



# A NEW JAPAN FOR THE TWENTY-FIRST CENTURY

An inside overview of current fundamental changes and problems

Rien T. Segers, Editor

# 4 Japanese contemporary politics

## Towards a new interpretation

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### Introduction

Speaking of ‘the common sense of ordinary folk’ on the fiftieth anniversary of the major governing party, the Liberal Democratic Party of Japan, Hidenao Nakagawa (2006), Secretary General of the party, had this to say. The three priorities those ordinary folk have in their daily lives are (1) sustenance of a community, (2) richness of hearts and minds, and (3) responsive and responsible politics on the basis of party manifestos and public opinion. By community he had in mind the traditional virtues of family, neighbourhood community, workplace community and national community. By richness of hearts and minds he had in mind the traditional virtues of tolerance, generosity, thoughtfulness and mindfulness. By responsible politics he had in mind the constructive interactions between ordinary folk and the party of government with regard to the party manifestos promulgated each year and at every election campaign.

In an interview with the *Yomiuri shimbun* he traced the origins and key threads of the Liberal Democratic Party at its fiftieth anniversary (Nakagawa 2006). Nakagawa says that the origins of the LDP are in anti-militarism. Ichiro Hatoyama, a veteran politician from the prewar period and head of the Democratic Party, fought against the military because the latter was not able to wave the banner of the glory of the nation effectively. Shigeru Yoshida, a veteran diplomat–bureaucrat and the head of the Liberal Party, fought against the military because the latter did not bring the nation to peace with the Allied Powers. Both parties represented the common sense of ordinary folk. These two parties got together in 1956 to establish the Liberal Democratic Party and thwart the Japan Socialist Party, which had united the left-wing and right-wing socialist parties to capture power in 1955. The Liberal wing of the party stressed economic reconstruction and development. The Democratic wing of the party stressed the glory of the nation. The half-century period of economic reconstruction and development was dominated by the Liberal wing of the Party in terms of policy priorities on economic and social policy. Its politics was carried out largely by the bureaucracy. Nakagawa underlined that now is not the time for bureaucrats but that people’s deputies, i.e., politicians, must carry out the three wishes of ordinary folk. As people’s deputies, politicians must be responsive to public opinion and responsible for policy performance.

Whether Nakagawa's succinct recapitulation of the history of the Liberal Democratic Party and his analysis of Japanese democratic politics is agreeable or not is left for my readers to decide. In this chapter I provide my version of LDP-led Japanese politics, and delineate key features of three distinctive phases.

Japanese political development since 1945 is best understood in terms of three periods:<sup>1</sup>

- 1 The period of military occupation and reconstruction (1945–60),
- 2 The period of high economic growth (1960–85), and
- 3 The period of accelerating globalization (1985–2006).

Each period is characterized by particular political institutions and key players. In order to locate the current period in context, it is necessary to recapitulate the earlier periods, even if only in outline. More than any other political party, the Liberal Democratic Party (LDP) dominates the political system in contemporary Japan. The LDP-dominated political system has two broad, salient characteristics: flexibility and adaptability. The LDP has created a framework that has adapted itself through two significant periods in Japan's history, the post-war reconstruction and the subsequent years of strong economic growth. Now, at the beginning of the twenty-first century, the party is striving to create a framework that is capable of adapting itself to the serious work of globalization. In this chapter, I discuss the characteristics of the LDP-dominated political system throughout these three periods, describing the LDP support base, priority policies, and the predominant government ministries, delineating public mood and concerns and comparing the LDP support base with that of the opposition parties.

### **Features of the LDP-dominated political system through history**

Having been soundly defeated in the Second World War, Japan was occupied by Allied forces for seven years. The United States (specifically General Douglas MacArthur) led the Allies, occupying and reforming Japan by indirect, rather than direct, rule. This choice was based on a strong impression that the forces were dealing not with the Japanese, who had intrepidly resisted throughout a war they had almost no hope of winning, but with a Japanese people who welcomed the occupation forces warmly. Moreover, since the US government's top priority was the global confrontation with Communism, it was deemed preferable that as much of the actual governing as possible be turned over to the people of the occupied nation themselves. Few doubt that the foundation of Japan's contemporary political system was rebuilt during the period of occupation.<sup>2</sup> First, the groups in power that had led Japan into war were dissolved and purged. Second, most of the key bureaucrats and personnel, with the exception of war leaders and prominent bureaucrats who conspired with them, were retained. Third, restructuring of the political parties was undertaken mostly by younger bureaucrats who rose to the top during the occupation: middle-aged politicians who had been purged as war

leaders or conspirators during the war and occupation, and younger politicians who emerged on the scene after the war. This restructuring paved the way for the LDP as a center-right party by 1955. Fourth, freedom of expression, labour unions, and a general election system emerged as part of the new framework put forth under occupation reforms, and the left wing was able to significantly expand its power as well. Fifth, Japanese citizens gradually adapted to the new framework, and the general election system in particular came to function as a means of conveying public opinion to politicians.

### **LDP adapts through the three periods**

The following paragraphs discuss the items tabulated in Table 4.1, and show how the LDP adapted itself during the three periods.

The political priorities during the first period, the period of occupation and reconstruction, formed the cornerstone of the political focus that later came to be called the Yoshida doctrine.<sup>3</sup> Based on pacifism, this doctrine renounced Japanese participation in war. The Japan–US Security Treaty was designed to continue the military aspects of occupation by Allied forces, leaving Japan markedly dependent

*Table 4.1* Features of the LDP-dominated political system in the three historical periods

<b>Military occupation and reconstruction</b>	
LDP (predecessor) support base	Self-employed farmers, self-employed businessmen
Priority policies	Employment, energy, financing, obtaining foreign currency, industrial infrastructure
Predominant government ministry	Economic Planning Agency
Public sentiment and concerns	Survival
Reasons for supporting opposition parties	Platform for elimination of poverty, removal of military bases
<b>Strong economic growth</b>	
LDP support base	New middle-class masses
Priority policies	Macroeconomic policies, social policies
Predominant government ministries	Ministry of International Trade and Industry, Ministry of Finance, Ministry of Health and Welfare
Public sentiment and concerns	Desire for economic rebuilding
Reason for supporting opposition parties	Platform for peace and equality
<b>Globalization</b>	
LDP support base	Voters who appreciate optimism in the face of stresses from globalization
Priority policies	Value of currency, science and technology, gender, population
Predominant government ministries	Prime Minister and his Cabinet
Public sentiment and concerns	Desire for risk-sharing and optimistic approach to future
Reason for supporting opposition parties	Platform for community-based system with a more human touch

on the United States for security. Also devoted to economic growth, the Yoshida doctrine focused on reconstruction to boost Japan to a respected position within the international community. Initially, however, there was very strong domestic opposition to this doctrine during the occupation, and it took a great deal of work to merely incorporate it into the Japanese political structure.

This was a period of intense political conflict in Japan. Immediately after the war, extreme poverty drove a large portion of the population to oppose the government. As recovery and reconstruction began to gradually take hold, the center-right gained power, with strong support from the self-employed. This was in 1955. The transition to power was instrumental in the founding of the Liberal Democratic Party of Japan in 1955. A large class of landowning farmers was created by the farmland reforms instituted under the occupation, and support for the LDP increased even in outlying rural areas that had been at the heart of the massive prewar farmers' movement. The increasing support from self-employed businessmen in response to government subsidies and other frameworks fell under this umbrella, as well. Although it is true that the LDP was at times referred to as 'the provincial party', the vast majority of Japan was in fact provincial during the occupation. During this period, policy priorities revolved primarily around economic management policy, to ensure economic recovery and reconstruction through government regulation and administrative guidance designed to address various issues: guaranteeing the food supply; guaranteeing energy supplies (coal for thermal power, dams for hydroelectric power, etc.); the processes for obtaining corporate capital from banks and other institutions; and obtaining the foreign currency required to achieve this.

If one must point to a predominant ministry during this period, it would be the Economic Planning Agency (known at the time as the Headquarters for Economic Stability). The driving force behind this agency was the bureaucrats who had graduated from engineering departments and had experienced an economy mobilized for war during the 1930s. Methods of economic management did not change considerably between the war years and the period of occupation, and the social engineering concepts behind them were adapted from engineering studies. Okita Saburo is a perfect example of this. He believed that, whatever else the public might be concerned about, people's greatest need is for survival, and ensuring food supplies should be given highest priority. Those with vested interests lost everything in the war, and their assets changed hands overnight to become public property through occupation reform. In 1945, Japan had the lowest national income per capita of any country in East or Southeast Asia. The low standard of income and high unemployment rate drove popular opposition to the government. Rising from the ashes was a matter of survival for both the nation and the individual. Based on this popular sentiment against the government, opposition parties enjoyed strong support at this time. Occupation reforms served to strengthen corporate and governmental labour unions, and opposition parties used this energy to their advantage.

Whether in elections or routine Diet debate, political conflict was extremely contentious. There was already strong opposition in Japan to the country's



military relationship with the United States. At the time, factions that felt that welcoming US military bases would involve Japan in war, or serve to invite war against Japan, held greater sway than those that felt it would discourage or prevent Japanese involvement in war. The party that would later become the LDP took the latter stance, while the Japan Socialist Party and the Japanese Communist Party took the former. Another aspect of political contention was the issue of whether building fundamental economic strength to promote national recovery and reconstruction should be given high priority or whether greater concern should be given to improving the household finances of Japanese families and individuals. The former was put forth by the group that would later become the LDP, and the Socialist Party and the Communist Party took the latter as their platform.

During the second period, the years of strong economic growth, Japan followed a path of bureaucracy-driven development. Under this model of development, bureaucrats took the lead in directing the strong momentum behind economic development to most effectively manage the national economy. Specifically, bureaucrats in government agencies administered research and development subsidies to promote technological innovation; took the lead in directing fiscal and financial policy; arranged corporate finance; administered subsidies for less competitive industrial sectors; and ensured a continuous government budget for building industrial infrastructure. Despite the term 'bureaucracy-driven', development was in fact led by a tripartite structure formed by government agencies, business, and the governing parties (the LDP in this case).

Under this structure, the relative positioning of policy was a routine matter and not terribly complicated, determined primarily through discussions and meetings. This was facilitated by similar opinions held by those in government agencies, business, and the governing parties on a host of questions: how to ensure that Japan not participate in war; how to maintain alliances with other nations; how to supply the Japanese people with food; whether or not it was possible to maintain supplies of energy; how to develop Japanese industrial products so that they were the most competitive on the global market; how to raise household incomes so that families could afford to own homes; how to ensure that all Japanese children were able to receive higher education; and how to ensure that the elderly were cared for in their twilight years.

It was also normal procedure for government agencies to present the general principles of policy drafted by themselves to governing parties and the business community. The fact that government agencies have at times been teased with the adage 'government overrules politics' illustrates just how strongly Japanese development was ultimately driven by the bureaucrats in government. Moreover, this bureaucracy-driven political structure did not appear suddenly: its roots lie in pre-modern history, modern history, and the Tokugawa period (1603–1867). It was at the end of the Tokugawa period that the *samurai* were disarmed and became bureaucrats living in castle towns. In contrast to the Chosun dynasty, which reigned in Korea, where men of letters and scholars became bureaucrats, in Tokugawa period Japan it was the warrior class who came to make up the bureaucracy.

Although the governing unit shifted from the feudal clan to the nation with the Meiji Restoration, the bureaucracy-driven political system itself remained intact.<sup>4</sup> A parliamentary democracy was introduced in stages after the Meiji Restoration, and politicians came to occupy the political landscape in addition to bureaucrats. Japanese politicians were not necessarily part of the bureaucracy, but had a difficult time taking action without the bureaucrats on their side – as illustrated by the fact that politicians originally emerged as a force in opposition to government, whereas bureaucrats represented the powers that be in the government. Although the Japanese constitution would seem to indicate that politicians hold a higher position than bureaucrats, this was not necessarily the case.

It was for this reason that, among LDP Diet members, there were politicians extolled as ‘special interest/issue-specific legislators’ who wielded considerable influence over policy, due to their career histories and experience in specialized areas of subcommittee work in party and Diet committees. Though farmers and self-employed businessmen formed the base of support for the LDP during this period, a new body of support for the party came from the new middle-class and ‘new middle-class masses’ that emerged as strong economic growth and the accompanying benefits spread throughout the country (Murakami, 1984). In the process, the relative importance of farmers and self-employed businessmen among LDP supporters steadily diminished. This serious issue, however, did not necessarily pose a critical problem for the LDP, since the majority of the Japanese people considered themselves among the new middle-class masses. The gradual change in the number of Diet seats the party secured in elections was based on the slight drop in the rate of LDP support.

The party’s high-priority policies during this period were securing Japan’s place among the advanced nations, as well as achieving the stable and competitive economic management that would make it possible to maintain this position. Specifically, macroeconomic management and social policy were the top priorities. While the priority of the former needs no further explanation, the LDP became more keenly aware of the need to bolster its social policies if it was to keep the new middle-class masses among its support base. This decision was based on the stagnation and downward shift in support for the LDP.

The predominant government ministries during this period were the Ministry of International Trade and Industry, the Ministry of Finance, and the Ministry of Health and Welfare. In relation to the composition of the population, the budget allocation for the Ministry of Health and Welfare was not overly sizable during this period, and initially one might not consider this ministry as especially dominant within the government. However, awareness of the importance of social policy was already rising sharply. As income levels rose, the majority of the population came to identify themselves as part of the new middle-class masses, and the elderly as yet accounted for a mere 30 per cent of the population. For these reasons, the importance of this ministry had not yet been recognized.

With regard to the support base for opposition parties, one would assume that the rise in income level, coupled with decline in the ratio of workers organized under labour unions, would lower the rate of support for opposition parties; but,

with extreme fluctuation at intervals in the level of support for the governing parties, support for opposition parties rose considerably more than a few times during this period. The extreme fluctuation in the level of support can be attributed to the fact that the opposition parties were able at times to attract a significant portion of the massive block of new middle-class masses to their side. While the opposition parties moved closer to the political trajectory of the governing parties, it is also true that too much similarity between multiple parties can cause conflicts. It is equally true that the constant appeal by opposition parties for greater emphasis on social policies prompted the governing parties to prioritize social policies, and the opposition parties' advocacy of pacifism caused the governing parties to give greater weight to their policy of strengthening alliances with other nations. Though the support base for the opposition parties came from the social strata among the new middle-class masses that valued pacifism and equality, this support faded in more than a few mass-production/mass-consumption industries that acquired foreign currency as market liberalization steadily advanced. Pacifism can lead to protectionism, and this tendency diluted the influence of this variety of principled stance. However, it is in the nature of politics that governing parties at times lose to opposition parties. There is no shortage of scandals involving bribes, corruption, and slips of the tongue in the normal course of things. It is these mis-steps that allow for significant progress by the opposition parties.

The third period to be examined is that of globalization, which spans from 1985 to the present. It was in 1985 that the Plaza Accord was signed by the G7 nations. The Plaza Accord was a revolutionary agreement that normalized purchases of one currency in another currency. Before this, goods and service trading had been the norm, with very little currency trading taking place. In the single year from 1985 to 1986, however, currency trading was 50 to 100 times higher than goods and service trading, and has remained at this level ever since. Dramatically promoting financial integration on a global scale, the Plaza Accord symbolizes globalization.<sup>5</sup>

Globalization ignores national borders; it divides national economies; and it facilitates the merger of the highly competitive. The less competitive gradually slide to lower and lower income levels. This increasing intensity of division and reintegration is what defines the period of globalization. In its broadest sense, globalization is constantly occurring. With revolutionary progress in computer technology, and goods transported daily by air, the momentum behind this phenomenon gained further strength at the end of the twentieth century.

Against this backdrop, where do governing parties find their support base? If the parties that seek to govern continued to stage a frontal attack on, or obvious opposition to, globalization, they would place themselves in a tenuous position. Moreover, globalization will move into every aspect of policy. The governing parties cannot merely accept this inevitability; they must also continuously strive to innovate technology, improve efficiency, and increase competitiveness. The primary concern with regard to the LDP support base must be the companies that continue to compete internationally and an organizational structure that will support these companies.



## **Accelerating globalization**

In the light of recent events, France provides an enlightening comparison with Japan. Both countries are described as having a strong tradition of state-run leadership. In Japan, the Postal Privatization Bill passed the Diet. Though this achievement took longer than many expected, Japan Post, the corporation that runs the world's largest postal savings system, had taken the first step toward privatization. The bill prompted strong opposition even from within the LDP itself and, in a memorable election campaign, Prime Minister Junichiro Koizumi dissolved the Lower House for an election that he called a referendum on the issue of postal privatization, purging the group within the LDP that opposed privatization, and culminating in an overwhelming victory for the LDP (Inoguchi 2007). Globalization demands deregulation and smaller government, but Japan's long tradition of bureaucracy-driven development has slowed progress in both of these areas. For competitive Japanese companies that have already shifted their energy and resources to international development, the country's deregulation is lagging considerably behind, and what progress has been made is limited in scope. Though the US government is also aware of its own problems in adapting to globalization, the United States seems to find it preferable to demand that other countries loosen regulations and/or deregulate rather than demand much of its own uncompetitive domestic companies. The US government hoped that the Japanese government would deregulate more quickly. Sensing that the time was right, Prime Minister Koizumi took a major gamble on this issue. In order to bring public opinion around to favoring globalization, the issue was skilfully framed as a question of confidence in the Prime Minister, which led to election victory. In France, Prime Minister Dominique de Villepin, who had fought to enact a law allowing for the hiring of young people for an initial probationary period, was ultimately forced to withdraw the law due to a massive and sustained campaign of street protests. An attempt to lower the high unemployment rate among young people in France, the law was a compromise proposal designed to promote employment of young people by mitigating French labour laws, which make it difficult to fire an employee once he or she has been hired. However, embracing their social democratic ideals and customs, most of the country's citizens, not just the young people, demanded that the law be withdrawn. The country's prevalent social democratic customs, as well as its strong government regulation of corporations, are an impediment to a nimble response to the challenges globalization poses. We are beginning to see French capital leaving the country. Although the law described above was intended both to prevent this capital flight and to promote the employment of young people, Prime Minister de Villepin's penchant for secretive and independent action ultimately prompted fierce opposition.

### ***Electoral support bases of the LDP***

In a period of globalization, where does the LDP find its base of support? The Japanese citizens who supported the LDP during this period were those who

sympathized with the resolve of the leaders to take an optimistic and aggressive approach to blazing new trails in the face of future uncertainties presented by globalization.<sup>6</sup> They were won over by the enthusiasm and courage in these leaders' willingness to take risks. The majority of the population has a vague sense that, despite the fact that government deregulation and market liberalization, symbolized by postal privatization, may seriously impact their own employment and lives, Japan will face a difficult future without these changes. This public sentiment has been based on Prime Minister Koizumi's unparalleled enthusiasm and courage in taking on these risks himself. This sentiment was further reinforced by the Prime Minister's style of strategically and skilfully expressing carefully thought-out ideas in a few words during the election campaign. In this sense, the body of support for the LDP comes more from those individuals with a strong belief that Japan should now venture optimistically into the vast uncertainty of the future, rather than from a group of people characterized by similar sociological attributes.

High-priority policies have shifted from macroeconomic management to those designed to alter economic standards and regulations as Japan faces the challenges presented by the irreversible advance of globalization. Equally important are policies that address financial relief for the less competitive in society who are left behind in the rough seas of globalization, as well as programs to help these people maintain their standard of living without losing hope for the future. In many respects, Japan has yet to establish a safety net, and even in some areas where there would appear to be such a safety net, we are beginning to see signs of stress. The social policies (the pension system, social welfare, nursing care, health care, etc.) put in place during the years of strong economic growth, when young people made up a significant proportion of the country's population, are posing an economic strain due to the considerable change in the demographics of the population and the waning of economic growth. The lack of gender equality is striking, and any change must defy social mores and prejudices. It is clear that, first and foremost, revolutionary change in corporate culture is necessary.

Resolving these issues depends on a solid approach to reversing the decline in Japan's population, a trend that had already manifested itself in 2005. The notably high trend of childless couples is closely related to each of these other issues. Employment, education, facilities, family, neighbourhoods, and other issues cannot be resolved simply by adjusting the amount of money the government allocates to addressing them. Among advanced democratic nations, it is a matter of routine to allocate significant funds to policies on which leaders have agreed a basic course of action. Globalization, however, has brought to the fore a number of issues that had not previously posed significant problems, and competing in an environment of globalization without addressing these issues is becoming increasingly difficult. For this reason, with the exception of deregulation and cutting national government expenditure, we are seeing less policy emphasis on the Ministry of Land, Infrastructure and Transport, the Ministry of Health, Labour and Welfare, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Internal Affairs and Communications and other ministries that

have traditionally been allocated large portions of the national budget. Naturally, issues taken up by individual extraordinary ministers within the cabinet may at times bring certain policies to the fore. This has been the case with the move to postal privatization endorsed by the Minister of State for Economic and Fiscal Policy and with the prominence of the position of Minister of State for Gender Equity and Social Affairs. Only ministers of state can make a certain ministry or agency predominate. At the larger ministries and agencies, bureaucrats offer strong resistance to political maneuvering, and government agency culture is not conducive to immediate decision making or swift action. With policy allocation a matter of long-established routine, it is difficult to marshal the will at agencies to redesign policy. This is another reason why the prime minister and cabinet positions are assuming increasingly prominent roles in driving government policy. On an increasing number of matters, the cabinet and the prime minister's office are now more directly in charge than bureaucrats.

As this indicates, the cabinet and the prime minister have been the dominant government agencies during the globalization period. Although there are significant systemic differences between presidential and prime ministerial systems, globalization serves to position prime ministers as presidents in countries that have no such elected official. In countries with presidents that play a merely symbolic role, the prime minister acts as president. With prime ministers who play no more than a symbolic role, ministerial secretaries, campaign strategists, or political consultants work behind the scenes on issues related to globalization. Against a backdrop of critical public opinion, the slightest statement by a politician is carefully weighed and measured against anticipated negative public reaction. Even the specialists who carefully craft these political statements are not necessarily guaranteed success: even in these circumstances, their chance is most often no greater than fifty-fifty. However, in the 23 April 2006 Seventh District by-election in Chiba prefecture for a vacant seat in the Lower House, it was clear that Prime Minister Koizumi, despite his boldness and skilful campaigning, had lost his edge to the careful calculations of Ichiro Ozawa, the new face of the Democratic Party of Japan, who put greater emphasis on mobilizing voters and giving a human touch to his campaign.

During this period of globalization, where do the opposition parties find their support base? The transition in the Lower House electoral system from mid-sized to smaller electoral districts was significant, creating serious structural change under which both the governing and opposition parties vie for a single seat in a single electoral district. No less significant, with government spending strained to the limit, the status quo of granting large-scale public works expenditures and subsidies in the form of local grants from central government to local government, or budgetary subsidies to implement large-scale social policy as an agent of the central government, is no longer viable. In order to obtain public works expenditures or subsidies, in matching funds form, local government must secure budgets equal to or greater than the expenditure disbursed by central government. Pork-barrel spending and other funding schemes will no longer come from the

central government, at least not on a regular basis. Voters are no longer enticed by the promises of Diet members to bring money back from central government. In fact, these promises are more often met by troubled expressions from voters in the home district.<sup>7</sup>

What is it, then, that wins voters' support for a politician? The political message now serves to organize a body of support behind a party, and is what determines which demographic will be mobilized. Ozawa Ichiro's slogan in the Chiba by-election, for example, was 'From the line of vision of the people'. To illustrate: on the campaign trail he spoke standing on a pile of crates, and he rode his bicycle around his district to speak directly with the people. He did not emulate Koizumi's respected boldness, skilful rhetoric, or method of giving speeches to large groups of onlookers from the top of a campaign truck. Ozawa had a great sense of competition with Koizumi. He pursued a campaign strategy of asking for voter support at face-to-face meetings with each of the organizations in the district. This style is referred to as street-side campaigning. Not so long ago, street-side campaigning was the forte of the LDP, while exaggerated rhetoric was what the opposition parties were known for. Despite explicit confrontation on political issues, with little chance of opposition parties taking the actual reins of government, these parties were content to stay with grandeur and overstatement, resigning themselves to a permanent position out of power. Today, however, the situation has changed. The primary support for the sweeping LDP policy vision comes from critical voters and those who are anxious about an uncertain future, and the party appeals to these groups with its rhetoric and an image of courage and energy. The reason for choosing this strategy over detailed explanations of policy on the campaign trail is that the public finds it difficult to comprehend concrete policies in the face of inevitable cutbacks in government spending, increasingly strong signs that the tax rate will rise, and intensifying international competition. By contrast, opposition parties have forgone the strategic exaggeration conventionally adopted by parties resigned to being permanently in opposition. Taking advantage of the fact that they themselves are not in charge of government policy today, they have adopted a strategy of setting themselves slightly apart from the realm of day-to-day policy, emphasizing instead the human touch: shaking hands and speaking with as many voters as possible throughout their districts, listening to their troubles, providing a sympathetic ear, and creating the impression that they are the ones who really represent the people.

### **LDP strategies under globalization and their limitations**

The increasing intensity of globalization has created a distinction between political and election campaign strategies, effectively narrowing the range of political options that politicians are able to choose from. Globalization emphasizes the economic unit, which exists in an environment of cutthroat competition. One of the only political strategies available is to take an optimistic approach and face globalization head on. Human activity, which for more than a century has

been organized in units representing sovereign nations, is being reorganized at a dramatic speed into units at the global level.<sup>8</sup> Resisting this reorganization is an exercise in futility; it is not something that can be done, given the pace of progress in human technology.

What is possible is to determine the speed at which the market will globalize and which specific sectors will be primary focal points of globalization. Political strategies will not stem the tide of globalization, and fragmented policy will only succeed in giving one's own side avenues for retreat. This type of policy most often serves only to slow down or delay striking back. Retreat tactics are, however, extremely important politically. They also represent an emotional 'social safety net'. Even without any obvious major economic significance, retreat tactics are a social and political necessity in an era of globalization. Without these strategies, public support tends quickly to hollow out. LDP support could conceivably implode. It is for precisely this reason that election campaign strategies must embrace the public, speaking decisively to people's worries, troubles, dreams, sentiments, dissatisfaction, complaints, and the animosities of the moment. These strategies must be crafted to soothe the concerns of the public. At the same time, politicians must constantly take action in pursuit of the efficiency, profitability, harmony, and transparency that globalization demands so relentlessly. Without this strategic combination, we cannot expect timely progress on any number of battlefronts. Accordingly, politicians on the campaign trail must not only soothe concerns, but also at times must inspire the public as well.

Globalization may bring with it hardship and challenges; nevertheless, attempting to evade this phenomenon is not an option. Workers' skill sets (technical and organizational) are important tools for increasing efficiency, and corporate entities and other organizations must provide employees with career training. Technological innovation is a significant factor in creating profitability, and more money must be spent on science and technology, in the area of research and development. The greater the uncertainty, the more capital must be invested for the future. Rules and regulations, and the ability to properly enforce them, are a large part of achieving harmony. Harmony is not always created on a whim or through empathy; ensuring harmony within the wider society by establishing rules and principles is also important. As corporations need a social identity, so do political parties. Self-regulation is an important aspect of transparency. Organizations must make it possible for those outside the group to gain a clear understanding of the organizations' activities and objectives, as well as the scope and method of their activities. This is equally true for companies, for governments, and for political parties.

How successful is the LDP likely to be in implementing these strategies under globalization? The party may be limited by three notable factors. First is the significant lack of the required type of leadership. Few people at the grassroots level of the LDP are able to take on the risks involved while at the same time displaying an understanding of public sentiment, attracting voters, and soothing people's concerns. LDP politicians are more often capable of only one half of the equation. There is a strong tendency to seek consensus and to profess satisfaction when



setbacks are encountered before the desired results are achieved. This outcome is explained away as the unfortunate result of group decision making. Globalization generates societies based on expertise. The primary goal of every globalization strategy must therefore be to beat out the competition through new expertise and, to do this, leaders must be capable of executing the assessment–decision–implementation cycle practically and effectively.

During the period of strong economic growth (and, naturally, during the occupation/reconstruction period as well), the LDP was able relatively easily to adopt a mode of consensus under a style of leadership that invoked trust in the idea that there was no need for fear so long as the entire country worked together. The LDP General Affairs Council operated on consensus-driven decision making, requiring continuous discussions until the last lone member opposed to any proposal had been brought round to agreement with the rest of the group. This was not a majority vote system. Globalization, however, requires speed, and it is indicative of this that the LDP General Affairs Council abandoned the consensus method on the issue of postal privatization in 2005. This shift in style was made possible by Prime Minister Junichiro Koizumi's leadership. Koizumi, an atypical member of the LDP, is no ordinary leader. He exhibits the bold attitude needed to accept risk and shoulder responsibility, and has the courage and energy required to achieve his goals. The LDP must focus on nurturing among its ranks more politicians capable of this type of leadership.

The second limitation is the matter of competence. The Republicans in the United States are often said to lack competence, while the Democrats are said to lack a coherent stance. Despite the Republicans being the party currently in power, the US public look at the appointments made to high government office and are often left wondering why there are not more people in the Republican Party committed to serving more responsibly. The Democratic Party, by contrast, is often likened to an assortment of non-governmental organizations. While the Democrats are adept at making acute arguments on the environment, energy, civil rights, gender, terrorism, corporate donations, tax cuts, and a variety of other issues, many question their coherence as a party unit. To a certain extent, this same comparison holds true between the LDP and the Democratic Party of Japan (DPJ). In the face of globalization, the LDP must work to further boost the competence of its members. It is obviously unreasonable to expect every one of the hundreds of Diet members to reach this level. As representatives of the people, Diet members serve a diverse array of people, which itself is not problematic. The fact is that, of the hundreds of representatives, a mere 10 per cent leave the impression of being well-rounded politicians, effective both politically and in terms of policy making, with a good sense of style, and capable of effectively executing measures that address globalization-related issues. We have reached the end of an age in which simply intermediating, handing out subsidies, and delegating real responsibility to civil servants was sufficient, as it was during the period of strong economic growth. The age of globalization has rapidly reduced the significance of all three of these previously sacred characteristics.<sup>9</sup> A public opinion survey taken in 1986 in Mito City, Ibaraki prefecture notably found a high rate of approval for the provi-

sion of services (acquisition of subsidies and individual favors) to home districts. In the survey, 14.7 per cent of respondents indicated that they had benefited from the former, while 3.8 per cent had benefited from the latter. By contrast, the Diet survey conducted prior to the 2003 Upper House election clearly indicated that almost no services were being provided to home districts. In this survey, only 0.09 per cent of respondents reported receiving the former and only 0.03 per cent reported receiving the latter.<sup>10</sup>

The third limitation of the LDP, the elimination of giving real responsibility to civil servants, overlaps somewhat with the second, described above. The LDP has achieved immense success by depending wholeheartedly on the class of bureaucrats who, basically, derived from the *samurai*. During the period of strong economic growth, the bureaucrats facilitated a structure that provided major support for the activities of politicians. As a group, the bureaucrats have compensated for the many elements that politicians have lacked – playing the role of the brains behind the curtain, which is why Kasumigaseki (the place where many ministry buildings are located) is considered to be the LDP brains trust. A government cannot, however, afford this type of structure in a globalized world. Bureaucrats tend to prefer middle-of-the-road, common-sense solutions. While they demonstrate technocratic competence, novel and imaginative ideas come few and far between. Bureaucrats tend to strive for simple honesty within a group-oriented, lasting legal and regulatory framework, attributes that derive from the *samurai* traditions of the Tokugawa period. The bureaucracy-driven political system is a Japanese tradition dating from this period of history. The question now becomes how successful will politicians be in extracting themselves from this tradition. The extreme unpredictability of globalization renders this system rather ineffective. In a period of globalization, understanding and embracing human emotion and public sentiment becomes of primary importance, and the *samurai* system does not translate well under these conditions. The time is ripe for politicians to take the reins. The majority of LDP politicians, however, have in the past depended excessively on civil servants, and they must cease to do so if they are to continue to be successful. Breaking the dependence on bureaucrats in the area of legislation requires a break from conventional wisdom on the part of politicians. They must become more technocratically competent than the bureaucrats themselves. Conceptual breakthroughs come in flashes of insight into how to appease the forces of globalization, use them to advantage, and rebuild the system. These insights must be integrated into a package of political measures that are then presented to bureaucrats, offered for public discussion, and passed into legislation. This is the role politicians have historically played, and it will become increasingly important in the period of globalization.

### **The LDP in the context of political opposition**

How will the LDP position itself during this period of globalization? Three factors will have a definitive effect on determining where the LDP will stand during this period. First, globalization tends to pull both governing and opposition parties to

the centre, which requires tactical retreat on a variety of issues and destabilizes the ruling party's position. The debate between liberalism and conservatism is a major factor in election campaigns. In the 2005 Lower House election, the LDP argued the liberal position on the issue of postal privatization, while the DPJ took a clear conservative stance on the issue. As far back as the 1910s (and, of course, during the period of strong economic growth), conservatism long argued the line that people must pull themselves up by their bootstraps. This principle will not be easily abandoned, no matter what the dictates of globalization. Conservatism is used as a political platform on the issue of the income gap. Japan's economic recession brought the income gap into the spotlight, with a distinction between regular and temporary employees tolerated at Japanese companies struggling with bad debt and financial bottom lines. The obvious disparity created when some temporary workers bore a heavier workload than their tenured counterparts, and at less than half the wages, fuelled dissatisfaction. The fact that companies saddled with an extremely high number of older, highly paid employees were able to hire only a very small number of young workers as regular employees further exacerbated the issue of the income gap. This phenomenon is at times referred to as the emergence of a new class society. Japan, however, does not have to deal with extremely high unemployment rates as some developed countries do. This will allow Japan to regain its footing and resolve the income gap, promote consumption among senior citizens with large savings, and restore employment among young adults, once rapid economy recovery takes hold. The fact that fixed assets taxes and inheritance taxes remain extremely high keeps the income gap from becoming too extreme in Japan.

Second, the series of reforms passed in the 1990s included the Public Offices Election Law and established a basic framework under which only one candidate is selected from each voting district. These reforms created a situation under which one party could obtain significantly more Diet seats even without winning significantly more votes overall. In the 2005 Lower House election, the LDP and DPJ secured very different numbers of Diet seats, although the margin between the numbers of votes for the parties was not substantial. Since then, both the LDP and the DPJ have moved further toward the centre as they have negotiated legislation. In the big picture, there has not been a significant change in the center-right position of the LDP and the center-left position of the DPJ. However, the faction further to the right within the DPJ has in the recent past taken positions even further to the right than the LDP. So long as this remains the case and Ichiro Ozawa continues to represent the DPJ, LDP leaders must be careful not to swing from the right.

This is well illustrated by the public battle spearheaded by Jean-Marie Le Pen, the French politician on the far right in that country's center-right coalition. The governing parties are struggling to find solutions as they realize that high rates of unemployment among young adults, strained government social spending with no room for additional cutbacks, and the flight of corporations out of France are structural issues with no ready political answers. Dominique de Villepin suffered a setback in 2005 in the face of explosive protests when he attempted to enact a

law which would enable employees to hire part time and thus less than fully paid workers. In contrast to then Interior Minister Nicolas Sarkozy's aggressive attacks on and scornful attitude toward the groups of young people and immigrants taking direct political action in the streets, the far right Le Pen has appealed strongly to those on the center-right who vigorously oppose direct political action. It is, however, up to the ruling party itself to appeal to this massive group of protesters. It is not surprising that the center-right ruling party would not want to shift from the right and leave itself open to attack from both the left and the right. This hesitation also holds true for the LDP. The memory of Ichiro Ozawa as leader of the New Conservative Party scuttling a coalition with the LDP, which contributed directly to Prime Minister Keizo Obuchi's death, comes quickly to mind. Prime Minister Yoshiro Mori, who succeeded Obuchi, being forced to resign following his declaration that 'Japan is God's country', is another recent memory, as is Prime Minister Junichiro Koizumi's promise immediately after taking office to make a yearly visit to Yasukuni Shrine. Since leaving the New Conservative Party and becoming the representative of the DPJ in the spring of 2006, Ichiro Ozawa has been complicating matters for the right-wing faction of the LDP by taking positions further to the right than the LDP on the income gap and the subject of reform of the Fundamental Law of Education.

The third factor determining the LDP stand during globalization is related to international security. With the end of the Cold War, the United States has become the world's lone superpower and, as Japan's neighbours have asserted themselves more vigorously, the difference between the positions of the LDP and the DPJ on the Japan-US Security Treaty are seemingly less significant than the differences between factions within each of these parties. There is, in fact, considerable overlap between the LDP and DPJ on this issue. Pacifism governs much of the LDP stance. The constitutional reform proposed by the LDP does not alter that document's original spirit of pacifism, nor does it suggest any change to Paragraph 1 of Article 9. The reform proposes to change the wording of Article 9, Paragraph 2 from 'war potential will not be maintained' to '[Japan] will maintain Self-Defense Forces'. Since the country already maintains this type of force, the proposed reform does nothing more than affirm the status quo, and notably remains true to the basic tenets of pacifism. Nationalism governs much of the stance not only of the LDP, but also of the DPJ. The reform to the Fundamental Law of Education proposed by the governing LDP-Komeito coalition has put pressure on the DPJ from the right. Highlighting the issue of patriotic spirit and approving the introduction of public authority into the private realm through education, this reform has served to push Japanese politics in the direction generally preferred by the extreme right wing. The strength of public opinion on these two issues, however, differs slightly. Some 80 per cent of the public supporting the left strongly favor pacifism, while 60 per cent of supporters of the right say they strongly favor a nationalistic stance. The issues involved with US military realignment in Japan, as well as those involved with participation in international missions (peace-keeping missions, foreign aid, etc.) are closely associated with the advocacy of pacifism. This is the reason behind relocating US military

bases currently situated amid towns in Okinawa to offshore locations along the Okinawa coast. Offshore locations are intended to minimize the amount of land to be requisitioned for base construction, as well as to minimize the opposition to base realignment. This tactic is different from that taken by the South Korean government, which relocated the US military bases in Seoul to suburbs outside of the city, a move that invited fierce protest from the owners of the land requisitioned for base use. The issues of Yasukuni Shrine, Takeshima Island and the four northern islands are also closely associated with the advocacy of patriotism. The Yasukuni Shrine visits by the Prime Minister appear designed to satisfy supporters on the right. Japan's resolute cooperation as a US ally with the military realignment triggered by the major shift in US military strategy was motivated by a desire to avoid provoking Japanese nationalism-driven anti-American sentiment. What was meant to appease the Japanese right, however, has sharply angered the country's neighbours. Fierce opposition to these moves raged in South Korea and China, making even top-level government meetings between the countries impossible for a time. Although this is in the realm of conjecture, LDP policy, so sharply focused on the United States, is thought to have created blind spots in other areas, as the party has moved to establish a US-led security structure that integrates the three branches of the Japanese Self-Defense Forces and develops a capacity for joint US–Japan military missions. The persistent anti-Japanese sentiment among people in neighbouring countries undoubtedly took the Koizumi administration by surprise.

The Iraq War is another example of blind spots created by excessive focus in one particular area. Until just before Iraq was invaded by the United States, Iraqi President Saddam Hussein apparently believed the possibility of a war waged by Iran in reprisal for the ten-year war of the 1980s to be a more likely threat, and waged a war of rhetoric, insisting up until the Iraq War began that the Iraqi military would destroy Iran even if the US military intervened. (It turns out that this bluster came from Saddam Hussein's refusal to show weakness vis-à-vis Iran precisely because Iraq was not in a position of strength at the time.) This and the statements made by Saddam Hussein as he faced trial, are evidently quite credible. By contrast, the US government had apparently decided to use possession of weapons of mass destruction (WMD) as the reason for military intervention from the outset. The UN weapons inspectors had to leave Iraq without finding WMD, and still the United States was unable to bear in mind the bluster of Saddam Hussein displayed against Iran. Needless to say, only more expansive rounds of research would have brought these issues to light. This illustrates the lesson that concentrating too extensively on one notion when determining actions with regard to other countries creates fertile ground for stunning miscalculations that do not look beyond the assumptions made.

In light of the circumstances described above, the question remains of the form these factors will take. One extremely interesting piece of data that sheds light on this question is the AsiaBarometer. The AsiaBarometer is a project coordinated by the author that examines public opinion in the Asia region, shedding light on the day-to-day life of ordinary people in these countries. A survey conducted in the



summer of 2004 in Association of Southeast Asian Nations (ASEAN) countries, as well as Japan, South Korea, and China, posed the following question: 'Do you think the US has a positive effect or a negative effect on your country?' Thirty per cent of Japanese respondents cited a positive affect, with 32.2 per cent citing a negative affect; while 42.4 per cent of South Koreans surveyed responded positively, with 30.7 per cent citing a negative effect. It is commonly said that Japan toes the pro-US line, while there is a high degree of anti-American sentiment in South Korea. This data, however, suggests a difference between the views at the grassroots level and at the governmental level. The reasons behind the perception among many Japanese that the US has a negative impact on Japan are multiple. In addition to the traditional anti-American sentiment that arises from the security pact between the two countries, others see a negative effect in the mergers in all sectors that stem so readily from global integration in the financial market during globalization, as well as the strong influence of globalization on the global governance sector. All of this indicates that the anti-American sentiment among Japanese does not fall along a left-wing/right-wing paradigm, but instead lies with a fairly widespread perception of the negative effect of the US on Japanese autonomy.<sup>11</sup> Not only does this type of strong anti-American sentiment undermine the LDP's consistently cautious support for US military realignment and the dispatch of SDF forces to Iraq; it has also underscored nationalistic sentiment to effectively stem an increase in the perception of the US as parent to Japan regarding issues such as market liberalization and government deregulation.

The emphasis on a patriotic spirit in Japan, however, has also fuelled an intense backlash from South Korea and China, which has in turn served to further harden sentiment on the part of Japanese nationalists. Nationalists who believe that Japan should refuse to agree with anything neighbouring countries say also strongly reject any coalition with ASEAN countries, South Korea, and China that can be seen as requiring concessions to China, viewing this as the revival of the traditional China-centric structure under which that country required tribute to be paid by other countries.<sup>12</sup>

Why does a coalition of this sort bring to the Japanese mind this traditional hierarchical relationship among the countries of the region? Whenever bilateral free trade agreements with East Asia and Southeast Asia are forged, China is seen as benefiting from the terms to be met by developing countries with regard to world trade mechanisms; as such, China has not been required to submit detailed implementation plans for the liberalization of trade at the time the agreements have been signed. Japan, on the other hand, as a developed nation, has been obliged to submit these detailed plans. This disparity has caused long delays in negotiations on bilateral free trade agreements. This occurred at a time when Japan had yet to fully recover from recession, leaving a strong impression that China had clearly been more successful in quickly establishing active commercial relationships with the ASEAN-plus-South Korea bloc. The agreements signed gave rise to the perception that these countries were submitting to China, which had its counterparts doing its bidding. In *Suishu* ('History of Sui'), it is recorded that, at

the beginning of the seventh century, Japanese Prince Shotoku sent Sui dynasty Emperor Yangdi a letter declaring Japan an equal to the Sui Dynasty, and that the Emperor Yangdi did not take kindly to this at all. Later, at the beginning of the nineteenth century, the Ching dynasty *Jia ging Huidian* listed Vietnam, Korea, and England as countries paying tribute to China, while France, the Netherlands, and Japan were listed as commercial partners. This distance continued between the fourteenth and nineteenth centuries, during which time Japan maintained no bilateral relations with neighbouring countries – the only notable relationships at all being commercial ties. This stance did not necessarily prevent friendly relations, but the lack of modern means for crossing the seas naturally kept Japan at a significant distance from the mainland.

## Notes

- 1 Inoguchi 2006a.
- 2 Inoguchi 2005a.
- 3 Inoguchi 2005b.
- 4 Inoguchi 2005a.
- 5 O'Brien 1992.
- 6 Acemoglu and Robinson 2006; Inoguchi 2004.
- 7 Inoguchi 2007.
- 8 Inoguchi 2004.
- 9 Inoguchi and Iwai 1987.
- 10 Mainichi Shimbun/Tokyo University, *Joint Survey Results*, July 2003 (unpublished).
- 11 Sekioka, 2004; Mikuni, 2006.
- 12 Nakanishi, 2005.

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