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"Deep Political Confusion in Japan: What Next?"

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I would like to touch upon Japan's recovery as a nation. The term "recovery" can be rephrased as "rebirth", but usually what triggers a country to be reborn is an occurrence such as defeat in war or a revolution. Japan was once reborn after we lost World War II. This defeat is one example that shows that before rebounding it is necessary for society as a whole to hit bottom and feel the crisis. The feeling of crisis triggers each member of the society to make a desperate effort. However, I must say that currently Japan lacks such an imminent sense of crisis, especially in the field of politics.

In the United States, the economy once fell to the bottom. Consequently, the unemployment rate reached nearly 10 percent, creating great social anxiety. The United States, as a nation, then started addressing its problems and was successfully reborn.

Meanwhile, in Japan, the unemployment rate has doubled recently, but still is only around 5 percent. The situation is not so bad that you see jobless people everywhere in town. Therefore the sense of crisis is not sufficiently felt in society, and the general awareness level of a need for rebirth still is not high enough. Although a variety of reforms have been discussed, they do not seem to be pushed forward. That is also because the necessity for reforms is not well recognized in the society.

Now, the revival of a country can be rephrased as changing the social structure, and the most tangible measure for that is to change the structure of public finance, namely financial reform, or fundamental reform of public spending. For that, what is needed first and foremost is to eliminate the large amount of accumulated deficit. The national budget has no leeway due to the inflated portion that redemption of national bonds occupies in annual expenditure. It means that there is less money left for us to use for the implementation of policies. First of all, in order to eliminate the accumulated deficit and reform the fiscal structure, drastic reform of spending will be necessary. We should begin with a reduction in the number of public servants. That includes government staff in extradepartmental organizations and local public organizations, namely, a reduction in the number of people who are paid from taxpayers' money. In the past several years, there has been a cry for the need for executive reform, and realignment among central ministries and agencies has been pushed ahead. New central government organization also started early this year. However, a reduction of staff has not been implemented at all.

One of the inevitable challenges is the reduction-or, more explicitly laying off-of public servants. This means increasing the number of unemployed people. A drastic cut in public investment is also a must. This may lead to bankruptcy of companies that depend heavily on public works. It also means an increase in the number of unemployed people. We should also stop allocating part of the national budget to the salvation of financial institutions. By doing so, many financial institutions might go bankrupt. This will have a serious effect on the economy as a whole. A number of affiliated companies may go bankrupt. Such a case would generate quite a large

number of unemployed people. We have been concerned about such a scenario and have kept on postponing its implementation, but this is a serious political responsibility.

In sum, it is inevitable that we will face a high unemployment rate temporarily if we are to change the social structure through reform of the fiscal structure. In other words, this will lead to recession. We cannot implement such a blueprint for the recovery of Japan without having understanding from the world, especially Asian nations. Due to the scale of the Japanese economy, the effect on the world economy will be enormous. The biggest point will be whether the United States understands, endorses, and supports this scenario. However, I am afraid that we lost the chance to act on this scenario because the United States entered into an economic downturn.

Now, I would like to talk about my personal views on Japanese politics. When people establish some kind of a group, there will always be a "nucleus" by which those people are bound together. I think this applies to all kinds of situations. For example, the nucleus of a private company would be the gain of profits. A religious body should have a dogma. A political party is no exception: it must have some kind of nucleus. For a political party, such a nucleus would be a "policy." Before the end of the Cold War, it was an "ideology" rather than a "policy."

The fundamental ideology of the Liberal Democratic Party (LDP) was literally "Liberal democracy." During election campaigns when I was a young Diet member a slogan of the LDP was "Let's protect liberty in our society!" At that time, our rival was the Socialist Party, which advocated the construction of a socialist nation. So, I think our campaign slogan was appropriate.

However, when the Soviet Union collapsed and the Cold War ended, the Socialist Party lost its fundamental ideology. In the end, the party also collapsed. On the other hand, the LDP was no longer the only political party whose ideology was "liberal democracy." In other words, before the end of the Cold War, the LDP was the only party who maintained such ideology, but now all the political parties in Japan except for the Communist Party came to approve the same ideology. As the LDP lost its monopoly of the ideology, the party lost its nucleus to bind the members together.

The current political arena of Japan has been developed based on that great change in the ideological situation. If it's not the ideology any more, what is the nucleus of the current LDP? I would say it is to be "the power." Then what are the nuclei of other parties? To name a few, the Democratic Party of Japan (DPJ) is anti-LDP, the Komeito Party is religious, the Liberal Party is Ichiro Ozawa, the Social Democratic Party is Takako Doi, and only the Communist Party maintains its ideology-communism. The nucleus of the Conservative Party, which forms the coalition government with the LDP and Komeito, is also to become a political party in power. As you can see, except for the Communist Party, no party has an ideology or policy-which is supposed to be an essential element to form a political party.

I cannot help saying that this is abnormal. I do not think such an abnormal situation can last long. Japan can no longer afford such a chaotic political situation. But how can we change the situation? How can we restructure the political arena? And how will it end? Now, as you may know, Prime Minister Yoshiro Mori suggested that he would resign sometime in April. The LDP members have started discussion about the new president. But no matter who becomes the new president, I do not think the LDP will recover as it used to be because, as I mentioned before, the LDP no longer has a good reason to form a political party. I am pretty sure that the LDP will be completely defeated in the upper house election in July. That is, the LDP and its ruling partners will lose the majority in the Upper House.

On the other hand, the LDP and its partners hold the majority in the Lower House, and it, of course, desires to keep this situation as long as possible. But, if the new prime minister is elected before the Upper House election, I think it is inevitable to call the Lower House election at the

same time of Upper House election for the purpose of asking the nation's judgment. In the past, double elections (or same-day elections) brought good results for the LDP. So, it might be better for the LDP to call the Lower House election at the same time, but I think it will still be very difficult for the coalition parties to keep the majority.

In the case that the LDP and its ruling partners lose the majority in the Lower House, it naturally means there will be a change of regime. That is, the LDP will go out of power and become the opposition party. In that case, the LDP loses the only reason it has to form a political party: to be the party in power. And with this as a start, the LDP will go on a journey of breaking apart. On the other hand, the second-largest Democratic Party of Japan (DPJ) will also lose its nucleus as the anti-LDP, and the DPJ is also expected to go on a journey of breaking apart.

At this moment, I am not sure if there will be an Upper and Lower House double election this July. But even if only the Upper House election called, Japanese politics are expected to change dramatically from this point. Although there may be temporary political chaos, this is a journey necessary for the future of Japan.

The biggest change in this reorganization will be to find a nucleus to form a political party. We no longer have a plain nucleus as we did during the period of ideology, and people's sense of values have diversified. It would be almost impossible to gather people who have exactly the same idea on every issue. Accordingly, the nature of new political parties will be completely different from the old ones. For example, in the case of voting in the Diet, we now have the so-called "restriction by party decision" whereby all the members of a party are supposed to vote in the same way, according to the party decision. But such a voting system may no longer exist in the future.

At this moment, I must say it is very difficult to draw the whole picture for the new Japanese political arena after the reorganization. Unlike the United States we have a parliamentary system of government. There may be a discussion on introducing a system to elect the prime minister by popular vote. We need a fundamental discussion to reform the current system.

Finally, who will be the next prime minister after Mori? Well, no one knows at this point. This is also very abnormal for Japanese political history. Prime Minister Mori steps down in April, but no matter who becomes the new prime minister at this point, he will be prime minister only until July, or for only four months because of the high possibility of losing the election in July. In this sense, it is also still possible that Prime Minister Mori will continue to hold office until the election. I think we should pay attention to the movement of Shintaro Ishihara, Tokyo's governor. I do not think Governor Ishihara will form a so-called "Ishihara Party" before the Upper House election. Should he form such a party, the party would have a tremendous rush of candidates from all directions. In that case, Governor Ishihara has to take good care of those candidates, but the problem is that he is not the type of person who takes care of other people. That is why I do not think he will form an "Ishihara Party" before the Upper House election.

I think Governor Ishihara's scenario will be the following. Right before the official announcement of the election, he will suddenly stand up as an independent candidate. After returning to the Diet, he will be elected prime minister by nonpartisan support among the newly elected members of the Diet. If Ishihara becomes prime minister, the world community will increasingly be on the alert about Japanese actions, and Japan's foreign policy will have a difficult time. Therefore, I personally do not support the idea of Ishihara for prime minister.

Maybe Ichiro Ozawa, leader of the Liberal Party, has a chance if he announces that he wants to be prime minister. Ozawa often says in various political situations, "I don't have any ambition at all to be prime minister. I'm just considering the future of Japan from the bottom of my heart." Some people think highly of such a remark. They point out there are too many politicians who set

their goal simply to become prime minister, but lack the objectives of what they actually want to do as prime minister. Considering this reality, they say Ozawa's way of thinking is very valuable.

At a glance, such an opinion is plausible, but for me, in this remark I see one of the greatest drawbacks of Ozawa. I see this because he is neither a scholar nor a commentator, but a politician by nature. As a politician, realizing his own beliefs should be the most important matter. What society really wants him to do is to realize his beliefs. To meet such expectations, the best way is, of course, to become prime minister. Thus, if he starts saying that he is eager to realize his beliefs as prime minister, support for him will rise greatly.

In conclusion, it is certain that you will see dramatic movement in the Japanese political scene this year. As I mentioned earlier, the Upper House election or a possible double election in July may bring about a new start in Japanese politics.