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Back to Earth for Mr. Koizumi – and the Alliance by Brad Glosserman

Japanese Prime Minister Koizumi Junichiro took a beating in last weekend's Upper House elections. While his Liberal Democratic Party (LDP) lost seats, the real blow seems to be the prime minister's loss of rapport with voters. The magic is gone, and that means his leverage within the party is shrinking. The election results reflect domestic political issues, but the changing balance of power within the LDP and among Japanese political parties could impact the U.S.-Japan relationship over the long term.

Half the seats in the 242-member Upper House were up for grabs in Sunday's ballot. The ruling LDP went into the vote holding 50 seats and hoped to increase that share at least by one; its coalition partner, the Komei Party, had 10. When the tally finished, the LDP won 49 seats and Komei claimed 11, for a total of 60. The government still controls 139 seats in the Upper House. Psychologically, the big winner was the opposition Minshuto, the Democratic Party of Japan, which upped its seats from 38 to 50, topping even the LDP. This marks only the second time in the postwar era that the LDP did not "win" a parliamentary election.

The results are a boost of confidence for Minshuto, but the LDP and its coalition retain a majority in the Upper House and, more significantly, in the Lower House, where real power resides. In fact, Upper House elections are often viewed as an opportunity to register a protest vote since it is the weaker of the two legislative chambers. Given the prime minister's plunging popularity – his approval rating dropped below 40 percent in recent weeks – the election results were widely anticipated.

Public disapproval focused on domestic concerns. The first issue was the mishandling of public pension reform, a pressing concern that has been effectively torpedoed by reports that leading politicians, including Koizumi himself, had not made payments to the national pension fund. A second concern was the unevenness of the economic recovery and the continuing hardships felt in the countryside. A growing number of rural residents, one of the LDP's traditional strongholds, are now voting DPJ. A final source of unease was Koizumi's announcement at the G8 summit that Japan would continue to deploy Self Defense Forces in Iraq after the handover to a UN-approved interim government in Baghdad. Public disapproval focused not so much on the decision itself, but the fact that Koizumi told President Bush of his decision before he informed the Japanese public.

Despite this seeming rejection of the LDP, the prime minister won't resign to take responsibility for his party's poor showing. The LDP and Komei have said they are ready to stick together, under Koizumi, for the foreseeable future. Attribute the prime minister's longevity to absence of any real

alternative within his party and his faction's emergence as the largest within the LDP.

Minshuto's rise is proof that voters see it as an increasingly plausible alternative to the LDP. For that, credit the new leadership under President Okada Katsuya and its wily political strategist Ozawa Ichiro. If 20 percent of LDP voters did support the DPJ as reported, then the party has truly come of age and could take power in 2006, if not before.

While this is widely taken to herald the beginning of a two-party system in Japan, a better model is the three party system in Germany and (increasingly) in Britain. In Germany, the Free Democratic Party plays a pivotal role as the swing party capable of making and breaking coalitions. (Britain's Liberal Democrats may yet assume that role.)

Komei, with its ability to mobilize some 8 million Soka Gakkai (lay Buddhist) voters, could be equally influential. That doesn't mean the government will become captive to religious sentiment, but it could shape the course of the country's diplomatic emergence in a post-Koizumi era. In many ways, Komei's foreign policy instincts are closer to that of the dovish wing of the LDP or the Democrats, who are far more cautious about deploying Japanese forces abroad. Komei could put a limit on the future bounds of the U.S.-Japan relationship.

Those limits are looking increasingly visible. Few Japanese leaders will be able to replicate the relationship Koizumi has created with Bush. One who comes closest to sharing the prime minister's views is Abe Shinzo, the LDP secretary general – traditionally the man who, after the prime minister, takes responsibility for the party's electoral fortunes. By that standard, he should resign after last weekend's vote; even if he doesn't – and Koizumi has said that he wants him to stay on – his standing within the party is damaged.

Since it looks like we have reached the high-water mark in U.S.-Japan security relations, alliance supporters on both sides of the Pacific should try to lock in the gains that have been made in the last few years. That means institutionalizing the dialogues that are taking place between the two countries' foreign and security policy bureaucracies, in particular those associated with the global reposturing initiative. As the U.S. deals with the consequences of the North Korean nuclear crisis, its force redeployments and the rising sense of Asian identity, relations with Japan will become more important than ever. The prime minister is not yet a lame duck, but it's time to start thinking about and planning for the post-Koizumi era.

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