



## **Koizumi declares war** by Brad Glosserman

“We have met the enemy and he is us.” Japan must genuinely appreciate Pogo’s famous warning now that Prime Minister Koizumi Junichiro appears to have declared war on his own party.

The prime minister took office four years ago vowing either to reform his party, the Liberal Democratic Party (LDP), or to destroy it. With the legislature’s rejection of his cherished reform of the postal service, Koizumi has reached for the self-destruct button.

Japan’s postal system consists of some 25,000 privately operated post offices with total savings deposits of around \$3 trillion, making it one of the largest banks in the world. The system is “political” in two respects: those savings are primarily used to purchase government bonds that finance public works and Japan’s public corporations – they make “pork” possible. Moreover, the post offices are located in predominately rural areas and the office heads are local leaders – which make them handy mechanisms to rally votes for the LDP at election time.

Privatizing the postal service has topped Koizumi’s domestic agenda, but he faced powerful opposition in his party. Reform legislation squeaked through the more powerful Lower House, but defectors and abstentions from the LDP in the Upper House sent the bill to defeat. In response, Koizumi dissolved the Lower House, set an election for Sept. 11 and vowed that his party would not support any candidate that did not back the reform bill. In other words, he has called a referendum on his leadership. (That’s the most charitable explanation for calling a Lower House election when it was the Upper House – which can’t be dissolved – that bucked the party line.)

It’s much too early to call the election, but Koizumi must be gratified by the jump in public support for the Cabinet (up 9 points in one poll) since he dissolved Parliament. The public seems lukewarm about postal reform, however. Apparently, the prime minister’s decisiveness appeals to voters; ironically, many in his party complain that his most un-Japanese leadership style is Koizumi’s biggest liability.

The opposition Democratic Party of Japan (DPJ) sees the election as an opportunity to win a majority and DPJ President Okada Katsuya has said he will resign if it doesn’t. He is sticking his neck out: Even though the elimination of 37 defectors from the LDP rolls leaves the government with a slim five-seat majority, the DPJ has a long way to go before it will surpass the LDP in voter confidence and legislative seats.

What then are the election’s implications for Japan’s foreign policy? It is tempting to say, “not much”: Japanese policy should be driven by national interest and that doesn’t change with the prime minister. By most assessments, a strong

and robust alliance with the U.S. continues to be a pillar of Japan’s foreign and security policies. A new government will not just disavow the direction set in the last defense planning documents or the vision detailed in the Feb. 19 Security Consultative Committee (SCC or “2+2”) statement. It is unrealistic to expect Japan to turn away from a decade of effort to become a more normal nation, especially when the public seems to back the general direction of Japanese foreign and security policy during the Koizumi administration.

Expect differences on discrete issues. The DPJ has vowed to end the Self-Defense Forces deployment in Iraq when its mandate expires in December of this year, but reports that the U.S. is contemplating a drawdown of its own will make extension problematic no matter who is in charge in Tokyo. The party has also said it will put more emphasis on United Nations-centered diplomacy, but that too seems hard given the Koizumi government’s aggressive campaign to secure a permanent seat on the UN Security Council. Koizumi has effectively pre-empted the main issues in the opposition’s foreign policy platform, taking it out of the election equation.

Some in the DPJ want to see a new emphasis on relations with Asian countries, but that will butt up against nationalism in China and South Korea. Even if a new prime minister does not fan the flames with trips to Yasukuni Shrine, he must still contend with nationalist sentiment at home and the need to be seen as not bending too far toward those countries. There is little room for compromise on smoldering territorial disputes. Still, if a new prime minister can douse those flames, the U.S. would benefit too as Washington has been charged with “encouraging” militant nationalism in Japan.

Some of those changes could occur if the LDP stays in power and Koizumi is forced to resign – which might happen if the old guard legislators who rejected his reform program are re-elected. In many respects, the traditionally dovish wing of the LDP looks a lot like the DPJ (a fact that raises real questions about political realignment within Japan). Then again, a more conservative replacement, such as Abe Shinzo, would follow in Koizumi’s footsteps.

The real impact on U.S.-Japan relations would result from the changed personal relationship between the new prime minister and George Bush. While the current high-water mark in the alliance is the result of many factors and forces, the special personal relationship shared by Bush and Koizumi has contributed a great deal. The goodwill gave Koizumi the latitude to make his trips to Pyongyang to jumpstart relations with North Korea and allowed him to press President Bush for more U.S. flexibility in negotiating with the North at the 2004 Sea Pines, Georgia G-8 summit. Their relationship has tipped the balance on several economic issues: The U.S. has not complained when Japan intervened in currency markets to keep the value of the yen low or during other trade disputes.

Some observers have argue that Japan has gotten “a free pass.” The next prime minister is not likely to be so fortunate.

Of course, Koizumi could keep his job. But even a victory will impact the alliance. Dissolving the Diet puts virtually all business on hold. Most immediately, officials have warned that the interim U.S.-Japan report on base realignment, tentatively scheduled to be released in September, will be delayed – currently, the expected wait is six months. Moreover, as Yuki Tatsumi of the Stimson Center explains in a forthcoming commentary, destruction of the LDP will unravel the behind-the-scenes coordination mechanisms that have been used to push policy through the party and the Parliament. The importance of these mechanisms is impossible to understate: the LDP is an unwieldy mix of factions and deals have to be made with coalition members – Komeito – and the opposition. A new mechanism will emerge, eventually, but it will take time. Many alliance issues will not be so patient. Will the new Bush team?

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