

JAPAN CHAIR PLATFORM

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The Kan Government Is Stable

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Japan will host the Asia-Pacific Economic Cooperation (APEC) summit later this week. Japan has been represented by a different leader at this kind of international event every year since 2006. Shinzo Abe, Yasuo Fukuda, and Taro Aso, all of the Liberal Democratic Party (LDP), each resigned as prime minister in the face of a divided Diet, where the ruling LDP had a majority in only one of the two houses. The Democratic Party of Japan (DPJ) took over in 2009, but the pattern of short-term governments continued when Yukio Hatoyama resigned this past June due primarily to his mismanagement of the relocation of U.S. Marine Corps Air Station Futenma in Okinawa. The current leader, Naoto Kan, also of the DPJ, also faces a divided Diet after his party's poor showing in the Upper House election in July and has yet to resolve the Futenma issue. Moreover, the Kan government now suffers from a sharp drop in its public approval rating in recent polls. Despite all of this turmoil, Kan's government is more stable than it appears and has the potential to bring U.S.-Japan relations to a new phase.

Oppositions' Power Shortage

There are two major reasons to expect political stability under the Kan government. First, opposition parties, the LDP and New Komeito Party in particular, do not attract enough public support to threaten the DPJ and have reasons to cooperate with the government. According to a survey by Kyodo News conducted in the first week of November, the public approval rating of the Kan government is 32.6 percent and the disapproval rating is 48.6 percent. These numbers are similar to those of mid-July immediately after the Upper House election (approval: 35.3 percent; disapproval: 52.2 percent). The disapproval rating can be explained mainly by criticism of government actions related to the September Senkaku incident with China and Russian president Dmitry Medvedev's recent visit to the Northern Territories. The opposition parties, however, failed to seize the moment. The public approval rating of the LDP has not improved based on the Kyodo polls: 25.8 percent in the first week of November compared to 27.6 percent in mid-July.

Japan today faces numerous policy challenges beginning with economic recovery, and the LDP cannot afford to appear obstructionist. For example, if the Kan government's proposal for a supplemental budget fails in the current Diet session, the LDP will be held accountable given the historic appreciation of the yen and persistent concerns about slow growth. Many business leaders who supported the LDP for a long time would not understand why it did not work constructively with the government to implement economic stimulus measures. New Komeito, on the other hand, has a different reason to promote policy consultations with the ruling DPJ. Such meetings could convince its supporters that the party's policy ideas would be realized, which would help New Komeito fuel its electoral machine in the lead-up to unified local elections scheduled for spring next year. The urgency of economic recovery and calculations about electoral politics can work in Kan's favor.

No Power Struggles

Secondly, severe power struggles should not be expected within the DPJ. If Ichiro Ozawa, who lost to Kan in the DPJ presidential race in September, is indicted in a funding scandal, he will not be able to play a central role in orchestrating the downfall of his chief rival. Ozawa's faction in the DPJ would inevitably lose its centripetal force. Further, many key figures in the DPJ are occupying important cabinet positions and are trying to prove the power of the political regime change that occurred last year. For example, National Strategy Minister Koichiro Genba often stresses that the DPJ will fully utilize its energy to make the impossible possible.

But there is a widespread perception that the DPJ should be more skillful to establish solid internal consensus and to make good preparations when it addresses various issues. Mismanagement often serves as a critical blow to the life of a cabinet, and a good example is the impact of Futenma on the Hatoyama administration. In the case of the Kan government, however, such mismanagement is not necessarily fatal because there is time to recover. The Kan government could enjoy a period without a national election that lasts two years and eight months as long as the Lower House is not dissolved. Among the many postwar prime ministers in Japan, only Yasuhiro Nakasone enjoyed such a long period—more than two consecutive calendar years. The DPJ is therefore less concerned with the question of “whose face is the most appropriate to win a national election.” This is a big difference from the LDP. It is safe to say that both Abe and Aso enjoyed close to unanimous support within the LDP when they were elected prime minister in 2006 and 2008, respectively, because they seemed to be competitive figureheads for the party ahead of imminent national elections. However, that support evaporated quickly when mismanagement of their cabinets led to public criticism and a sharp drop in their approval ratings.

The important lesson from the experience of the LDP is that frequent leadership changes seriously damage public confidence in the government. The Japanese public is fed up with such changes now; 70 percent said Kan should continue to serve as prime minister in a Kyodo News survey conducted just before the DPJ presidential race. DPJ leaders can easily foresee a substantial loss of public confidence if the Kan government has a short life, but short-term stability does not guarantee a long-term regime.

U.S.-Japan Relations

Kan and his teammates need to produce positive outcomes or at least develop policies to end the current trend of short-term governments. Reconstructing the U.S.-Japan relationship is one of the best themes for Kan because the bilateral alliance attracts broad public support today, especially as Japan faces difficult diplomatic situations with its neighbors.

In a joint survey by *Yomiuri Shimbun* and Xinhua News Agency’s weekly magazine conducted in late October,¹ 89 percent of Japanese respondents expressed their concerns about China’s increasing diplomatic pressure using its economic and military strength. Also, 40 percent of Japanese said that Chinese economic growth would have negative impacts on the Japanese economy, while only 38 percent were positive. On the other hand, many Japanese show clear approval of the role of Japan’s alliance with the United States; 75 percent of Japanese survey respondents said the U.S.-Japan alliance is important to Asia. In a different *Yomiuri* survey in early October,² 71 percent of respondents said that Japan needs to deepen its alliance with the United States to “better deal” with issues connected to the Senkaku islands.

For Japan, the reconstruction of the U.S.-Japan relationship will lead to sound developments in relations with its neighbors. Futenma is the first hurdle Japan must clear to rebuild the bilateral relationship. November 28 is the day of the Okinawa gubernatorial election, and the candidates speak with one voice on Futenma: “The base should be relocated outside Okinawa.” Governor Hirokazu Nakaima, who is running for his second term, is no exception and is urging the Kan government to review the U.S.-Japan agreement on Futenma relocation. Though this will remain a very difficult issue for the DPJ regardless of the election outcome, the Kan government is in a good position to resolve the issue. This can best be achieved during the first few months under the newly elected governor when there is the greatest chance to advocate flexibility regarding the existing bilateral agreement. The Kan government can present various economic measures for Okinawa and incorporate them in the fiscal 2012 skeleton budget to be finalized next summer. If no substantial progress is made by next summer, another period of stalemate may ensue.

From a domestic politics point of view, the worst scenario for the DPJ is if Futenma becomes a grave issue in the next general election. Any actions or compromises to avoid this scenario are quite reasonable for the DPJ. If the Kan government can utilize the opportunity during the first few months of the new governor’s term, the Futenma issue will move in a direction of settlement, and the DPJ will be able to present the fruits of its efforts prior to the election. But since the Diet is divided, the DPJ may be required to make various concessions or compromises to obtain the support of the opposition parties, which suggests the political price for resolving the impasse over Futenma could be expensive. But the price is affordable for the Kan government because the DPJ can avoid the worst scenario.

¹ “Distrust of China Soaring, Poll Finds,” *Yomiuri Shimbun*, November 8, 2010, <http://www.yomiuri.co.jp/dy/national/T101107002766.htm>.

² “Handling of Senkaku Row Hits Kan Cabinet,” *Yomiuri Shimbun*, October 5, 2010, <http://www.yomiuri.co.jp/dy/national/T101004003180.htm>.

A Proactive Approach

Any additions to the Kan policy agenda could be useful for strengthening U.S.-Japan relations. For example, the recent decision to consider entering international negotiations on the Trans-Pacific Partnership (TPP) Agreement could be the first step to strengthen economic institutional ties with the United States. Though political bargaining within the DPJ will be required to see this through, the decision is quite successful given the high level of support for TPP in recent public opinion polls. There also appears to be bipartisan support for TPP; lawmakers from the DPJ, the LDP, Your Party, and the Sunrise Party of Japan participated in a meeting hosted by Japan Business Federation (Keidanren) on November 2, which called for Japan's participation in TPP negotiations.

TPP suddenly appeared on the center stage of Japan's policy debate after Kan announced his initiative in a Diet speech in October. Though prepared hurriedly, the Kan government decided to move Japan forward somewhat on regional trade, which is productive given the misperception in the United States that Japan is a country in terminal decline. If Japan can proactively demonstrate ways it can contribute and produce tangible results, then bilateral relations will be greatly improved. It is time for Japan to ask what it can do for U.S.-Japan relations. The Kan government has a clear reason to do so, and the story of TPP suggests that Japan has a chance.

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