



The Berlin Wall of Japanese Politics: The Koizumi-Induced Collapse of the Hashimoto Faction

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On September 20, Prime Minister Junichiro Koizumi was reelected as president of the Liberal Democratic Party (LDP). Although the popular prime minister's victory may not surprise American observers, it is the culmination of an unprecedented change in Japanese politics. It is the collapse of the Hashimoto faction, the largest LDP faction and power broker of Japanese politics over the past 30 years.

On September 9, one of the leaders of the Hashimoto faction, Hiromu Nonaka, announced his retirement from the Diet. He openly criticized his faction colleagues, Kanezo Muraoka, former chief cabinet secretary, and Mikio Aoki, secretary general of the Upper House of the LDP, for showing support for Prime Minister Koizumi for the LDP presidency instead of their younger candidate, Takao Fujii. Nonaka vowed to keep fighting against Koizumi by "cutting off his path of retreat." This represents an irreversible split between the group supporting Koizumi, led by Secretary General Aoki, and the group opposing Koizumi's candidacy, headed by Nonaka.

This phenomenon reminds me of the collapse of the Berlin Wall. Even before the wall's collapse, we somehow sensed the ongoing "great failure" of the Soviet empire, spurred by Mikhail Gorbachev's perestroika. What we did not realize was its grave reality and momentum—until we witnessed the collapse of the wall itself.

The "Gorbachev factor" for the LDP is no doubt Koizumi. Koizumi was elected the president of the ruling LDP two years ago with an unexpected landslide victory. He did this without the cooperation of the largest Hashimoto faction and by appealing to the public with the slogan "Economic structural reform, or I will destroy the LDP." Although his economic agenda does not yet appear successful, Koizumi continues to be highly successful in damaging the existing factional rule of the LDP. In a newspaper interview on September 11, 2003, Koizumi triumphantly stated that the LDP's factional rule of the past 30 years is almost broken.

Indeed, Koizumi induced the separation of the Hashimoto faction with deliberate tactics. Koizumi offered carrots—ministerial posts in his cabinet—to the Aoki group, while showing the stick to the Nonaka group—an uncompromising policy agenda that clearly eroded the Hashimoto faction's political foundation.

The Hashimoto faction has been the *nomenklatura* in Japanese politics. It ruled the LDP since the early 1970s as the largest and the most powerful "Tanaka-Takeshita-Obuchi-Hashimoto" faction. Until Koizumi, there was no prime minister completely immune from their influence. Koizumi was the bold pioneer, who refused help from the Hashimoto faction and vowed to fight against them. One item of policy agenda, privatization of the Postal Service, has been the symbol of Koizumi's rebellion against the Hashimoto faction, a faction that monopolized the political benefits from the network of *Tokutei Yubinkyoku*, or special types of hereditary post offices, which the faction founder, Kakuei Tanaka, created.

While Gorbachev was the catalyst, there were key structural causes for the collapse of the Soviet empire—and naturally for the LDP as well. The political reform legislation of 1994 had a direct impact on the collapse of factional politics. The collapse of the Soviet Union ended the Cold War. The end of the Cold War finished Japan's 1955 system, after which the LDP monopolized power for 47 years by claiming they were keeping out Marxist opponents. In 1993, the first non-LDP coalition, the Hosokawa government, passed the political reform bill in the Diet with enormous support from the Japanese public. It

introduced a new electoral system for the lower house election—namely a combination of single seat constituency and proportional representation. It also introduced a strict rule on political finance and public financial assistance to political parties, reforms that eroded the LDP's power.

Traditionally, the centripetal force of a faction is created with three tools: financial assistance, election help, and allocation of party and governmental posts. With the new financial rule, it is increasingly risky for faction leaders to collect huge funds to distribute to its members. Concurrently, competition among LDP candidates in the traditional multi-seat constituency disappeared. And, instead of the faction, the central party leadership allocates “legitimized” public finance to each candidate, leading to the loss of the faction's “financial” function.

Factions have also lost their “election help” function. Emerging non-Marxist opposition has given birth to popular leaders. In order to defeat the opposition, the LDP members want their party leader to be publicly “appealing” rather than a good manager of factional balance. Currently, two opposition leaders possess that quality—Naoto Kan, the leader of the Democratic Party of Japan (DPJ), and Ichiro Ozawa, the leader of the Liberal Party—and they have agreed to merge their parties next month. Facing the emergence of a popular opposition party, young LDP members are in desperate need of a publicly popular leader rather than an unappealing, old-fashioned faction leader.

Koizumi is the first LDP prime minister to ignore allocation of political office by factional coordination. Under Koizumi's revolutionary rule, loyalty to the faction leader did not guarantee ministerial posts. Facing the coming LDP presidential election, Koizumi vowed that he would appoint to his cabinet, members who support his structural reform policy. Koizumi's new rule sounds like common sense, but it has never been carried out that way in LDP's faction rule since the 1970s.

Koizumi will enjoy his three-year LDP presidency, but it will not guarantee him of the prime minister-ship in the coming general election to be held on November 9. In fact, the collapse of the Hashimoto faction inevitably weakens the LDP's traditional support foundation.

To save Communist Party rule in the Soviet Union, Gorbachev initiated perestroika, which ironically resulted in the end of Communist rule. After his perestroika, Koizumi has to win the general election against popular opposition stars. Although Koizumi's popularity is still high, the LDP's popularity is eroding. In addition, Koizumi cannot count on the traditional LDP foundation for support because of the collapse of the Hashimoto faction. Another problem stems from Koizumi's closest political ally, former secretary general Taku Yamazaki, who has been the focal point of a sex scandal. After the election, Koizumi quickly replaced Yamazaki with a popular “young prince,” Shinzo Abe. However, Yamazaki stayed as the vice president of the LDP, and thus, his scandal will continue to be a source of headache for the LDP. Another trump card is that young Abe's election tactics and management have yet to be tested.

Koizumi also has a difficult dilemma: foreign policy or domestic policy. One of Koizumi's advantages in the eyes of the public is his close relation with President George W. Bush. Although he supported Bush's Iraq war and pushed the Diet to pass Iraq assistance legislation, sending Ground Self-Defense Forces (GSDF) for logistical support in Iraq has been on hold. Considering the potential frustration for the Bush administration, Koizumi needs to dispatch GSDF as soon as possible. At the same time, however, possible GSDF casualties may create strong reactions against him in the general election since the Japanese public has not seen GSDF combat casualties since World War II. Moreover, the war in Iraq is not popular among the general public. Koizumi won the intra-party war, but he has to face head on two enormous and difficult tasks: winning the general election AND putting into practice what he promised President Bush. Koizumi's careful tactics in setting his policy priorities and election agenda in these times of difficult international circumstances is key.

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