

## Part 4 (Last)

# Japan's LDP: Shaping & Adapting to 3 Distinctive Political Systems: Military Occupation, Fast Economic Development & Accelerating Globalization

By Inoguchi Takashi

## LDP Strategies Under Globalization & 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. Resisting this reorganization is an exercise in futility; it is not something that can be done, given the course of usual progress in human technology.

What is possible is determining 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 to quickly hollow out. Support for the Liberal Democratic Party (LDP) 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 at times must serve to inspire the public, as well.

Globalization may bring with it hardship and challenges; regardless, attempting to evade this phenomenon is not an option. Workers' skill sets (technical and organizational skills) provide an important tool in increasing efficiency, and corporate entities and other organizations must provide employees with career training. Technological innovation is a significant factor in creating profitability, and a greater amount of money must be spent on science and technology, namely 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 form a large part of achieving harmony. Harmony is not always created on a whim or through empathy; ensuring harmony within the larger society by establishing rules and principles is important, as well. 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 organization's activities and objectives, as well as the scope and method of its activities. This is equally true for companies, governments, and political parties.

## LDP Limited by 3 Factors

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 type of leadership required. Few people in the LDP at the grassroots level 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 profess satisfaction when setbacks are encountered before achieving the desired results. 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 beating 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 to relatively easily adopt a mode of consensus under a style of leadership that invoked trust in the idea that there was no need for fear as long as the entire country worked together. The LDP General Affairs Council operated

on consensus-driven decision-making, requiring continued discussions until the last lone member opposed to any proposal has been brought around 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 then Prime Minister Koizumi Junichiro's leadership. Koizumi, an atypical member of the LDP, was no ordinary leader. He exhibited the bold attitude needed to accept risk and shoulder responsibility, and had the courage and energy required to achieve his goals. The LDP must focus on nurturing more politicians capable of this type of leadership among its ranks.

### 2nd Limitation: Competence

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 being the party currently in power, the US public looks at the appointments made to high government offices and is 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 nongovernmental 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.

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% leave the impression of a well-rounded politician: effective both politically and in terms of policymaking, 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 handing over real responsibility to civil servants were sufficient, as they were during the period of strong economic growth. The age of globalization has rapidly reduced the significance of all three of these previously sacred characteristics.

### 3rd Limitation: Reliance on Bureaucrats

The third limitation of the LDP – the elimination of giving real responsibility to civil servants – overlaps somewhat with the second as described above. The LDP has achieved immense success by depending wholeheartedly on the class of bureaucrats who basically derived from *samurai* (bladesmen). 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 brain 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 which derive from the *samurai* traditions of the Tokugawa Period (1603-1867). The bureaucracy-driven political system is a Japanese tradition dating from this period of history. The question now becomes how successful politicians will 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 depended excessively in the past on civil servants, and they must cease to do so if they are to continue to be successful. Breaking the dependency 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, which 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.

### 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 center, 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 has long argued the line that people must pull themselves up by their bootstraps. This principle will not be

Photo: PANA

easily abandoned, no matter 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 poor financial bottom lines.

The obvious disparity created when some temporary workers endured a greater workload than their tenured counterparts, and at less than half the wages, fueled their 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 like some developed countries. 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-asset taxes and inheritance taxes remain extremely high keeps the income gap from becoming too extreme in Japan.

### Center-Right LDP vs. Center-Left DPJ

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 the 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 center as they have



A candidate in the 2005 Lower House election bows deeply to a voter as he appeals for support on the campaign trail.

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. As long as this remains the case and Ozawa Ichiro 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 the 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 offering no ready political answers. Prime Minister Dominique de Villepin suffered a setback quite recently in the face of explosive protests when he attempted to enact a law similar to that passed in Japan several years ago. In contrast to Interior Minister Nicola Sarkozy's aggressive attacks on and scornful attitude toward the groups of young people and immigrants taking direct

political action in the streets, 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. Coming quickly to mind is the memory of Ozawa Ichiro as leader of the New Conservative Party scuttling a coalition with the LDP, which was sometimes regarded as one factor bringing about then Prime Minister Obuchi Keizo's death. Obuchi's successor, Mori Yoshiro, being forced to resign following his declaration that "Japan is God's country" is another recent memory, as is Koizumi's promise immediately after taking office to make a yearly visit to Yasukuni Shrine. Since leaving the New Conservative Party and becoming the head of the DPJ in the spring of 2006, Ozawa has been complicating matters for the right-wing faction of the LDP by taking positions further to the right than the LDP's on the income gap and the subject of reform of the Fundamental Law of Education.

### 3rd Factor: International Security

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 only superpower, and as Japan's neighbors 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 the DPJ on this issue. Pacifism governs much of the LDP stance. The constitutional reform proposed by the LDP does not alter the 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 Paragraph 2 of the article 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 of the DPJ as well. The reform to the Fundamental Law of Education proposed by the governing LDP-New 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% of the public supporting the left strongly favors pacifism, while 60% 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 (peacekeeping 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 the city, a move which 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 in the right wing. 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 wing, however, has sharply angered the country's neighbors. 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 the capacity for joint US-Japan military missions. This persistent anti-Japanese sentiment among people in the neighboring countries undoubtedly took the Koizumi administration by surprise.

### US Effect: Positive or Negative?

The Iraq War is another example of blind spots created by excessive focus in one particular area. Up until Iraq was invaded by the United States, Iraqi President Saddam Hussein apparently believed the possibility of a war of reprisal by Iran for the 10-year war waged in 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's refusal to show weakness vis-a-vis Iran precisely because Iraq was not in a position of strength at the time.) This and the statements made by Saddam as he faced trial are evidently quite credible. By contrast, the US government had apparently decided to use possession of weapons of mass destruction as the reason for military intervention from the outset. The UN weapons inspectors had to leave Iraq without finding such weapons, and still the United States was unable to recall the bluster Saddam displayed against Iran. Needless to say, a more expansive round 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 of the form these factors will take remains. 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 Asian region, shedding light on the day-to-day life of ordinary people in the countries of the region. A survey conducted in the summer of 2004 in Association of Southeast Asian Nations (ASEAN) countries, Japan, South Korea and China posed the following question: "Do you think the United States has a positive effect or a negative effect on your country?" Of Japanese respondents, 30.0% cited a positive effect, with 32.2% citing a negative effect; and 42.4% of South Koreans surveyed responded positively, with 30.7% 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 view at the grassroots level and the governmental level. The reasons behind the perception among many Japanese that the United States 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 anti-American sentiment among Japanese who embrace a strong economy does not fall along a left-wing/right-wing paradigm, but instead lies with a fairly widespread perception of the negative effect of the United States on Japanese autonomy. Not only does this type of strong anti-American sentiment undermine the LDP's consistently cautious support for the US military realignment and the dispatch of SDF forces to Iraq, it also underscores nationalistic sentiment to effectively stem an increase in the perception of the United States as parent to Japan regarding such issues as market liberalization and government deregulation.

### ■ Backlash from S. Korea, China

The emphasis on a patriotic spirit in Japan, however, has also fueled 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 neighboring 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 tributes to be paid by other countries.

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 obligated 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-South Korea bloc. The agreements signed gave 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 7th century, Prince Shotoku of Japan sent Emperor Yangdi of the Sui Dynasty a letter declaring Japan an equal to Sui, and that Emperor Yangdi did not take kindly to this at all. Later, at the beginning of the 19th century, the *Jia Qing Huidian* composed in the Ching Dynasty listed Vietnam, Korea, and Britain as countries paying tribute to China, while France, the Netherlands and Japan were listed as commercial partners. This distance continued between the 14th and 19th centuries, during which time Japan maintained no bilateral relations with neighboring 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 oceans naturally kept Japan at a significant distance from the mainland.

### ■ Future Prospects

Will Japan be able to ride the tide of globalization without sinking? The author's answer is a cautious "yes." Despite undergoing long periods of hesitation and major failures since the 1985 Plaza Accord, Japan has come through these experiences with a structure in place that is capable of adapting flexibly with the changing times, even in the arena of global competitiveness. The country's traditional structure of bureaucracy-driven development is undergoing significant change, and a more acutely sensitive



Author Inoguchi Takashi

Japan is emerging, focused on the market and grounded in more advanced technology. At the same time that Japan is becoming increasingly integrated under the US military, it is also significantly bolstering its own military strength. While Japan's economic ties with the United States and the European Union remain powerful, the Japanese economy is also being integrated with that of the neighboring Asian countries at an unparalleled speed. These ties will ultimately increase the range of options available to the country. Evidence suggests that Japan is building on the independent view of avoiding the traditional hierarchical relationships within the Asian region as the country continues to integrate and nurture close relations with the United States and Europe. This strategy illustrates the attributes that characterize Asia as a region that focuses on the world market while simultaneously pursuing cooperation among Japan, China, India, Indonesia and other major players in the region. Asia itself is now too small a stage for Asia, and the region is poised to escape the narrow confines of Asia to become a player on the world stage. **J.S**

*The author wishes to express his appreciation for the valuable comments made by Professor Jin Chang-soo of the Sejong Institute, South Korea.*

*Inoguchi Takashi is a professor at Chuo University. His academic interests include Japanese politics and international relations.*