

## DPJ Makes Big Strides, Bolstering the Development of a Two-Party Political System in Japan

IN the 20<sup>th</sup> House of Councillors election on July 11, the ruling Liberal Democratic Party (LDP) suffered an embarrassing blow as it won only 49 of the 121 seats up for grabs, missing its moderate target of 51. By contrast, the main opposition Democratic Party of Japan (DPJ) made great strides, gaining 50 seats, a sharp rise from the 38 up for reelection. The poor showing of the LDP apparently reflects voter anger over new legislation that raises mandatory pension premiums and reduces benefits, and the participation of Japanese Self-Defense Forces (SDF) troops in a multinational force in Iraq – two major contentious issues in that election. Despite the lackluster performance of his party, Prime Minister Koizumi Junichiro said he will not step down, citing the fact that the LDP-led coalition retained a firm majority with 129 seats in the 242-seat upper house because the LDP's coalition partner, the New Komeito party, won 11 seats, one more than before. The premier plans to stay until the fall of 2006, when his term as LDP president expires. But political pundits forecast that Koizumi will face difficulties because the Iraqi situation will remain volatile and also because the strong turnout for the DPJ may weaken support for him within his own party.

The smaller opposition parties, meanwhile, fared poorly, with the Japanese Communist Party winning only four seats, down from the 15 up for reelection. The Social Democratic Party retained its two seats. The election results show that the trend toward a two-party political system has gathered steam, with the LDP almost balanced by the DPJ. Voter turnout was 56.57%, roughly unchanged from the final turnout in 2001 of 56.44%. DPJ President Okada Katsuya attributed his party's great strides mainly to public dismay over the Koizumi administration's pension reforms and the decision to have SDF troops participate in a multinational force in Iraq. He declared that a two-party political system in Japan has now set in and expressed his party's resolve to call for

the government to withdraw Japanese troops from Iraq and scrap the pension legislation the ruling bloc pushed through in June.

Analysts believe the inadequate explanations Koizumi made about his pension system reform drive and the deployment of SDF troops in Iraq lie behind the LDP's setback. Voters "disciplined" Koizumi for the "high-handed" political posture he took in dealing with those controversial issues, they say. Moreover, the LDP seems to have been adversely affected by the fact that the benefits of the ongoing economic recovery have yet to filter into local regions where people are still resisting Koizumi's reform initiatives such as a cut in spending on public works, analysts say. Koizumi, who took office in April 2001, vowed to destroy his own party's pork-barrel politics and called on the public to share the pain stemming from his far-reaching reform drives. Such calls prompted industry associations and other LDP power bases to shy away from supporting the party. As a result, the LDP staged an uphill battle in single-seat constituencies nationwide, in which the party had shown a landslide victory in the previous House of Councillors election.

With his clout as prime minister diminished, Koizumi is expected to face difficulties in carrying out his economic policies such as the privatization of postal services and the so called three-part reform, which involves a cut in state subsidies to local governments, the transfer of some authority for tax collection to local governments and a review of tax grants from the central to local governments. He plans to have the Council on Economic and Fiscal Policy, the government's top policy-setting panel which is chaired by the premier, draw up a final report on the privatization

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DPJ President Okada Katsuya giving a campaign speech

of postal services by around September. But many LDP lawmakers, who have vested interests in postal services and are opposed to postal reform, may boost their say within the governing party, raising concerns that the reform may be watered down substantially. Therefore, it is uncertain whether Koizumi will be able to push through the postal and three-part fiscal reforms.

The results of the latest election indicate that the struggle for ruling power will be staged by two major political parties – the LDP and DPJ – in the next election of the more powerful House of Representatives. But both parties have yet to come up with clear-cut policies concerning domestic politics, diplomacy and a picture of the nation's future. Japanese voters will be keeping a close watch on the two major parties for the time being to determine which party to select.