closer to politics now and very susceptible to political influence."⁵ In a 2019 op-ed piece discussing administrative reform and changes in bureaucratic appointments following the creation of the Cabinet Bureau of Personnel Affairs, Tanaka Hideaki, former bureaucrat at the Ministry

⁴See Ellinas and Suleiman (2012), chapter 5, for an overview of different means of political control employed over bureaucrats in advanced industrialized democracies.

⁵Phone interview with current METI official, September 2019.

of Finance, Cabinet Secretariat, Cabinet Office, among other agencies, notes

“With their careers hanging in the balance, senior bureaucrats become overly sensitive to the wishes and expectations of the prime minister and his lieutenants, whether or not those wishes are articulated in so many words. They have an incentive to gloss over or downplay analyses that might yield inconvenient conclusions. This is why the economic and fiscal projections coming out of the government these days are based on overly optimistic assumptions, leading to distorted estimates” (Tanaka 2018).

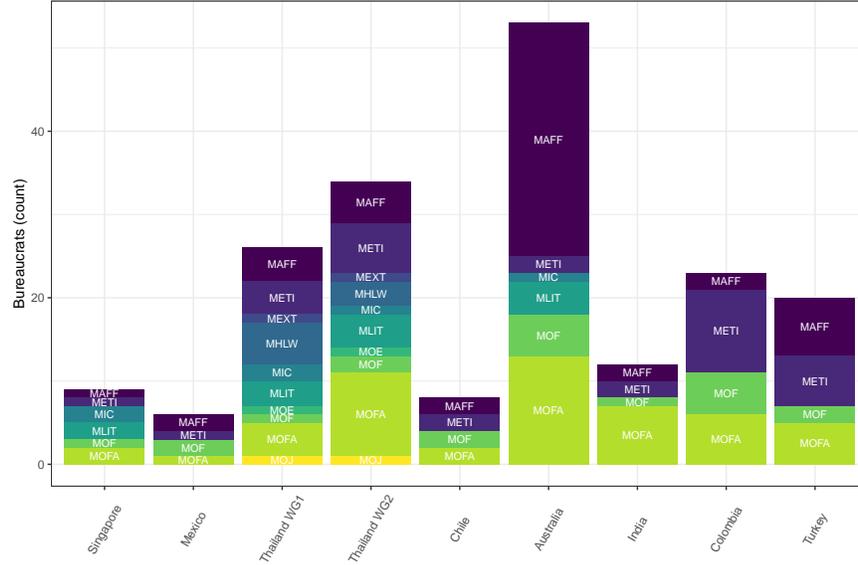
Bureaucratic consolidation also arguably decreased during this period. While the distinct institutions that participate in trade policy-making did not shift during this period,⁶ it is possible that the number of agents involved in a particular area of trade policy did shift from the early 2000s to the mid-2010s. To check whether this was the case, I look at the bureaucrats involved in arguably the central trade policy of Japan during this period: PTAs. Japan provides information on the bureaucrats involved in select pre-negotiation procedures, such as joint deliberations to decide on whether a PTA will be pursued. Figure 1 shows the number of bureaucrats participating in joint study group sessions by ministry for a range of PTAs spanning the period 1999 - 2013, in chronological order. Earlier PTAs like Singapore and Mexico, had significantly lower number of bureaucrats participating in the joint study groups than later ones. In addition, such earlier PTAs exhibit a more even distribution of representatives across ministries, suggesting more consolidation in the early 2000s, followed by decreased consolidation in subsequent PTAs.

Bureaucratic Insulation and Deepening Group Access

The reform measures introduced during this period achieved their intended effect of increasing political control over the bureaucracy, but they also eroded bureaucratic insulation from

⁶The 2001 central administrative reorganization substantially reduced the number of ministries, however, none of the institutions in charge of trade policy were merged or folded into different ministries.

Figure 1: Joint Study Groups: Public Sector Participants by Ministry



Stacked barplot showing the number of bureaucrats (y-axis) from each ministry that participated in each joint study group session (x-axis). The figure includes all reports that list the members of the study group. It does not include Japanese PTAs for which joint study group reports did not list the participants. *Data source: compiled by author from (Japan 2000, 2002, 2003, 2005, 2006a,b, 2012, 2013).*

interest groups. Administrative procedures that decrease drift also decrease an agency’s ability to utilize its expertise (Noll 1971; Bawn 1995), leading to increased reliance on interest groups and decisions that reflect interest groups’ preferences (Baron and Myerson 1982). This section will show that interest group access to the Japanese bureaucracy increased substantially as autonomy eroded.

From the early 2000s onwards, when the Act on Personnel Exchange Between the Government Sector and Private Enterprises⁷ entered into force, direct exchanges of bureaucrats and interest group representatives proliferated. Under this Act, government officials can be sent for a limited period of time (usually a couple years) to work in industry. Private sector employees may also be seconded to work temporarily in government organizations in a bureaucratic capacity. Before 2010 bureaucrats at the deputy director-general level and above could not participate in exchanges with private enterprises over which the government office of the official had jurisdiction. After 2010, these rules were relaxed, allowing deputy director

⁷Act No. 224 of 1999, available at <http://www.japaneselawtranslation.go.jp/law/detail/?id=1439&vm=&re=02>.

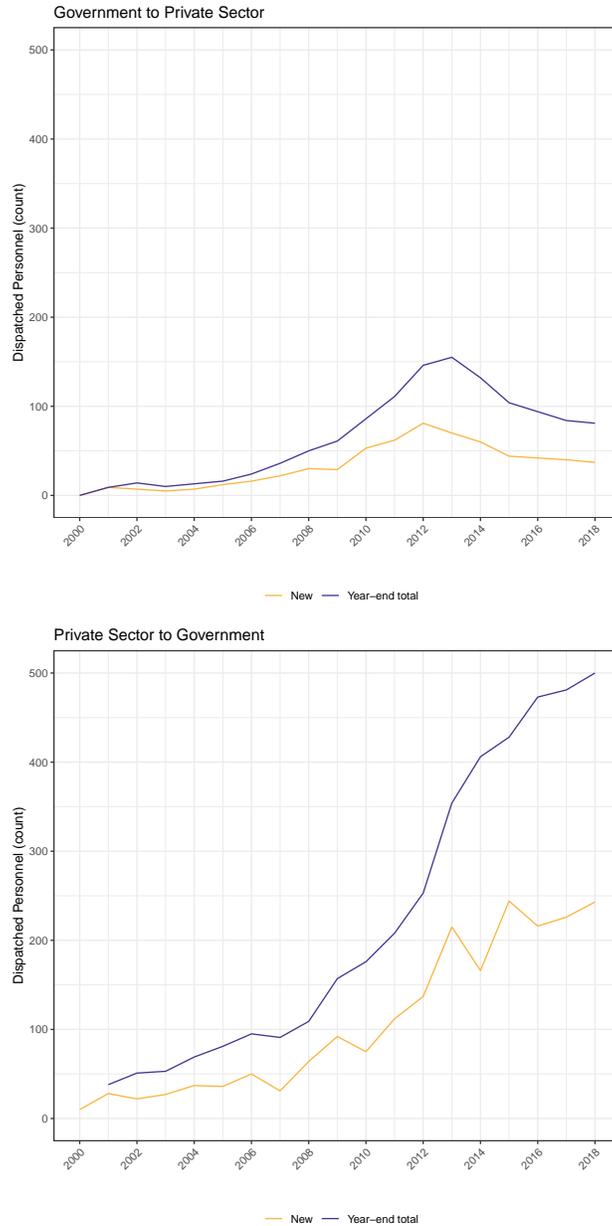
general level officials to participate in such exchanges, “unless the minister’s secretariat or the bureau of the seconded official has jurisdiction over the private enterprise with which the exchange might take place” (OECD 2011a, p. 157). In practice, as Figure 2 shows, the number of such exchanges increased at a high rate, and even more so after 2010: if in 2000, no government officials were newly dispatched to the private sector and only 10 private sectors representatives were exchanged to the government, by 2013 these numbers increased to 70 and 215 new appointments respectively.

In addition, the practice of employing retired bureaucrats in private sector positions continued over this period, despite efforts from multiple governments to curb or make the practice more transparent. To decrease bureaucratic discretion over these appointments, the government transferred jurisdiction over post-retirement appointments to the Cabinet Secretariat’s Public-Private Personnel Exchange Center in 2008 (Government Ordinance No. 391, 2008). The National Personnel Authority has traditionally been in charge of bureaucrats’ post-retirement careers, but ministries have been *de facto* leading the process (Schaede 1995, p. 296). To increase transparency, the government implemented a 2009 reform to Japan’s National Civil Service Act mandating yearly reports of re-employment of all civil servants.

An enduring question in the literature about *amakudari* has been the direction of influence this exchange exercises: does it facilitate bureaucratic control of the private sector, through informal compliance, or current employers’ access to policymaking, through the former bureaucrats’ contacts? Scholars have provided evidence that supports both the demand (Calder 1989) and supply side of former bureaucrats (Haley 1994).

Whether through a demand or supply side mechanism, *amakudari* represents a vehicle through which firms may informally lobby at the firm level, unlike in advisory councils or through industry associations. When asked what type of experience helps most with lobbying the bureaucracy, a former METI bureaucrat currently employed in the government affairs division of a multinational corporation answered: “Networks are most important. The rela-

Figure 2: Time Trends of Government - Private Sector Personnel Exchanges



This graph shows variation over time in the number of bureaucrats and private sector representatives seconded to work in a private company or ministry (y-axis) by year of appointment (x-axis). Exchanges are classified into 'new' (new exchanges initiated in a particular year) and 'year-end total' (all exchanges in effect in a particular year, taking into account both new appointments and previous appointments still in effect). The upper panel shows government to private sector exchanges. The lower panel shows private sector to government exchanges. *Data source: compiled from Annual Report FY2018, National Personnel Authority, Government of Japan (NPA 2019).*

tionship with politicians gives good leverage as well. But most important is an appropriate understanding of bureaucratic internal procedures.”⁸ *Amakudari* facilitates informal contact because former bureaucrats continue to be embedded in their bureaucratic networks after retirement as well. This may be through their personal connections; regularly scheduled meetings with their bureaucratic cohorts, some of which are and some of which are not yet retired; or even ministry-arranged quarterly meetings with all retired bureaucrats (Schaede 1995).

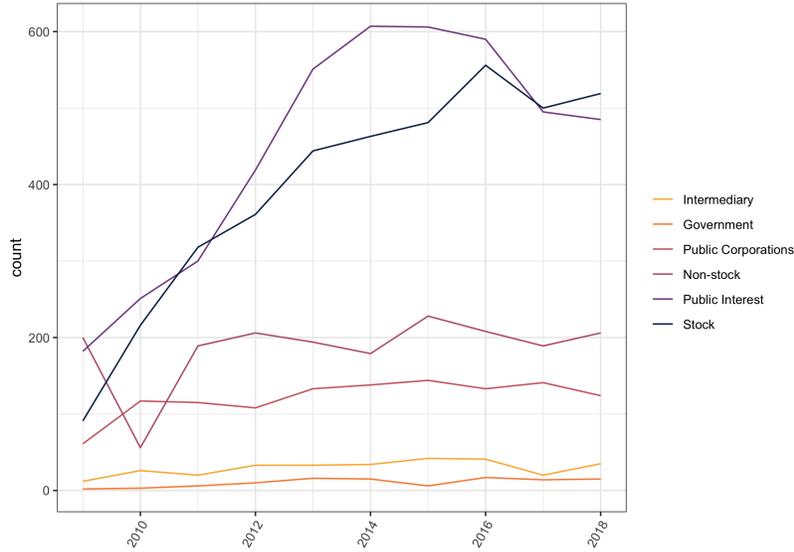
Figure 3 shows patterns of *amakudari* employment over time and by type of company.⁹ We can see that private corporations (stock, non-stock, public interest companies) dominate as a destination for post-retirement employment. In addition, we can see the number of retired bureaucrats working for stock companies increases over time, tripling over the period 2008-2014. In contrast, we do not observe variation in the number of retired bureaucrats working for government, non-stock or intermediary companies, or public corporations (courts, local government). This suggests the increase in stock companies post-retirement employment is not driven by a change in the total number of bureaucrats seeking such positions. It is an increase specifically in companies commercially under pressures, which are precisely the companies that have an incentive to seek access.

First time appointments likely underestimate the full extent of these networks. The National Public Service Law has traditionally put restrictions on the type of positions bureaucrats were allowed to take for the first two years following their retirement. Due to these restrictions bureaucrats would not be able to obtain employment in industries they have previously regulated. In a typical pattern of *amakudari* employment, bureaucrats would first be appointed in a non-profit organization, then take a position in the private sector after the two-year constraint expired. It is therefore even more striking that the number of first-time

⁸Interview conducted by author in Tokyo, Japan, July 2018.

⁹Joint work with Trevor Incerti, Sayumi Miyano and Hikaru Yamagishi (Incerti et al. 2020). We take advantage of the changes in 2009 requirement for reporting bureaucratic re-employment of all civil servants to create a dataset that covers the full universe of first time post-retirement appointments, and classify the observations to recover the type (public, semi-private, private etc.) and industry of new employment, among other variables.

Figure 3: Time Trend: Bureaucrats' Post-Retirement Employment by Firm Type



This graph shows the number of former bureaucrats appointed in *amakudari* positions (x-axis) by year (y-axis) and type of employment. *Data source: compiled from Report on re-employment of civil servants, Cabinet Office of Japan, multiple years*

appointments going to stock companies has increased to this extent. Commercially-oriented stock firms should care more about PTAs, suggesting this trend could lead to more pressure on the bureaucracy to shape PTAs closer to the position of interest groups.

Japan's Liberalization Experience During This Period

Japan exhibited a shift to more liberalization since 2000 in the form of increased participation in preferential trade agreements, as reflected in Table 4. By 2020 Japan concluded a larger number of regional trade agreements than most other G20 members, as shown in Figure 4. The shift towards preferential liberalization represented a major change from Japan's previous focus on multilateral liberalization. Observers noted the stark divergence in the government's position with respect to preferential trade liberalization from the early 1990s. For example, in a 2001 meeting of the Diet House of Representatives Foreign Affairs Committee, attending committee member Goshi Hosono notes the discrepancy between the negative stance with respect to regional trade agreements and bilateral free trade agreements

in MOFA’s earlier yearly policy publications and its current stance. He asks the Minister of Foreign Affairs to explain why the narrative has changed from a negative assessment that they will hinder free trade to a positive assessment they will promote free trade.¹⁰

Table 4: Timeline of Japan’s Preferential Trade Agreements by Year of Signature

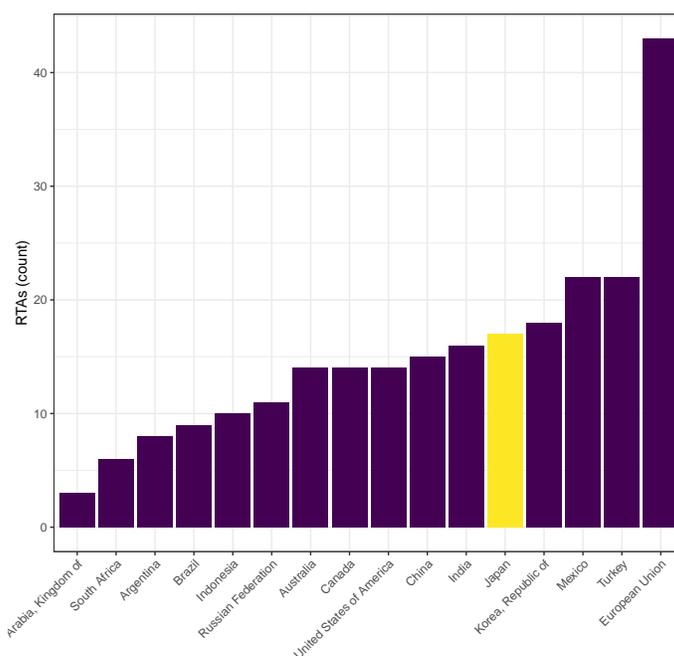
Partner	Study group	Negotiation	Signature	Ratification	In force
Singapore	2000	2001	2002	2002	2002
Mexico	2001	2002	2004	2004	2005
Malaysia	2003	2004	2005	2006	2006
Philippines	2003	2004	2006	2006	2008
Chile	2005	2006	2007	2007	2007
Thailand	2003	2004	2007	2007	2007
Brunei		2006	2007	2008	2008
Indonesia	2005	2005	2007	2008	2008
Vietnam	2006	2007	2008	2009	2009
ASEAN		2005	2008	2008	2008
Switzerland	2005	2007	2009	2009	2009
India	2005	2007	2011	2011	2011
Peru		2009	2011	2011	2012
Australia	2005	2007	2014	2014	2015
Mongolia	2010	2012	2015	2015	2016
EU		2013	2018	2018	2019

Despite the large number of PTAs signed, the Japanese government also maintained relatively high trade barriers during this period. The OECD’s evaluation of Japan’s trade policy over the period 2006-2009 notes that it “is one of the OECD countries in the G20 with the highest level of overall protection (second only to Mexico)” despite a low baseline level of tariffs (OECD 2011b, p. 51). The Overall Trade Restrictiveness Index (OTRI) measures “the equivalent uniform tariff of a country’s tariff schedule and non-tariff measures (NTMs) that would keep domestic import levels constant” (OECD 2011b, p. 51). Figure 5 compares the OTRI among G20 members for the year 2009 (the latest year of data availability) across all products (upper panel) and agricultural products only (lower panel), on an applied tariffs basis. Japan’s OTRI for agricultural products is particularly high, at almost 40%.

In the realm of preferential liberalization, observers have noted three main characteristics

¹⁰151st Parliament House of Representatives Foreign Affairs Committee No. 12 , June 6, 2001.

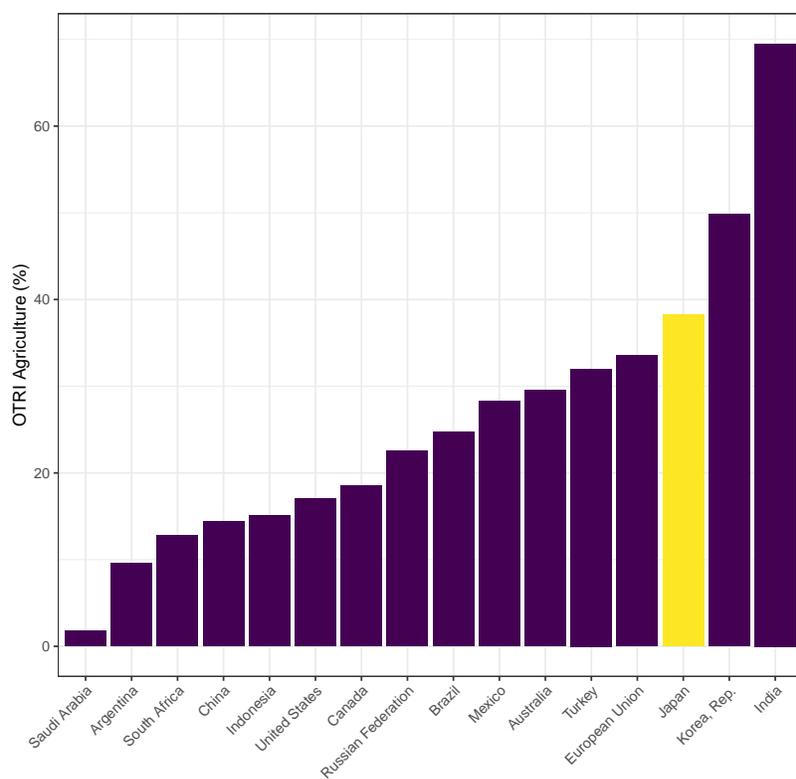
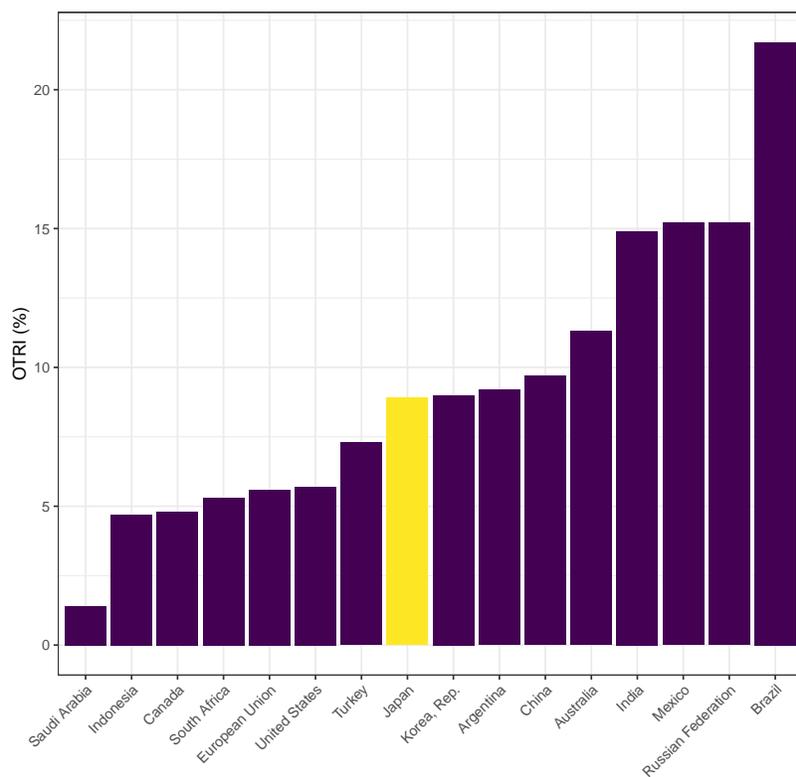
Figure 4: Regional Trade Agreements by G20 Country (2020)



Barplot shows the total number of regional trade agreements signed by each G20 country (reflects 2020 values). *Data source:* *WTO RTA-IS*, available at <https://rtais.wto.org/>

of Japan’s PTAs that restrict their potential. First, Japan’s choice of partners has shied away from those countries with whom it trades most. By 2018, Japan’s 15 concluded PTAs had a combined coverage ratio, defined as the trade percentage with preferential trade agreements partners out of total trade, of 23.4%. In contrast, the PTAs of South Korea, an East Asian former developmental state with a similar trade profile as Japan, had a combined coverage ratio of 67.8%. Second, these agreements exhibit low liberalization rates. Scholars have noted that Japan’s PTAs trade liberalization rate, defined as the fraction of all tariff line items for which tariffs will be abolished within 10 years of agreement entry in force, is low when compared with other advanced industrialized countries (Solís and Katada 2015). Third, the subsequent utilization rates for these PTAs by partner countries is also low. Figure 6 shows Japan’s liberalization rates on a tariff line and trade value basis by PTA, revealing it has remained relatively constant over time. In addition, the figure shows the utilization rates of these agreements on an import basis is relatively low as well, with most agreements

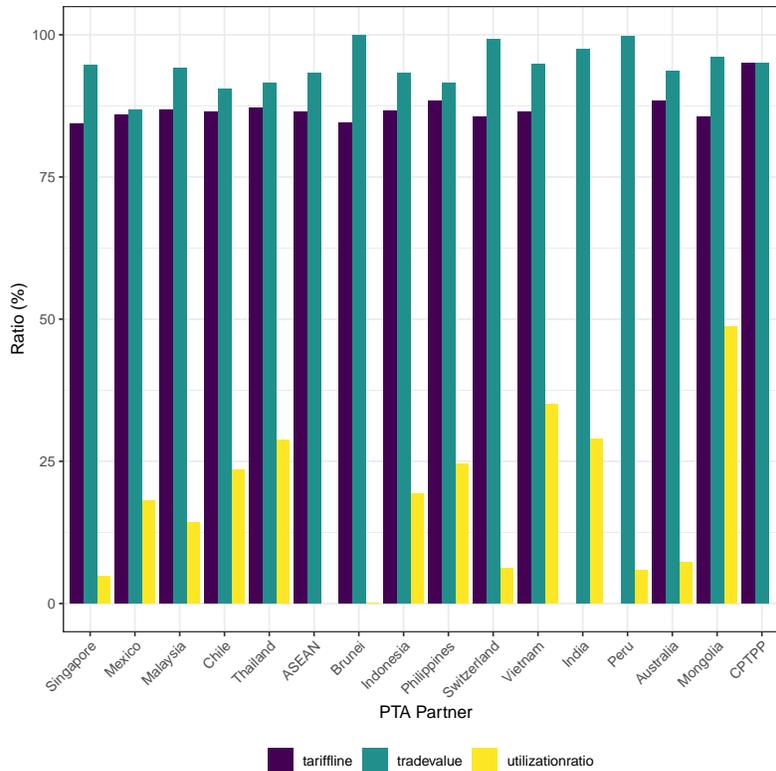
Figure 5: Overall Trade Restrictiveness Index (OTRI) by G20 Country (2009)



Barplot shows trade restrictiveness (y-axis) by G20 members (x-axis) for the year 2009. The upper panel shows trade restrictiveness across all products. The lower panel shows trade restrictiveness for agricultural products only. *Data source: World Bank World Trade Indicators*¹¹

under 30%. Figure 7 highlights that the average applied MFN rate for the tariff lines the agreements removed immediately was already under 5% across all agreements in the sample. In contrast, tariff lines with higher applied MFN rates were either removed with delay, or just reduced.

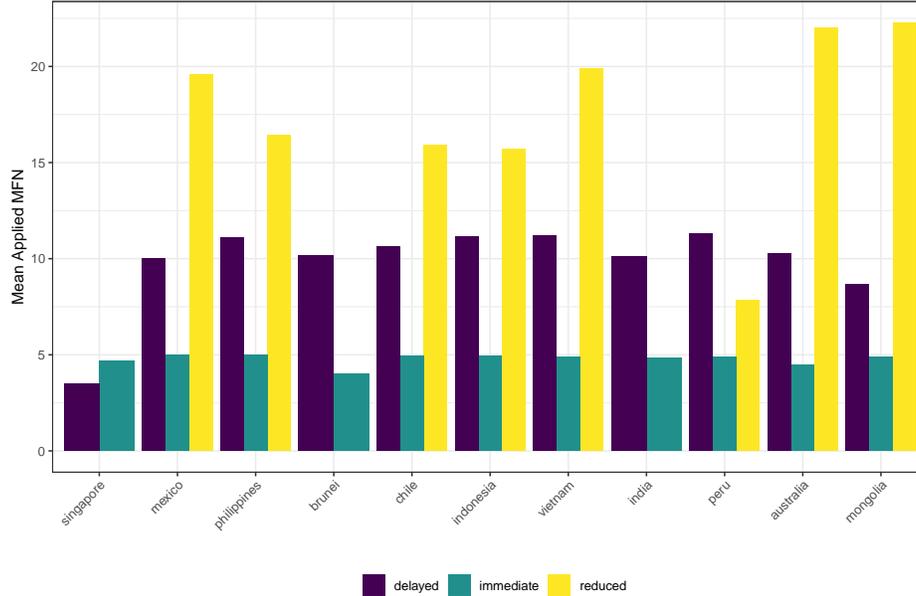
Figure 6: Liberalization and Import Preferential Utilization Rates in Japan’s PTAs



Barplot shows rates of liberalization and utilization (y-axis) for each of Japan’s PTAs (x-axis, PTAs are arranged in chronological order of signature). The liberalization rate is classified into two categories: ‘tariffine’ and ‘tradevalue.’ The former shows the percentage of tariff lines that were liberalized under each agreement over a period of 10 years. The latter shows the percentage of the total value of imports that were liberalized under each agreement within 10 years. Utilization rate shows the percentage of products from PTA partner countries imported into Japan under a preferential tariff. *Data source: Urata (2015, table 2.5) for liberalization rates and JETRO (2019b) for utilization rates.*

These patterns stand in contrast with the preferential trade agenda bureaucrats envisioned in the late 1990s, which explicitly aimed for agreements that would enable deep, comprehensive liberalization and regional integration. Although negotiations with Singapore started before negotiations with Mexico could, a Mexico FTA was considered first. Interviews conducted by Manger (2009) with MITI and MOFA bureaucrats indicate Japanese policymakers considered an FTA with Singapore as a first step to break the ideological op-

Figure 7: Pre-PTA MFN Tariff Rates for Tariff Lines Liberalized under the Agreement



Barplot shows the applied MFN rate (y-axis) prior to each PTA (x-axis, arranged in chronological order of signature) by type of tariff line removal, for those tariff lines that were larger than 0 prior to the agreement. Changes to tariff lines are classified into three categories: delayed (tariff completely removed under the agreement, but timeline of removal not immediate); immediate (tariff completely removed upon entry into force of the agreement); reduced (tariff was not completely removed, however, its value was reduced under the agreement). *Data source: van Lieshout (2020)*

position to FTAs. This choice for partner was further intended to signal Japanese political commitment to ASEAN (Manger 2009, p. 142-143). The unique structure of Japanese trade policymaking, with multiple ministries in charge of formulating Japan’s trade strategy and subsequently negotiating its agreements, has also been reflected in Japan’s choice of FTA partners. In one of the very first documents on Japan’s FTA strategy (dated 2002), MOFA highlights partner countries should be selected not only on economic criteria, but also political, diplomatic, and geographic.¹² Munakata Naoko, a key MITI/METI bureaucrat who witnessed the formation of Japan’s FTA strategy, also highlights bureaucratic thinking of building on bilateral free trade agreements to promote longer-term goals beyond these specific agreements:

“This is a historic opportunity to promote East Asian regionalism as a prelude

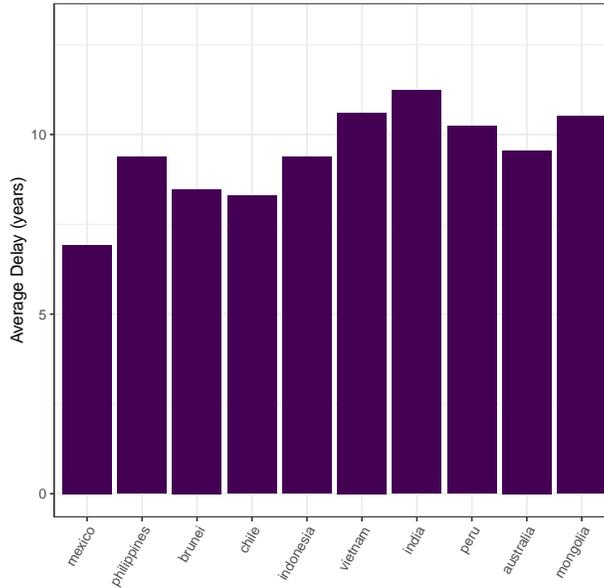
¹²Summary available in English at <https://www.mofa.go.jp/policy/economy/fta/strategy0210.html>. MOFA (2004, p. 33-34) also reinforces this point in its discussion of Japan’s FTA strategy.

to pan-regional integration, including a regionwide free trade area. To this end, Japan should conclude ongoing FTA negotiations with South Korea and the ASEAN countries and integrate them into a comprehensive regional multilateral FTA” (Munakata 2007, p. 26).

The combination of a drive for deep liberalization on one hand, yet low liberalization and utilization rates on imports suggests the presence of agreement elements that are trade restrictive. If increased interest group access to the bureaucracy led to less liberalization during this period, an observable implication consistent with the theory presented in this paper is the presence of tariff removal delays persisting over time across agreements and across sectors. For the sample of Japanese agreements in this paper’s analysis, the longest tariff elimination delay is up to 17 years. Japan’s agreements exhibit relatively long average delays. Figure 8 plots the average delay in years for all tariff lines that had an applied MFN rate larger than 0 prior to the agreement; these average delays range from approximately 7 years to approximately 11 years. Traditionally sensitive sectors such as agriculture, footwear, and hides and skins have the largest proportion of tariff lines removal delays. Figure 9 also shows, however, that other sectors like fuels, plastic and rubber, stone and glass, textiles, machinery, and wood, with a similar pattern of a large proportion of tariff lines have delayed tariff removal. In addition, average delays are high across sectors and across agreements, as Figure 10 shows.

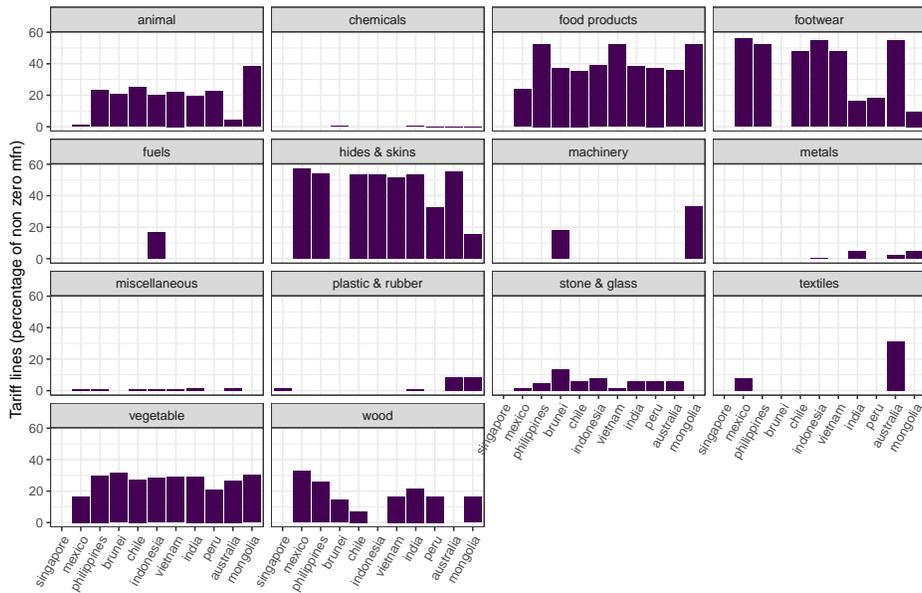
Taken together, this evidence suggests increased interest group access to the bureaucracy contributed to less trade liberalization in the mid-2000s-2010s. The proliferation of trade agreements with low liberalization and utilization rates suggests trade restrictive elements in these agreements. We have seen that Japan’s PTAs have been characterized by such exceptions in the case of tariff removals. Japan’s PTAs tend to remove tariffs immediately only on products which already have low tariffs under the MFN regime. Most other products are phased out over long periods of time. This pattern is present across all sectors, not only in the most sensitive sectors, which suggests a diverse range of interest groups were able to

Figure 8: Average Years of Delay in Tariff Removal by PTA



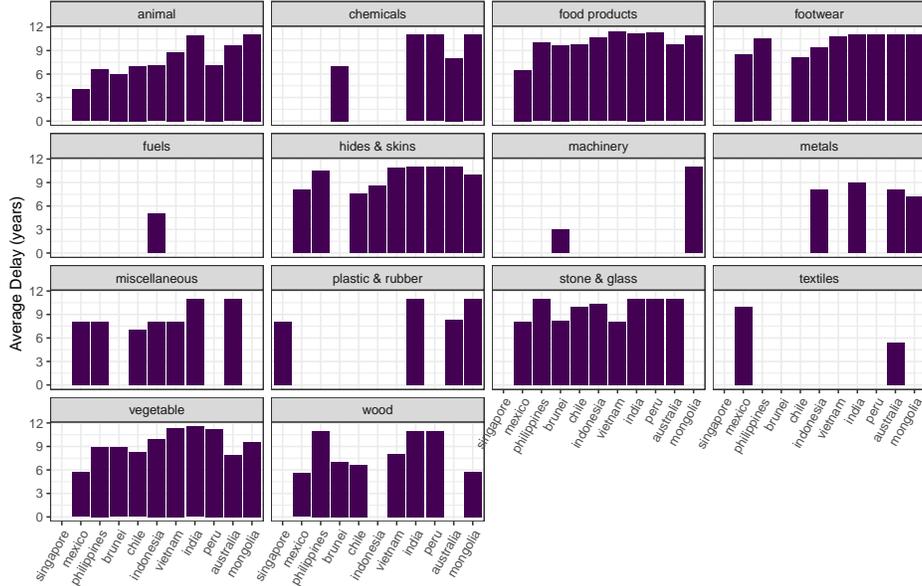
Barplot shows average years of tariff removal delay (y-axis) by agreement (x-axis, arranged in chronological order of signature). For this figure, I keep all tariff lines with most overlap across all agreements at the chapter level. I exclude the Japan-Singapore EPA as an agreement for which only 2 tariff lines were removed with delay. *Data source: van Lieshout (2020)*

Figure 9: Percentage Tariff Lines with Delayed Removal by Sector Classification and PTA



Barplot shows the percentage of tariff lines whose removal was delayed (y-axis) by agreement (x-axis, arranged in chronological order of signature) and sector. *Data source: van Lieshout (2020)*

Figure 10: Average Years of Delay by Sector Classification and PTA



Barplot shows the average years of delay in tariff removal (y-axis) by agreement (x-axis, arranged in chronological order of signature) and sector. *Data source: van Lieshout (2020)*

influence the negotiations agenda.

The TPP Headquarters: New Model of Consolidation and Autonomy

The creation of the TPP Headquarters in 2013 represents a key episode of restructuring that led to increased consolidation specifically in trade negotiations of the TPP, and later on, of the Japan-EU EPA. The 2013 restructuring centralized jurisdiction over TPP negotiations in one bureaucratic unit under the Cabinet Secretariat. It brought together bureaucrats affiliated with a range of ministries involved in trade policy, from the Ministry of Economy, Trade, and Industry to the Ministry of Agriculture, Fisheries and Forestry, to work together under one roof. In addition, Akira Amari was appointed as minister in charge of TPP negotiations. This stands in contrast with prior trade negotiations, under which each of the four main ministries in charge of trade (METI, MOFA, MOF, and MAFF) would send

individual trade representation as part of Japan's negotiations team.

The TPP Headquarters also contributed to an increase in autonomy for those bureaucrats working on TPP negotiations, by increasing these bureaucrats' insulation from other bureaucratic institutions, politicians outside of the Cabinet, and organized interests. First, TPP Headquarters increased insulation from other ministries and potential influence from their affiliated constituents. While the TPP Headquarters bureaucrats worked under both the Cabinet Secretariat and their original ministries, they worked under strict rules of confidentiality and did not share information with bureaucrats outside the TPP Headquarters.¹³ Scholars have noted that gathering together bureaucrats from multiple ministries under one bureau helped overcome Japan's traditionally vertically divided bureaucracy (Mulgan 2013; Davis 2019). Second, the internal structure of the TPP Headquarters allowed negotiators to be fully insulated from direct outside influence: within the headquarters, bureaucrats were divided not along ministerial lines, but in two teams with distinct responsibilities. The first focused on conducting international negotiations, while the second focused on domestic adjustments and outreach to politicians and interest groups.

Weakening Ties, Decreasing Access

If the TPP Headquarters increased the consolidation and autonomy of trade bureaucrats involved in the negotiations of the TPP, I expect a reversal of interest groups access to TPP-related trade policymaking during this period. In this section, I use interview evidence to show that access to TPP negotiations did indeed decrease. The previous section shows a steady increase in access to the aggregate bureaucracy over the entire period from 2000 to 2019. The creation of the TPP Headquarters moved decision authority out of the venue that provides access into one with less access. These dynamics are thus unlikely to have affected the TPP Headquarters to the same extent as other agencies, given the headquarters'

¹³Interviews conducted by author with former METI, current TPP Headquarters officials, Tokyo, June 2018

deliberate insulation within the Cabinet Office.

Trade negotiations under the TPP Headquarters departed from the processes used prior to the creation of the headquarters in many significant ways. Prior to the TPP Headquarters, four ministers would be directly involved in negotiations, as representatives of the four main ministries involved in trade policy: the Ministry of Foreign Affairs (MOFA), the Ministry of Economy, the Trade and Industry (METI), the Ministry of Finance (MOF), and the Ministry of Agriculture, Forestry and Fisheries (MAFF). MOFA coordinated all other ministries responsible for specific products. METI and MAFF represented industry and agriculture, respectively. MOF represented the products under its jurisdiction, such as salt, tobacco, or sake.

This negotiating structure presented some challenges. To communicate about negotiation goals, the four ministers had pre-negotiations meetings with clear job demarcations. Compromise under this structure was difficult, as an academic who has participated in Japan's PTA joint study groups noted.¹⁴ Following consultations among all relevant ministries the Japanese government would present one unified negotiation position. Asked about the reason for having all four ministries represented on the negotiation team, a senior MOFA official with experience in the Economic Partnership Agreements Division noted:

“there are 4 negotiators in one room, but it does not mean we don't have a unified position. But it is more efficient to have the 4 people who have authority for decision-making [in the room] because unexpected questions and comments might come up. When this happens, having them there means we make them decide on the spot. This is the tactic of our ministry, because in Tokyo they may take tough position, unlike on the front. They not only have the knowledge but also understand they need to make [a] reasonable decision on the spot. Otherwise we are afraid they would not make concessions at the end of the day.”¹⁵

¹⁴Interview conducted by author, Tokyo, Japan, July 2018.

¹⁵Interview conducted by author with MOFA official, Tokyo, Japan, July 2018.

However, this negotiating structure created coordination challenges as well. A former METI and current TPP Headquarters official who has worked on several of Japan's PTA negotiations noted internal conflicts on the Japanese side persisted in the negotiations with Mexico until the final stages of the negotiations. This highlighted the need for stronger coordination mechanisms among ministries. By the PTA with the Philippines (signed 2006), MOFA took the lead in coordinating. In practice, MOFA achieves such coordination by managing the speed and sequencing of negotiations. This is necessary because of divergent goals and demands between ministries. For example, completing negotiations on agricultural products too early may limit how much market access liberalization the agreement can achieve, as MAFF would have fewer incentives to accept liberalization after.¹⁶

The TPP Headquarters was created by cabinet decision as a temporary structure within the Cabinet Secretariat to overcome some of these obstacles. It reflected the recognition that TPP was a strategically important agreement that would need to include sensitive sectors due to its requirements for high market liberalization. Therefore, they expected that negotiating TPP would be more difficult and would require stronger coordination. A current TPP Headquarters official noted they did not think of TPP's content as significantly different from previous PTAs Japan negotiated; however, the agreement became contentious, leading to a need for special organization to work intensively on domestic acceptance.¹⁷ While MAFF expressed opposition to joining TPP it was not opposed to the creation of the TPP Headquarters. They saw it as a way to overcome domestic consultation and coordination issues. A senior government official indicated "MAFF wanted stronger coordination mechanisms and expected that after negotiations they would need budget or funds for measures to address those who lost. So they preferred the headquarters model."¹⁸

The structure of the TPP Headquarters in practice changed the number of bureaucratic

¹⁶Interview conducted by author with former METI, current TPP Headquarters official, Tokyo, Japan, June 2018.

¹⁷Interview conducted by author with current TPP Headquarters official, Tokyo, Japan, July 2018.

¹⁸Interview conducted by author with senior government official with previous experience working in the TPP Headquarters, Tokyo, Japan, June 2018.

veto players involved in policy-making. A mixed organization, the headquarters were comprised of staff from other ministries, a majority of which were considered “double hat employees,” that is, employees working for both TPP Headquarters and a different ministry at the same time. This was reflected in the bureaucrats’ physical work location as well: “there were a number of officials working physically at CAS [Cabinet Secretariat] but some worked from outside, from their home institution.”¹⁹ Yet information about TPP related work in the headquarters was strictly secured and not shared with the home ministries, which made TPP related work proceed more smoothly than in previous PTAs.²⁰

The new structure therefore allowed inter-ministerial coordination to proceed with more ease. What was critical about the headquarters was its ability to represent the Japanese government in one voice, as a current senior official at METI who has worked in the TPP Headquarters at the time of TPPs conclusion noted.²¹ Many interviewees noted the negotiation process was similar to that employed during previous PTA negotiations, in part due to MOFA dominating coordination through the selection of a chief negotiator still with MOFA affiliation. Yet “the chief negotiator had strong will to conclude negotiations not reflecting the interest of one ministry only, as he had recognition as member of the Cabinet Secretariat.”²² The headquarters location in the Cabinet Secretariat reinforced these dynamics by removing the headquarters from the direct influence of the ministries. A former METI and current TPP Headquarters senior official noted that “it is easier to make political decision fast in the headquarters, because we do not have a bureaucratic organization with long history.”²³

Ministry-level participation in trade policy therefore decreased and shifted during TPP

¹⁹Interview conducted by author with METI official previously seconded to TPP Headquarters during the TPP negotiations, Tokyo, Japan, June 2018.

²⁰Ibid.

²¹Interview conducted by author with current METI and former TPP Headquarters senior official, June 2018.

²²Interview conducted by author with METI official previously seconded to TPP Headquarters during the TPP negotiations, Tokyo, Japan, June 2018.

²³Interview conducted by author with former METI and current TPP Headquarters senior official, Tokyo, Japan, June 2018.

preparation and negotiations. However, while the headquarters was in charge of planning strategy for negotiations, it continued to rely on relevant ministries in ways other than personnel secondment. Chiefly among these was gathering information from stakeholders. Traditionally ministries would have frequent daily contact with their constituent or regulated groups to gather information on the groups' needs, constraints, and requests. In the case of the TPP Headquarters, line ministries acted as intermediaries between the headquarters and such interest groups, which allowed TPP headquarters bureaucrats more distance:

“To keep our hand on pulse and get a sense of the redline, in TPP Headquarters we cooperated with ministries to get information on what stakeholders want, and fed back to line ministries with where negotiations were at. In extreme cases, if line ministries understand the redline and desire of industry, they can maneuver things well, so it works without direct communication with industry.”²⁴

Interest group representatives also highlighted differences in coordination between themselves and government before and after the creation of the TPP Headquarters. A Keidanren official who has previously worked on TPP-related advocacy highlighted that during TPP the government has increased its control on information and therefore reduced disclosure with non-government representatives:

“In the Doha round, WTO made negotiating documents available so we could access them as well. But during TPP, there was an agreement for non-disclosure outside of the TPP negotiating team, even in government. So, we were not allowed to access this information, but we could still exchange opinions with the government. Of course, it was different not seeing the text, but they can tell us which issues are included, as well as the chapters under discussion.”²⁵

²⁴Interview conducted by author with former METI and current TPP Headquarters official, Tokyo, Japan, June 2018.

²⁵Interview conducted by author with Keidanren official, Tokyo, June 2018.

The evidence in this section suggests moving decision authority out of the ministerial venues that provided access into one with less access in the TPP Headquarters significantly shifted coordination between interest groups and bureaucrats. In addition, the TPP Headquarters also shifted inter-governmental coordination, de facto reducing the number of bureaucratic veto players involved in policy-making. In line with our expectation, lower interest group access and fewer bureaucratic veto players led to more trade liberalization via the successful conclusion of the Trans-Pacific Partnership Agreement.

Alternative Explanations

This paper has shown that Japan’s pattern of liberalization since the late 1990s—a sharp switch towards preferential trade liberalization, followed by narrow agreements with partial coverage, and eventually the deeper CPTPP and Japan-EU FTA—is consistent with a bureaucratic politics explanation. Research in economics and IPE has highlighted other explanations for the diffusion, proliferation, and content of trade agreements. Below I argue a bureaucratic politics explanation is better suited to explain Japan’s liberalization pattern.

Competitive Diffusion or Domino Effects

Trade or investment diversion from proliferation of bilateral agreements may incentivize countries to pursue preferential agreements, as a large body of literature argues. The competitive diffusion logic will appear in the choice of trade agreement partners; governments will favor agreements with those countries that minimize negative effects of trade liberalization, as opposed to those that maximize economic gains. [Aggarwal and Lee \(2011\)](#) argue these classes of political economy explanations fit the Asian PTAs more readily than economic models. In her study of the determinants of business lobbying for PTAs, [Solís \(2013, p. 96\)](#) highlights lobbying occurs more actively as a response to PTA provisions that lead to “substantial negative effect on the interests of particular industries,” such that “the absolute

level of bilateral trade is not a reliable indicator of when business will advocate a trade negotiation.” We can therefore expect Japan’s PTA formation and choice of agreement partners to vary with the competitive pressures in the region.

Qualitative and quantitative evidence highlight the centrality of the competitive diffusion logic in PTA proliferation cross-nationally.²⁶ For Japan as well, competitive pressures played a central role in the decision to pursue preferential liberalization. For example, a large body of research has shown concerns about NAFTA putting Japanese industry in a disadvantaged position triggered consideration for a Japan PTA with Mexico (Manger 2005, 2009). Manger (2009, p. 230) also concludes the Japan-Thailand and Japan-Mexico “are also the direct result of the ‘conversion’ of Japan’s trade bureaucracy from multilateralism to preferential trade agreements in reaction to NAFTA.”

Yet competitive pressures for deeper liberalization are not exclusive to the early 2000s. Such competitive pressures did not dissipate post-2000, but rather evolved and remained a key concern of policymakers through the period. They were, however, not necessarily followed by more PTAs, nor deeper PTAs during the period, suggesting competitive diffusion explanations cannot fully account for Japan’s pattern of liberalization. South Korea in particular has long represented a competitor for Japan in the race for PTAs. Politicians, bureaucrats, and interest groups alike noted with concern the rising differences in FTA commitments between Japan and South Korea during the late 2000s period (Yoshimatsu 2015). Government documents from the late 2000s discussing Japan’s trade strategy specifically contrast Japan and South Korea’s strategies, noting “a delay in Japanese efforts.” These governmental documents also compare tariff rates with the European Union (EU) and the United States that emphasize large remaining tariff rates for Japan on products on which South Korea achieved tariff rates of 0 under its PTAs with the EU and United States respectively (METI 2011, p. 500). Despite explicit acknowledgment of these consequences, Japan was not able to advance TPP until 2014. PTAs with the EU and the United States took even

²⁶See Baccini (2019) for a review.

longer. Such delays in starting negotiations with partners that Japan's recognized as important suggest the competitive diffusion logic is not sufficient to explain Japan's liberalization pattern.

Electoral Mechanisms

A large body of literature on the domestic politics of PTAs also presents extensive empirical support for the proposition that regime type affects PTA formation, such that democratic countries are more likely to engage in preferential liberalization.²⁷ The main mechanism underlying this relationship is electoral: democratic leaders use PTAs to signal to voters their commitment to liberalization (Milner and Mansfield 2012). A country's electoral system will therefore affect its trade policy as well, as electoral rules can change political incentives to target particular groups or employ specific protectionist instruments. Proportional representation systems will incentivize leaders to target benefits broadly, while majoritarian systems narrowly.²⁸ We should therefore expect a protectionist bias in trade policy where political systems encourage narrowly targeted benefits.

In Japan, the Liberal Democratic Party relied for many decades on the organized vote of rural constituents for electoral support. A series of reforms to the lower house electoral system spearheaded in 1994 switched the system from the single non-transferable vote to a combination of single-member districts and proportional representation seats. The new system was expected to incentivize policy differentiation among parties, leading to a change in focus from pork to policy. We should expect electoral mechanisms that encourage such a switch from pork to policy to also incentivize politicians to more proactively focus on foreign economic policy and also have fewer incentives to give protection to the groups they previously relied on.

Yet the bureaucracy and not politicians drove Japan's earlier efforts to establish a PTA strategy. Other trade agreements, like the TPP, were more politically salient. However,

²⁷See Baccini (2019) for a review.

²⁸See Rickard (2015) for a review.

even if bureaucracies are not the ones solely responsible for a particular policy, bureaucratic structures that make them more susceptible to interest group influence have an effect on policy. We saw that in the case of the TPP: while situating the locus of trade policymaking in the Cabinet Office brought it closer to the Abe administration, it also afforded bureaucrats sufficient autonomy from interest groups to successfully negotiate TPP despite opposition from many actors.

In addition, the timeline of electoral reforms does not match well the timeline of changes in trade policy. While we observe concrete changes in the form of preferential liberalization negotiations and agreement formation after 2001, the broad contours of the Japanese electoral system have remained the same since the 1994 reforms. [Catalinac \(2016\)](#) has shown that in other policy areas electoral reform changes in Japan led to a shift in electoral strategies from pork to policy as early as 1997.

Likewise, electoral reforms could have an indirect effect on trade policy by changing interest group influence in the policymaking process. Scholars have argued electoral reforms during this period weakened party demand for the organized vote, leading to diminished electoral power of interest groups over the period 1993 - 2005 ([Maclachlan 2014](#), p. 441). In this case as well, the timeline of changes in interest groups' electoral power and Japan's FTA strategy does not fully match.

Similarity of positions across parties on trade policy represents another piece of evidence that electoral politics do not fully account for changes in trade policy. Scholars have argued that turnover in the ideology of the executive increases barriers to trade, in the form of non-compliance with previously signed trade agreements or active strategies of delaying or impeding implementation of those agreements ([Gray and Kucik 2017](#)). While Japan experienced a significant change in executive, with the historical transition from the Liberal Democratic Party (LDP) to the DPJ in 2009, both parties had very similar policy agendas. This lack of policy differentiation has in part been a consequence of the new electoral system ([Scheiner 2012](#)). In trade, both parties showed support for preferential trade liberalization.

The DPJ's 2009 election platform advocated promotion of an FTA with the United States, while Prime Minister Hatoyama expressed commitment to accelerating and promoting EPA negotiations with countries such as South Korea, India, or Australia, among others (Yoshimatsu 2015). Conversely, when the LDP returned to power in 2012, it continued the DPJ's commitment to TPP (Davis 2019). I expect changes in trade policy over this time period to not be reflected in this shift in executive leadership. This allows us to differentiate the effect of bureaucratic reforms from that of executive turnover.

Conclusion

Bureaucracies lie at the heart of trade policymaking. Their design should therefore fundamentally shape the relationship between bureaucrats, politicians, and interest groups. Starting from this observation, this paper asked two related questions: Do structures that make bureaucracies more or less susceptible to interest group influence have discernible effects on policies? How do interest groups maneuver within bureaucratic structure to have this influence? I have argued that more autonomous and consolidated bureaucratic structures favor trade liberalization via two mechanisms: by limiting interest groups access to bureaucratic processes and by reducing the number of bureaucratic veto players.

This paper uses the case of Japan to illustrate these propositions. Japan's experience from the late-1990s to the mid-2010s provides empirical support to the argument. Periods of autonomy and consolidation correspond to periods of increased trade liberalization. As politicians start implementing measures that erode bureaucratic autonomy, so does trade liberalization. When the government moves decision making authority to a bureaucratic venue with more autonomy and consolidation, trade liberalization increases as well. This is not merely coincidental. These waves of variation in bureaucratic autonomy and consolidation showcase variation in the mechanisms proposed in this paper as well. When autonomy and consolidation are high, interest group access decreases. Conversely, when autonomy is low,

interest group access increases.

To test whether the proposed mechanism explains variation in Japan's trade policy, I assessed the extent to which several observable implications derived from the argument are realized. I show bureaucrats proactively led the change, formulating a comprehensive, long-term FTA strategy targeting a range of economic and non-economic goals across long-time horizons. As personnel affairs reforms decrease autonomy, a diverse range of interest groups are able to influence trade policy, leading to a proliferation of exceptions in PTAs. Finally, with the creation of the TPP Headquarters, decision making authority over trade negotiations moves from a venue that provides access into one with less access.

Taken together, the evidence presented in this paper uncovered how changes in administrative procedures and laws can cumulatively change bureaucracies, in the process empowering groups outside the government to shape the direction of trade policy. Bureaucratic structures that make them susceptible to lobbying influence have an effect on policy even if bureaucracies are not the ones solely responsible for said policy. Oftentimes, this effect runs counter to what politicians want to achieve when embarking on bureaucratic restructuring projects. As shown in the Japanese case, such political discourse often claims increased political control over the bureaucracy as a solution to better policymaking. Notably, the DPJ explicitly tried to reduce bureaucratic influence and limit bureaucratic participation in policymaking to reduce entrenched vested interests and bolster its political leadership. Yet this focus is counterproductive: As this paper has shown, reducing bureaucratic autonomy has the opposite effect of increasing interest groups' access to policymaking, leading to narrowly targeted demands curtailing liberalization.

References

- Aggarwal, Vinod K. and Seungjoo Lee. 2011. The Domestic Political Economy of Preferential Trade Agreements in the Asia-Pacific. In *Trade Policy in the Asia-Pacific*. Springer New York pp. 1–28.
- Allee, Todd and Manfred Elsig. 2017. “Veto Players and the Design of Preferential Trade Agreements.” *Review of International Political Economy* 24(3):538–567.
- Amsden, Alice H. and Wan-wen Chu. 2003. *Beyond Late Development: Taiwan’s Upgrading Policies*. The MIT Press.
- Ando, Mitsuyo and Shujiro Urata. 2018. Determinants of FTA Utilization for Japan’s Imports: Preferential Margins and Restrictiveness of Rules of Origin. Technical report Research Institute of Economy, Trade and Industry (RIETI).
- Baccini, Leonardo. 2019. “The Economics and Politics of Preferential Trade Agreements.” *Annual Review of Political Science* 22:75–92.
- Baron, David P. and Roger B. Myerson. 1982. “Regulating a Monopolist with Unknown Costs.” *Econometrica: Journal of the Econometric Society* 50(4):911–930.
- Battini, Stefano. 1998. “Administration et Politique en Italie: des Logiques Contradictoires.” *Revue Française D’Administration Publique* 86:205–218.
- Bawn, Kathleen. 1995. “Political Control Versus Expertise: Congressional Choices about Administrative Procedures.” *American Political Science Review* 89(1):62–73.
- Betz, Timm. 2017. “Trading Interests: Domestic Institutions, International Negotiations, and the Politics of Trade.” *Journal of Politics* 79(4):1237–1252.
- Biber, Eric. 2011. “The More the Merrier: Multiple Agencies and the Future of Administrative Law Scholarship.” *Harvard Law Review Forum* 125:78.

- Buzbee, William W. 2005. "The Regulatory Fragmentation Continuum, Westway and the Challenges of Regional Growth." *Journal of Law and Politics* 21:323–363.
- Calder, Kent E. 1989. "Elites in an Equalizing Role: Ex-Bureaucrats as Coordinators and Intermediaries in the Japanese Government-Business Relationship." *Comparative Politics* 21(4):379–403.
- Carpenter, Daniel P. 2001. *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862-1928*. Princeton, NJ: Princeton University Press.
- Catalinac, Amy. 2016. *Electoral Reform and National Security in Japan: From Pork to Foreign Policy*. Cambridge: Cambridge University Press.
- Cheong, Inkyo and Jungran Cho. 2009. Rules Of Origin And Agricultural Trade Liberalisation In Major Free Trade Agreements. In *Free Trade Agreements in the Asia Pacific*, ed. Christopher Findlay and Shujiro Urata. Vol. 11 World Scientific Publishing Company pp. 1–28.
- Davis, Christina L. 2012. *Why Adjudicate?: Enforcing Trade Rules in the WTO*. Princeton, NJ: Princeton University Press.
- Davis, Christina L. 2019. Japan: Interest Group Politics, Foreign Policy Linkages, and the TPP. In *Megaregulation Contested: Global Economic Ordering After TPP*, ed. Benedict Kingsbury, David M. Malone, Paul Mertenskötter, Richard B. Stewart, Thomas Streinz and Atsushi Sunami. Oxford: Oxford University Press pp. 573–591.
- Doner, Richard F., Bryan K. Ritchie and Dan Slater. 2005. "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective." *International Organization* 59(2):327–361.

- Ehrlich, Sean D. 2007. "Access to Protection: Domestic Institutions and Trade Policy in Democracies." *International Organization* 61(3):571–605.
- Ellinas, Antonis A. and Ezra Suleiman. 2012. *The European Commission and Bureaucratic Autonomy: Europe's Custodians*. Cambridge University Press.
- Elsig, Manfred and Cédric Dupont. 2012. "European Union Meets South Korea: Bureaucratic Interests, Exporter Discrimination and the Negotiations of Trade Agreements." *JCMS: Journal of Common Market Studies* 50(3):492–507.
- Evans, Peter B. 2012. *Embedded Autonomy: States and Industrial Transformation*. Princeton, NJ: Princeton University Press.
- Farber, Daniel A. and Anne J. O'Connell. 2014. "The Lost World of Administrative Law." *Texas Law Review* 92(5):1137–1189.
- Farhang, Sean and Miranda Yaver. 2016. "Divided Government and the Fragmentation of American Law." *American Journal of Political Science* 60(2):401–417.
- Freeman, Jody and Jim Rossi. 2012. "Agency Coordination in Shared Regulatory Space." *Harvard Law Review* 125(5):1131–1211.
- Fukuyama, Francis. 2013. "What Is Governance?" *Governance* 26(3):347–368.
- Gersen, Jacob E. 2006. "Overlapping and Underlapping Jurisdiction in Administrative Law." *The Supreme Court Review* 2006(1):201–247.
- Gray, Julia and Jeffrey Kucik. 2017. "Leadership Turnover and the Durability of International Trade Commitments." *Comparative Political Studies* 50(14):1941–1972.
- Gubbay, Michael Blanga, Paola Conconi and Mathieu Parenti. 2020. Globalization for Sale. Working Papers ECARES 2020-08 ULB – Université Libre de Bruxelles.
- URL:** <https://ideas.repec.org/p/eca/wpaper/2013-304059.html>

- Haley, John Owen. 1994. *Authority Without Power: Law and the Japanese Paradox*. Oxford University Press.
- Hawkins, Darren G. and Wade Jacoby. 2006. How Agents Matter. In *Delegation and Agency in International Organizations*, ed. Darren G. Hawkins, David A. Lake, Daniel L. Nielson and Michael J. Editors Tierney. Cambridge University Press p. 199–228.
- Huber, John D. and Charles R. Shipan. 2002. *Deliberate Discretion? The Institutional Foundation of Bureaucratic Autonomy*. Cambridge University Press.
- Incerti, Trevor, Sayumi Miyano, Diana Stanescu and Hikaru Yamagishi. 2020. Amakudata: A New Dataset of Revolving Door Hiring. Working paper.
- Japan. 2000. Japan - Singapore Economic Agreement for a New Age Partnership - Joint Study Group Report. Technical report Government of Japan, Ministry of Foreign Affairs. Last accessed July 2020.
URL: https://www.mofa.go.jp/region/asia-paci/singapore/econo_b.html
- Japan. 2002. Japan - Mexico Joint Study Group on the Strengthening of Bilateral Economic Relations Final Report. Technical report Government of Japan.
- Japan. 2003. Japan - Thailand Economic Partnership Agreement Task Force Report. Technical report Government of Japan.
- Japan. 2005. Report of the Joint Study Group on Japan - Chile Economic Partnership Agreement / Free Trade Agreement. Technical report Government of Japan.
- Japan. 2006*a*. Joint Study for Enhancing Economic Relations between Japan and Australia, including the Feasibility or Pros and Cons of a Free Trade Agreement Final Report. Technical report Government of Japan.
- Japan. 2006*b*. Report of the India - Japan Joint Study Group. Technical report Government of Japan.

- Japan. 2012. Report of the Joint Study Group for an Economic Partnership Agreement (EPA) between Japan and the Republic of Colombia. Technical report Government of Japan.
- Japan. 2013. Report of the Joint Study Group for an Economic Partnership Agreement (EPA) between the Republic of Turkey and Japan. Technical report Government of Japan.
- JETRO. 2019*a*. Global Trade and Investment Report 2019: The fluctuating international economic order and global business in the future. Technical report Japan External Trade Organization.
- JETRO. 2019*b*. How Will the Use of FTAs in Japanese Imports Change? TPP11 and EU - Japan EPA, half a year after entry into force [Nihon no yunyū ni okeru FTA riyō wa dō henka?]. Technical report Japan External Trade Organization.
- Johnson, Chalmers. 1982. *MITI and the Japanese Miracle: the Growth of Industrial Policy: 1925-1975*. Stanford University Press.
- Johnson, Chalmers. 1987. Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan. In *The political economy of the new Asian industrialism*, ed. Frederic C. Deyo. Vol. 136–164 Ithaca: Cornell University Press.
- Jordana, Jacint and David Sancho. 2004. Regulatory Designs, Institutional Constellations and the Study of the Regulatory State. In *The Politics of Regulation: Institutions and Regulatory Reforms for the Age of Governance*, ed. Jacint Jordana and David Sancho. Edward Elgar Publishing chapter 13.
- Kagan, Robert A. 1998. “Adversarial Legalism: Tamed or Still Wild.” *NYU Journal of Legislation & Public Policy* 2(2):217–245.

- Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency." *American Political Science Review* 100(3):369–384.
- Koop, Christel and Chris Hanretty. 2018. "Political Independence, Accountability, and the Quality of Regulatory Decision-Making." *Comparative Political Studies* 51(1):38–75.
- Lewis, David. 2004. *Presidents and the Politics of Agency Design: Political Insulation in the United States Government Bureaucracy, 1946-1997*. Stanford University Press.
- Lodge, Guy and Ben Rogers. 2006. *Whitehall's Black Box: Accountability and Performance in the Senior Civil*. London: Institute for Public Policy Research.
- Maclachlan, Patricia L. 2014. "The Electoral Power of Japanese Interest Groups: An Organizational Perspective." *Journal of East Asian Studies* 14(3):429–458.
- Manger, Mark. 2005. "Competition and Bilateralism in Trade Policy: the Case of Japan's Free Trade Agreements." *Review of International Political Economy* 12(5):804–828.
- Manger, Mark. 2009. *Investing in Protection: The Politics of Preferential Trade Agreements between North and South*. Cambridge University Press.
- Marisam, Jason. 2011. "Duplicative Delegations." *Administrative Law Review* 63:181–244.
- McCubbins, Mathew D., Roger G. Noll and Barry R. Weingast. 1987. "Administrative Procedures as Instruments of Political Control." *Journal of Law, Economics, & Organization* 3(2):243–277.
- McCubbins, Matthew D., Roger G. Noll and Barry R. Weingast. 1989. "Structure and Process, Politics and Policy: Administrative Arrangements and the Political Control of Agencies." *Virginia Law Review* 75(2):431–482.
- METI. 2011. White Paper on International Economy and Trade 2011. Technical report Ministry of Trade, Economy, and Industry, Tokyo, Japan.

- Milner, Helen and Edward Mansfield. 2012. *Votes, Vetoes, and the Political Economy of International Trade Agreement*. Princeton University Press.
- Moe, Terry. 1989. The Politics of Bureaucratic Structure. In *Can the Government Govern?*, ed. John E. Chubb and Paul E. Peterson. The Brookings Institution.
- MOFA. 2004. Diplomatic Bluebook. Technical report Ministry of Foreign Affairs, Tokyo, Japan.
URL: <https://www.mofa.go.jp/policy/other/bluebook/2004/index.html>
- Mulgan, Aurelia George. 2013. The Politics of Trade Policy. In *Critical Issues in Contemporary Japan*. Routledge pp. 40–52.
- Munakata, Naoko. 2007. *Transforming East Asia: The Evolution of Regional Economic Integration*. Brookings Institution Press.
- Nielson, Daniel L. 2003. “Supplying Trade Reform: Political Institutions and Liberalization in Middle-Income Presidential Democracies.” *American Journal of Political Science* 47(3):470–491.
- Noble, Gregory W. 2011. The Evolution of the Japanese Policymaking System. In *The Routledge Handbook of Japanese Politics*. Routledge pp. 265–276.
- Noll, Roger G. 1971. *Reforming Regulation: An Evaluation of the Ash Council Proposals*. Vol. 837 Washington, DC: Brookings Institution.
- NPA. 2019. Annual Report FY2018. Technical report National Personnel Authority, Government of Japan.
- OECD. 2011a. “The Call for Innovative and Open Government. An Overview of Countries’ Initiatives.”
- OECD. 2011b. “Opening Japan: Comparisons with Other G20 countries and Lessons learned from International experience.”

- Ogita, Tatsushi. 2002. *An Approach Towards Japan's FTA Policy*. APEC Study Center, Institute of Developing Economies, JETRO.
- Owen, Erica. 2017. "Exposure to Offshoring and the Politics of Trade Liberalization: Debate and Votes on Free Trade Agreements in the US House of Representatives, 2001–2006." *International Studies Quarterly* 61(2):297–311.
- Panagariya, Arvind and Rupa Duttgupta. 2003. Free Trade Areas and Rules of Origin. Imf working paper, wp/03/229.
- Pempel, Thomas J. 1999. "The Developmental Regime in a Changing World Economy." *The developmental state* pp. 137–181.
- Reenock, Christopher M. and Brian J. Gerber. 2008. "Political Insulation, Information Exchange, and Interest Group Access to the Bureaucracy." *Journal of Public Administration Research and Theory* 18(3):415–440.
- Rickard, Stephanie J. 2015. Electoral Systems and Trade. In *The Oxford Handbook of the Political Economy of International Trade*, ed. Lisa L. Martin. Vol. 15 Oxford University Press.
- Rouban, Luc. 2015. Political-Administrative Relations: Evolving Models of Politicization. In *Comparative Civil Service Systems in the 21st Century*. Springer pp. 317–333.
- Schaede, Ulrike. 1995. "The "Old Boy" Network and Government-Business Relationships in Japan." *Journal of Japanese Studies* 21(2):293–317.
- Schaede, Ulrike. 2012. "From Developmental State to the 'New Japan': the Strategic Inflection Point in Japanese Business." *Asia Pacific Business Review* 18(2):167–185.
- Scheiner, Ethan. 2012. "The Electoral System and Japan's Partial Transformation: Party System Consolidation Without Policy Realignment." *Journal of East Asian Studies* 12(3):351–380.

- Solís, Mireya. 2013. "Business Advocacy in Asian PTAs: a Model of Selective Corporate Lobbying With Evidence from Japan." *Business and Politics* 15(1):87–116.
- Solís, Mireya. 2017. *Dilemmas of a Trading Nation: Japan and the United States in the Evolving Asia-Pacific Order*. Brookings Institution Press.
- Solís, Mireya and Saori N. Katada. 2015. "Unlikely Pivotal States in Competitive Free Trade Agreement Diffusion: The Effect of Japan's Trans-Pacific Partnership Participation on Asia-Pacific Regional Integration." *New Political Economy* 20(2):155–177.
- Stanescu, Diana. 2020. Agents or Advisers? Bureaucratic Structure and the Politics of Trade Protection. Working paper.
- Stubbs, Richard. 1999. "War and Economic Development: Export-Oriented Industrialization in East and Southeast Asia." *Comparative Politics* pp. 337–355.
- Suleiman, Ezra. 2003. *Dismantling Democratic States*. Princeton, NJ: Princeton University Press.
- Tanaka, Hideaki. 2018. "Japan's Problematic Administrative Reform: A Plea for Neutral Policymaking." Last accessed July 2020.
URL: <https://www.nippon.com/en/in-depth/d00516/>
- Ting, Michael M. 2003. "A Strategic Theory of Bureaucratic Redundancy." *American Journal of Political Science* 47(2):274–292.
- Urata, Shujiro. 2015. Postwar Japanese Trade Policy: A Shift from Multilateral GATT/WTO to Bilateral/Regional FTA Regimes. In *The Political Economy of Japanese Trade Policy*, ed. Aurelia George Mulgan and Masayoshi Honma. Springer pp. 41–70.
- van Lieshout, Elisabeth. 2020. Determinants of Preferential Tariff Concessions. Working paper.

- Vogel, Steven Kent. 2006. *Japan Remodeled: How Government and Industry are Reforming Japanese Capitalism*. Cornell University Press.
- Vu, Tuong. 2007. “State Formation and the Origins of Developmental States in South Korea and Indonesia.” *Studies in Comparative International Development* 41(4):27–56.
- WTO. 2003. Trade Policy Review Sri Lanka 2003. Technical Report WT/TPR/S/128 Geneva: World Trade Organization.
- Yoshida, Reiji. 2014. “Abe moves to boost control of bureaucrats.” *The Japan Times* .
URL: <https://www.japantimes.co.jp/news/2014/05/27/national/politics-diplomacy/abe-inaugurate-new-office-exert-control-bureaucrats/>
- Yoshimatsu, Hidetaka. 2015. Locating Japanese Trade Policy in an Evolving Regional Context. In *The Political Economy of Japanese Trade Policy*, ed. Aurelia George Mulgan and Masayoshi Honma. Springer pp. 196–221.