Political Outlook for the 21st Century

By Uchida Kenzo

1995 is a year truly worthy of note: it marks the 50th anniversary of both the end of World War II and Japan's defeat in that war, and sees the turn of the century countdown fall to five years. What outlook and vision should Japanese politics have for the 21st century?

However much we search for a strategy for the near future, the fact is that Japanese politics is struggling in a whirlpool of darkness and confusion, and the view of the next century is obscured. To bring the view into focus, it is necessary to take a look at Japan's history over the past half-century.

One theory divides modern Japanese history into 40-year cycles, beginning with the Meiji Restoration. The first cycle, from the first year of the Meiji era in 1868 to 1905, covers the formation of the modern Japanese state to Japan's victory in the Russo-Japanese War. Through its policy of national wealth and military strength, Japan became one of the so-called five big powers of the world. This was a period of ascendency.

The second cycle, from 1905 to 1945, stretches from the Taisho into the Showa era and was characterized by the rise of imperialism and militarism and eventually Japan's defeat in WW II. This period was one of descent. The third cycle, from 1945 to 1985, saw Japan's rebirth as a pacifist state and its growth as an economic power; another period of ascent.

The fourth cycle takes us up to the year 2025. We have only traveled through the first decade of this cycle, so its overall hue remains unknown. Accordingly, the main theme of this article will be to forecast and describe the prospects for Japanese politics at the beginning of the 21st century.

End of the road

Why was 1985 such an important turning point? The prime minister at the time was Nakasone Yasuhiro, whose Cabinet lasted from November 1982 until November 1987. A politician with a keen sense of history and worldview, Nakasone was influenced by the 40-year cycle theory. His basic point, of course, was that the as-yet-unknown fourth cycle should not be allowed to turn into another period of descent and that the up-down pattern should be reversed by making the fourth cycle another one of ascent.

For this very reason, when the Liberal Democratic Party scored a resounding

Photo: Kyodo News Service

Criticism has been raised that the Murayama administration has been inadequate in meeting the challenges of a steady succession of problems.

victory in the simultaneous elections for the House of Representatives and House of Councillors in July 1986, maintaining its 300 seats in the lower house, Nakasone proclaimed that the so-called "'55 system" (centered on the LDP in power and the Socialist Party, as it was then called, in opposition) had been replaced by a new system.

Nakasone boasted about the beginning of this "'86 system." And indeed, as a result of the sweeping electoral victory, Nakasone was granted a one-year extension as LDP president, becoming the first prime minister in a long time to head a five-year administration, thereby entering the ranks of the LDP's senior politicians.

The Kobe earthquake shook the very foundations of Japanese politics, economy and society.

The year 1986, however, was the high point of the Nakasone administration. From 1987 onward, the LDP rapidly lost its grip on power. In the wake of such factors as the party's initial failure to introduce a sales tax, the outbreak of the Recruit scandal during the administration of Nakasone's successor, Prime Minister Takeshita, and then the forceful introduction of the consumption tax, the LDP eventually fell to its knees. After fielding three prime ministers (Kaifu Toshiki, Uno Sousuke, and Miyazawa Kiichi) in just a short span of time after Takeshita, the LDP's long-running rule of 38 years came to an end in August 1993.

In fact, the dramatically changing situation both at home and abroad was already beginning to shake Japan's political, economic, and social structures back in 1985, long before these events. On the international stage, it was in 1985 that, in the East, Mikhail Gorbachev emerged as the secretary-general of the Communist Party in the Soviet Union and, in the West, the five major industrial nations signed the Plaza Accord.

The Cold-War structure between the United States and the Soviet Union collapsed; in 1989 communist rule came to an end in the countries of Eastern Europe; and in 1991 the Soviet Union itself disappeared from the face of the Earth. In place of Soviet military power, Japan—the economic power—emerged as the United States' biggest rival, and the economic battle between the two countries heated up.

On the economic front, Japan basically shifted gears in the middle of the 1970s, from the high-growth track of the previous two decades to stable growth. But the aftereffects of the so-called bubble economy, created by Nakasone's brand of politics in the second half of the 1980s and the ensuing bursting of the bubble in 1990, continue to undermine the economy to this day.

On the social front, the most serious factor facing Japan is the rapid aging of the population and the declining birth rate. The working population, which supported Japan's high rate of economic growth after the war, is growing older, while the younger generation is shrinking. These demographic changes stand in the background of the political and economic tremors that have hit Japan in the last decade.

To summarize, the direct cause of the LDP's fall from grace was a series of scandals that hit the government, especially the Recruit scandal in 1988 and the Sagawa scandal in 1992. In the background, however, lay a more fundamental reason: The LDP's system of government, which had successfully maneuvered during the period of the U.S.-Soviet Cold War and the rapid growth of the Japanese economy in the 1950s and 1960s, failed to respond properly to the rapidly changing political, economic, and social conditions of the 1970s and 1980s.

Musical chairs

It is against this background that political changes have occurred over the last few years. The political reform debate intensified during the LDP administrations of both Kaifu and Miyazawa, sparking moves toward realignment. A series of new political parties was formed: the Japan New Party, New Party Sakigake (Harbinger), and Japan Renewal Party (Shinseito). In June 1993 the Diet approved a no-confidence motion in the Cabinet of Prime Minister Miyazawa, after which the House of Representatives was dissolved. In the ensuing general election of July 1993, the LDP failed to gain a majority in the lower house. The following month a non-LDP coalition government was inaugurated under Prime Minister Hosokawa.

Six months later, in January 1994, the Diet passed a set of political reform bills, bringing a six-year debate to a close. This tore apart the stitching that held together the Hosokawa administration, which had been nothing more than a patchwork of different groups. Following Hosokawa's resignation, a government was inaugurated under Prime Minister Hata. Following the departure from the ruling coalition of the Social Democratic Party of Japan and Sakigake, however, the Hata administration began as a minority government and lasted for only a couple of months.

In a reversal, the LDP, SDPJ, and Sakigake then joined together to form a new coalition administration at the end of June 1994 with SDPJ Chairman

Murayama Tomiichi as prime minister. In December of the same year, the parties of the Hosokawa coalition, now in opposition, came together to form the New Frontier Party (Shinshinto). The new political map therefore consisted of the LDP and NFP as the two main parties and the SDPJ as a third force. Treading carefully so as not to rock the boat, the Murayama administration managed to make it into 1995.

For the seven years following the outbreak of the Recruit scandal in June 1988, the political world has been in flux over the issues of political reform and realignment. During this period there have been as many as seven prime ministers—Takeshita, Uno, Kaifu, Miyazawa, Hosokawa, Hata, and Murayama—with an average stay in office of less than one year. This game of musical chairs at the top shows just how much turbulence and confusion there is in the political world.

Period of transition

This has been the history of Japanese politics in the 50 years since the war, and in particular in the last 10 years. But in terms of the 40-year cycle theory, we have only just passed through the first 10 years. We still cannot say whether the fourth cycle will be bright or dark, one of ascent or descent. What is certain is that the last half-decade of the 20th century will be a period of transition. The political, economic, and social fate of Japan in the first part of the 21st century—that is, in the fourth cycle—will depend on how deftly we can handle this period. Let me finish the preliminaries concerning historical positioning, therefore, and describe the specific prospects of Japanese politics.

Since around 1985, with just 10 years or so to go before the end of the century, I have been wondering why people do not talk about end-of-the-century theories or, if they do so, it is only in a whisper. Is it because people were so full of dreams about a peaceful utopia following the collapse of the Cold War, or so intoxicated by the showiness of the bubble economy? Whatever the reason, in 1995 the fantasy was quickly blown away by the devastating Great Hanshin Earthquake, which struck on January 17. Since that fateful day, the whole of Japan has been plunged into a mood of grimness and unease—call it, if you like, a feeling of decadence or end-of-the-century blues.

Economically, the languid economy, which was already struggling to get back on its feet, has been pummeled in the last few months by the earthquake, the rapid appreciation of the yen, and instability on the exchange market. People are becoming increasingly concerned about the hollowing out of Japanese industry and resulting job instability. Socially, a series of incidents since the second half of March, especially the sarin gas attack on the Tokyo subway, the shooting of the chief of the National Police Agency, and the sinister shadow of the Aum Supreme Truth religious cult, has given the entire nation the jitters. A dark cloud hovers over the whole country.

The slow pace of politics has become even more serious than before. Although it was a natural disaster, the Great Hanshin Earthquake shook and razed Japan's political, economic and social systems. In particular, the earthquake exposed the limits of Japan's easygoing, peace-at-any-price style of political management. Specifically, it demonstrated to the whole nation the essential contradiction of the Murayama administration and the ineptitude of a robot-like prime minister who was hoisted into his position for strategic reasons alone.

Since the day of the earthquake, the three parties in the ruling coalition (the LDP, SDPJ, and Sakigake), as well as the opposition NFP, have been drawing up post-Murayama scenarios in anticipation of the prime minister's early resignation. In particular, a power struggle over the premiership has started to emerge within the LDP, the largest party in the ruling coalition.

At the same time, speculation has mounted that the lower house could be dissolved and a general election called. It is probable that sometime between the House of Councillors election in July and the end of the year, Japanese politics will experience a general election and a change of administration, sending the turmoil and uncertainty that has reigned since the middle of 1993 into a new phase.

But this general election and change of government will be nothing more than another stepping stone in the transitional period from the collapse of the old system, the '55 system, on the way toward the establishment of a new system. The sequence of trial and error will continue during the five years up to the end of the century.

New common goals and leadership

Let me turn to the question of what Japanese politics should strive for in the 21st century and what it should do to realize these aims. In light of the historical background of the 20th century and the international factors which I have described above, the answers should be clear. First, Japan must establish new common goals for its state and society. Second, political leadership must be displayed to achieve these goals.

According to the 40-year-cycle theory, the aim in the first cycle was the formation and building of a modern nation state. In the second cycle Japan shifted to imperialistic expansion, which ran out of control and eventually led the country to defeat in war. In the third cycle Japan shed its military image and earnestly set off along the path of becoming an economic power. This cycle overlaps perfectly with the half century after the war. Japan was the real beneficiary of the 45 years of Cold War between the United States and the Soviet Union, each vying for military supremacy. It can be said that in the third cycle Japan achieved success by learning from the lessons of history—the prosperity of the first cycle and the misery of the second—and by cleverly taking advantage of the realities of the international situation.

Since 1985, however, the situation both in the world and in Japan has changed dramatically. Internationally, we have seen the rapid advance of internationalization and standardization in the international community. Following

the demise of the Soviet Union, the United States stands in a dominant position. But with the emergence of Japan and the European Union, the world is becoming trilateral. Relations of mutual interdependence are deepening in the international economy. Most probably, walls between nation states and sovereign states that arose in the 19th and 20th centuries will gradually lower.

Domestically, meanwhile, the trend toward decentralization is gathering momentum. The Law for the Promotion of Decentralization, which was enacted in May, will probably become the starting point for a regional renaissance. Of course, the powers of the national government and central bureaucracy are deep-rooted. But it will not be possible to reverse the general direction of administrative reform away from the public sector to the private sector, away from the national level to the regional level, as proclaimed on repeated occasions over the last 10 years or so by the Provisional Commission for Administrative Reform and the Provisional Councils for the Promotion of Administrative Reform.

Two prominent standard bearers of local autonomy, former Kanagawa Prefecture Governor Nagasu Kazuji and present Oita Prefecture Governor Hiramatsu Morihiko, have proclaimed that the central theme of both local and central politics in Japan in the 21st century will be the simultaneous promotion of globalization and localization.

It has frequently been mentioned that the main axis of conflict in politics in the future will be that between big government and small government. But I believe that this analysis is a little too hackneyed. The point is that we must clarify the roles that the central government and local governments should fulfill. To put it a little more specifically, administrative business that concerns the daily lives of citizens should be left entirely to local governments, while the work of the central government should be limited to diplomacy, national security, public safety, and business necessary for national unity.

Domestically, emphasis will be placed especially on the response of the welfare, insurance, and medical systems to the rapid aging of the population. According to a recent estimate of demographic changes, issued in April, people aged 65 years or over now account for 14.4% of the total population, while those aged 14 years or under account for 16.1%. If this trend continues, the proportion of elderly people will equal and then overtake the proportion of youngsters in the near future. According to another demographic survey, today there are four and a half working people supporting each senior citizen; in 2020 the estimated figure will be just two working people for every one pensioner.

This change in the population structure is the main factor behind the pressure for fundamental structural reforms in the political and economic fields. From the second half of the 1950s to the first half of the 1980s it was the strength of the ever-expanding population of workers that supported the high growth of the Japanese economy and the upward curve of economic development that led to Japan becoming an economic power. Benefitting from the nuclear and dollar umbrellas that the United States provided during the Cold War, Japan was able to devote itself to economic affairs. Its growth was made possible by the two baby-boom periods that guaranteed that the population of workers would go on increasing.

Now, on both the domestic and international fronts, the favorable conditions provided by the international, economic, and social structures are coming to an end. This is the reason why both Japan and the world have been going through a transitional period in the decade since 1985 and why we have to hasten to prepare ourselves for the approaching 21st century.

Need for thorough structural reform

By now the conclusion should be clear. In preparation for the 21st century, Japanese politics and the economy must hasten to carry out structural reforms in various areas. The realization at the end of 1994, following a six-year debate, of such political reforms as the revision of regulations concerning political funding and the introduction of a new electoral system for the lower house represents no more than a modest first step in this direction. With regard to the Diet, which is the highest organ of state power, we still have to implement reforms of Diet management and the electoral system of the House of Councillors.

Then we must turn our attention to regional and local assemblies. Needless to say, the two pillars of administrative reform, deregulation and decentralization, are still only at the halfway point. Deregulation actually means nothing else than a full reform of the economic structure. The time is ripe for digging a scalpel into the close-knit relations that have developed over a long period of time between the government, bureaucracy and business.

Above all else, the promotion of these structural reforms will require a fundamental change of attitude on the part of politicians and business leaders. After all, it has been the lack of political leadership over the last 10 years that has plunged Japan into troubled waters. As I explained above, it took the Great Hanshin Earthquake of January 17, 1995 to release a storm of criticism against Japan's lethargic attitude of not wanting to rock the boat and constantly putting off decisions until tomorrow. Now we must take political action to break out of the kind of anarchic state of affairs that has continued for several months since then.

Quite probably, before the end of the year, we will experience a major political event—either a change of administration, or a dissolution of the lower house and a general election under the new electoral system, or both. Hopefully Japanese politics will seize this opportunity to implement structural reforms in preparation for the 21st century and to establish the leadership necessary for the next century. JJTI

Uchida Kenzo, a political commentator, is president of Shinkoso Forum and professor at Tokai University. He held various positions at Kyodo News Service until 1982.