

What Will Be the Consequences of the Change in Japanese Leadership?

By Kazumasa Kusaka

Japanese Prime Minister Shinzo Abe stepped down in September having served seven and a half years, the longest premiership since the founding of Constitutional politics in Japan in 1890. Abe achieved a turnaround in Japan's deflationary economy as well as the realization of the TPP11 regardless of the withdrawal of the United States from the originally agreed TPP. He was severely criticized in the media for his perceived lack of leadership in tackling Covid-19, but his public approval rating improved after the announcement of his retirement on a wave of sympathy due to the illness that had prompted his unexpected resignation. Also, his role, together with German Chancellor Angela Merkel, in filling the vacuum created by the absence of US leadership in supporting international coordination was a source of pride for some Japanese. As an ancient Chinese proverb hints, a person's worth is assessed only when he has gone.

In the US, presidential and Congressional elections take place this November, and in Germany a general election to decide on Merkel's successor is scheduled in 2021. The process of selecting Abe's successor in the ruling party Liberal Democratic Party, however, was initiated by his health problem and not based on the outcome of a general election. This time the LDP policy platform will basically stay the same until the next general election, probably next year. The new prime minister, Yoshihide Suga, was a staunch supporter of Abe during his time as chief Cabinet secretary, a position sometimes referred to as the "shadow prime minister". He had been, as it were, the chief chef of "Restaurant Abe" with all the cooking staff supervised by him, with the exception of the floor management. He brings with him the experience necessary to run the country.

So what is going to change? Suga has now a window of opportunity given to a new leader, namely the "first hundred days" coined by US President Franklin Roosevelt. With a high supporting rate and great expectations, he will plan to obtain a full mandate at the next general election, and with this consolidated domestic base he will aim to tackle an international agenda.

This global agenda includes many common issues. A clear and present danger, and indeed a challenge, is how to deal with Covid-19. The G7 countries – the core of the OECD members – are themselves preoccupied with a "my country first" approach and are exhausting their leader's political capital. A lack of cooperation with like-minded countries is evident, not to mention extending a helping hand to emerging countries and developing

countries.

Why do national leaders cooperate with other countries? Historically they have sought alliances with third countries when faced with national security threats from big powers. At other times they aim to create international organizations and institutions, such as the League of Nations founded by Woodrow Wilson, the United Nations, and the Bretton Woods institutions such as the IMF, World Bank and GATT. Their purpose is institution-building to help solve disputes through intergovernmental cooperation. Another such grouping is the G7, which was created in the wake of the Oil Crises of the 1970s that forced the major powers to coordinate their financial, fiscal and energy policies to cope with the challenges. Even at that time globalization was in progress, and under the system of an "open economy" the power and resources of each national government are limited. Without coordination, the effectiveness of national economic policy measures is insufficient. The relevancy of such coordination has been further strengthened over time.

Any newly elected leader needs to build on his or her predecessor's achievements in order to maintain continuity and help reform international institutions that may be in peril. This should be done not in a spirit of exclusivity, but rather by sharing experiences and learning lessons from each other in order to tackle common issues. Such leaders need to tell their own voters that international cooperation is not a "zero sum game", but one that, when wisely done, will result in "win-win" situations. But before even this can be done, a strong leader needs to demonstrate on the domestic front how to tackle social divisions and inequalities, and create a society based on shared compassion.

With a consolidated domestic base, a leader can more confidently tackle the most challenging international issues. In the geopolitical context, issues relating to the Korean Peninsula need to be quickly addressed, as these remain among Abe's unfinished tasks. We hope that Prime Minister Suga will undertake a mission to establish a creative dialogue with North Korea, as well as with South Korea, and help to build a sound regional environment with Japan's closest neighbor.

Kazumasa Kusaka is chairman and CEO of the Japan Economic Foundation (JEF), as well as being a professor of public policy at the University of Tokyo. He previously served as special advisor to the prime minister on global warming after having been vice minister for international affairs at the Ministry of Economy, Trade and Industry.