

# CANADA-ASIA AGENDA

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# Japan's "electoral revolution" - changes at home and abroad

By Tsuyoshi Kawasaki

The Japanese general election was revolutionary: it brought to power for the first time since the end of World War II a majority government not led by the Liberal Democratic Party and it saw the final transition to a two-party system brought about by the introduction of single-member electorates 15 years ago. Like any revolution, it will be some time before it is clear if the pressures of real power will allow the new government to bring about promised change.

The general election of August 30, 2009 in Japan was extraordinary. The Democratic Party (DP) won 308 seats out of 480 in the House of Representatives, ousting the Liberal Democratic Party (LDP) from power. Since its inception in 1955, the LDP had always governed Japan, either alone or in a coalition, except for ten months in 1993-1994. This time, it lost almost two thirds of its previous seats, down to a mere 119 from 300, which was nothing short of disaster. Many of its former cabinet members and high-ranking party officials and even a former prime minister, lost their seats. With the highest turn-out in modern times of 69%, the Japanese people spoke resoundingly.

It was a revolutionary event: under the current constitution promulgated in 1946, this is the first time that a former opposition party has secured the majority in a general election to form a government. (Even when the LDP

was not in power, Japan was governed by coalition governments as none of the non-LDP parties had a majority.) In other words, it was the first "decisive and true change of power" in post-World War II Japan. Of course, this type of situation -- that is, a majority of seats secured by a former opposition party after an election -- is nothing new to Canadian politics. But for the Japanese, this election has ushered in a new era of politics, as it indicates not only a clear departure from the LDP years, but more profoundly a structural change from a one-party dominant system based on a multiple-member electoral system to a two-party system driven by the logic of a single-member electoral system. Japan introduced a modified single-member electoral system almost 15 years ago, and its effect is finally being felt. Some have argued that the DP's electoral victory is equivalent to the 1997 return of the Labour Party to power in Britain or to the recent presidential election in the United States. While



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meaningful up to a point, such comparisons miss the significance of the deep structural change of Japanese politics.

The House of Representatives will convene and elect the prime minister on September 16. The DP super-majority in the House gives it the power to elect its president, Yukio Hatoyama, as the 93rd prime minister of Japan. He will then form a cabinet. The LDP will become the main opposition party for the first time since 1993, with far fewer seats.

The Japanese electorate is watching carefully how Hatoyama will execute his party's electoral promises, some of which will be quite drastic if implemented successfully. This is particularly the case for the DP's domestic policy agenda. In its Manifesto issued for the election, the DP had proposed a four-year plan for domestic reform. The same Manifesto sets out the DP's foreign policy agenda, which is less specific. It has already caused both positive and negative responses inside and outside Japan, as it seems to depart from the pro-US agenda pursed by the LDP.

#### THE DP POLICY AGENDA

Although it is still too early to gauge the impact of the DP's victory, there are some hints and pointers to what's in store. The most important source is the DP's Manifesto (its English version is available at the DP's website), although it is a mere collection of policies without an overarching framework or philosophy. Looking at the three key areas:

#### Economic Policy: "Putting People's Lives First"

The DP's English-version Manifesto is entitled "Putting People's Lives First." Its focus is on citizens or consumers as opposed to firms or producers. The DP is proposing various entitlement programs. For example, it will introduce child care benefits for families, zero tuition fees for high school students, income support for farmers and a minimum guaranteed pension for seniors (Japan does have a pension program but its future is uncertain given its rapidly aging population and low birth rates). As for the source of financing for this vast spending program, the DP claims it will rework the national budget to mine available funds, as it sees wasteful spending, especially hidden projects and programs pursued by the bureaucracy.

It remains to be seen to what extent these programs will help the Japanese economy recover -- that is, to what extend these programs help stimulate people's consumption as the DP claims they will. As for industrial growth policy, the Manifesto claims to support a set of promising industries such as environmental technology, bio-technology and nanotechnology for future growth. In addition, it proposes a tax cut for small and mid-size companies as well as a new type of employment insurance.

It is worth noting that the DP proposes a set of policies to combat global warming: an introduction of an emissions trading market and "global warming taxes" to cut the CO2 emission levels by 25% from the 1990 level by 2020. This has already attracted severe criticism from big business and the LDP.

#### Reforming Governance Structure

The DP claims that Japan has been governed de facto by the central bureaucracy, and that the new government will take back power from the bureaucrats. The party's proposed measures include the establishment of a National Strategy Bureau, directly under the prime minister, that will be in charge of setting strategic policies for the national budget (i.e., fiscal and tax policy) as well as for foreign policy. Headed by a cabinet-level MP, the Bureau will also include individuals from outside the government. The DP also wants to abolish amakudari (early retired bureaucrats getting positions in public corporations and private companies) as it sees this practice as a quintessential manifestation of bureaucratic power and control over society. Furthermore, the party will send 100 of its MPs as political appointees into ministries and agencies in Tokyo. These moves are designed to weaken the power of the bureaucracy and to introduce politician-driven policymaking processes.

#### Foreign Policy

Hatoyama made a stir when he published an op-ed piece in the New York Times on August 26, 2009, in which he criticized excessive US-led globalization that (in his view) is destroying traditional networks in Japan. He also put forward an agenda for East Asian community building that includes a future common Asian currency. It is not clear to what extent Hatoyama is seriously considering these ideas as he starts governing as the prime minister. His

New York Times article is a translation of an article that was originally written last year for Japanese domestic consumption when he was still in the opposition.

It seems that Hatoyama has changed his tone. He has recently and repeatedly indicated that he is committed to the Japan-US alliance as the core of Japan's foreign policy, stressing continuity rather than change. In a recent telephone conversation with US President Obama, Hatoyama reportedly confirmed the importance of the alliance to his government, as well as agreeing on the importance of anti-global warming policies and antinuclear proliferation measures.

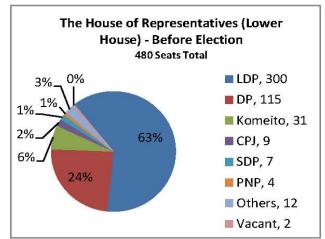
While the Manifesto's main focus is domestic politics, the document has a short list of foreign policies that the DP will pursue. Some of them are somewhat leftish or liberal in orientation, and if pursued in full, would be a significant departure from Japanese foreign policy under the LDP. The DP claims to seek, for example, "a close and equal" relationship with the United States -- i.e., be more "independent and assertive" vis-à-vis Washington. While the Manifesto itself does not elaborate, the DP in this context has argued (1) that it will not renew the oil supply mission in the Indian Ocean by the Maritime Self-Defence Force (MSDF) after the current authorizing law expires in January 2010, and (2) that it will in practice negate the current Japan-US agreement on the Futenma US military air field in Okinawa and start a new negotiation to move the military facility out of the prefecture. Along with the Hatoyama article noted above, these statements suggest that the DP is less pro-US than the LDP has been.

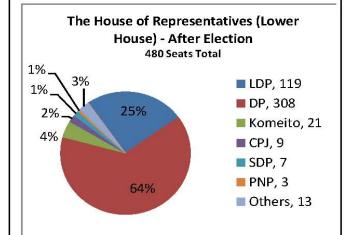
It is not clear to what extent Hatoyama and the DP will "become more realistic" once in power and leading Japan in world affairs. They may change their old platform in light of cold reality as the Social Democrats did in 1993-1994. But at the same time, the DP has announced that it will form a coalition with the Social Democrats as it needs the latter's help in the House of Councilors (upper house) where it is a minority. The current Social Democratic Party (SDP) is more left-oriented than its 1993-1994 predecessor, and it is not clear how much the DP's foreign policy will be influenced by the Social Democrats.

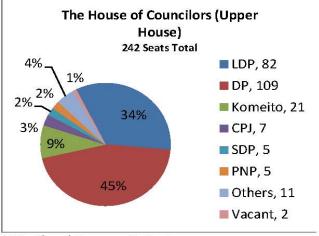
#### **IMPLICATIONS FOR CANADA-JAPAN RELATIONS**

At present there are conflicting signals and factors when assessing the potential impact of the DP's electoral victory on Japanese foreign policy and Canada's relationship with Japan. One way to deal with this is to keep a watch on the balance between the two general forces. On the one hand, there is an underlying pressure for the DP to differentiate its policy from that of the LDP -- that is, to be

## Seat Distributions in the Diet







LDP: Liberal Democratic Party

DP: Democratic Party

CPJ: Communist Party of Japan

SDP: Social Democratic Party of Japan

PNP: People's New Party

more left- or liberal-oriented as set out in the Manifesto. On the other hand, the DP will have to face up to the existing framework or structural constraints surrounding Japan regardless of who is in power in Tokyo. Having said that, however, let me point out the following several potential scenarios:

- Compared with the LDP-led government, the new government is likely to be more willing to adopt stronger environment-friendly policies including tougher anti-global warming policy, despite the opposition of big business (a hitherto pro-LDP group) although labour unions -- a core support group of the DP -- may be a wildcard here.
- The DP-led government will likely be more committed than its predecessor to the agenda of anti-nuclear proliferation and disarmament. Together with anti-global warming projects, this functional issue area is conducive to new partnerships between the new Japanese government and foreign governments.
- In contrast to the Koizumi-Abe-Aso line of pro-US foreign policy under the LDP since 2001, the DP-led government is likely to shift its policy weight -- if not drastically -- to a more "pro-Asia" direction, as suggested by Hatoyama's New York Times article. This also implies the weakening of trans-Pacific ties more generally, including Canada-Japan relations, as the new government's attention moves away from its east coast to the west coast of the Pacific. In other words, the geographical outlook of the new government is likely to be characterized by a heavier focus on Asia proper than by the Asia-Pacific region as such.
- If the DP's plan to weaken bureaucratic power is realized, foreign governments, including the Canadian government, will have to access high-ranking political appointees in each Japanese bureaucracy, including the Japanese Ministry of Foreign Affairs, in order to establish an effective partnership with Japanese

### Key Players of the DP



Yukio Hatoyama, Party President (born in 1947)



Naoto Kan, ex-party President and current Acting President (born in 1946)



Katsuya Okada, ex-Party President and current Secretary General (boarn in 1953)



Hirohisa Fujii, ex-Finance Minister and Current Supreme Advisor (born in 1932)



Ichiro Ozawa, ex-Party Leader and Secretary-General-Designate (born in 1942)



Azuma Koshiishi, Acting Party President and "Leader of the Party in the House of Councilors" (born in 1936)

• In general, the DP-led government will be more reluctant than the LDP-led government to send Japanese troops abroad for the mission of international security in general and for the sake of supporting US-led campaign in particular. Future Japanese contributions are likely to put more emphasis on civilian, as opposed to military, efforts. For example, after (and if) the current oil supply mission by the MSDF is discontinued, Japan may choose to increase its non-military support for reconstructing Afghanistan rather than offering military support. Moreover, the new government is likely to be more cautious in making commitments to peacekeeping activities.

counterparts. These new access channels may provide new opportunities, as well as challenges, to foreign governments in dealing with Japan.

#### KEY PLAYERS TO WATCH

Given the DP's policy agenda, who Hatoyama appoints to the following three positions is critical: the head of a new National Strategy Bureau, Finance Minister and Foreign Minister. As of this writing, the following DP politicians have been selected, according to media reports.

 Naoto Kan, the Minister in charge of the National Strategy Bureau and the Deputy Prime Minister. Kan is a former DP President and Minister of Welfare (before joining the DP), who is well known as a staunch proponent of the anti-bureaucracy movement.

- Hirohisa Fujii, the Minister of Finance. Currently a Supreme Advisor of the DP, Fujii has rich experience in the field of finance as a former Minister of Finance (before joining the DP) and as an ex-bureaucrat at the Ministry of Finance.
- Katsuya Okada, the Minister of Foreign Affairs. A former DP President and a former bureaucrat at the former Ministry of International Trade and Industry, he is known for his expertise on foreign affairs and environmental issues.
- Azuma Koiishi, to be reappointed as the DP's Leader in the House of Councilors.
- Ichiro Ozawa, a former DP President who masterminded the DP's electoral victory, will remain outside the cabinet and will be the DP's Secretary-General (currently occupied by Okada). He will be in charge of the DP's electoral strategy for the House of Councilors election next summer.

#### CONCLUSION

As many post-electoral analyses suggest, many voters chose the DP not so much because they liked its electoral platform but because they were fed up with the LDP. Many electors wonder about the feasibility of the DP's promises, asking where the required money will come from exactly. Furthermore, we shall see to what extent

the foreign policy agenda of the DP will be modified as the DP starts actual foreign policymaking.

Despite its super-majority in the House of Representatives, the DP has already announced it will form a coalition with the SDP, as well as with the conservative People's New Party (Kokumin Shinto). It still does not have the majority in the House of Councilors -- although it has the biggest number of seats there -- and it needs the cooperation of at least the two other parties to pass bills. It remains to be seen if the DP will gain a majority in next year's election for the House of Councilors. Meanwhile, the LDP will have to focus its efforts to rebuild the party apparatus for the next four years, until the next general election for the House of Representatives.

The next general election is four years away. Will the pendulum swing back to the LDP or will the DP form the government back-to-back? Only time will tell. But one thing is for sure: Japan has just gone through an electoral revolution and has entered a new era.

#### DO YOU WANT TO KNOW MORE?

The DP's Manifesto (English version) is available at the DP's English-language website (http://www.dpj.or.jp/english/).

Hatoyama's op-ed piece in the New York Times (August 26, 2009) is available at the following website.

http://www.nytimes.com/2009/08/27/opinion/27ihtedhatoyama.html?scp=2&sq=hatoyama&st=cse

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