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Déjà vu, all over again by Brad Glosserman

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Here we go again. Less than a year after Abe Shinzo stunned supporters with a sudden resignation from office, Japanese Prime Minister Fukuda Yasuo has decided to do the same. Fukuda blamed a divided Diet, plummeting approval ratings, and a desire to avoid a political vacuum for his decision to step down. It's an odd move, although one very much in keeping with Fukuda's character. It won't necessarily help Japan or the LDP and it's likely to intensify the vacuum he blames for his departure.

Fukuda had a rough time as prime minister. He was expected to deliver stability and competence after the fumbles of the Abe administration. Fukuda got the focus right – domestic politics – but his Cabinet proved no more capable than that of his predecessor. The economy remained moribund, scandals kept erupting, and the government has appeared unable to govern. Predictably, public approval of the Cabinet (according to a just-released *Nikkei* poll) plunged to 29 percent in early August, a 9 percentage point drop, Fukuda's disapproval rating rose 14 points to 63 percent, and 59 percent of survey respondents said the Cabinet lacked leadership. Facing those numbers, Fukuda called it quits.

What's next?

There is a case to be made for calling a general election – but it's made mostly by the opposition. Japan has had three prime ministers in two years and the public hasn't had a say in choosing them. Public displeasure was evident in the July 2007 Upper House vote that gave the opposition Democratic Party of Japan (DPJ) a majority in that chamber – resulting in divided government for the first time in Japan's postwar history – but it hasn't had a chance to weigh in on the Lower House. Given the LDP's control of that more powerful chamber, the ruling party is unlikely to call an election that *might* give it a mandate, but is almost certain to cost it the super-majority that allows it to ram through legislation.

Even if there is a ballot, the LDP elite will pick a prime minister to put a new face on the party going into the vote. The party vote has been scheduled for Sept. 22. The list of contenders is a short one. LDP Secretary General and former Foreign Minister Aso Taro is the frontrunner to succeed Fukuda. His credentials and standing in the party are unmatched. He has already thrown his hat in the ring, saying, "I must assume leadership. I believe I am qualified to do so."

Aso has baggage, too. He is prone to gaffes, his family has war-related issues (a family-run mine that used forced labor), and his vision for Japan is very conservative and nationalist, reminiscent of that of Abe. Given the need for activism on the

economic front, the list of possible nominees should include Yosano Kaoru, the economy minister who led the government's efforts to create the stimulus package passed last week, and former Chief Cabinet Secretary Nakagawa Hideneo, who is also committed to reform.

Other potential contenders include Ms. Noda Seiko, a fiveterm parliamentarian and the minister for consumer affairs, and Ms. Koike Yuriko, former minister of defense, national security advisor, and minister of the environment. Normally, a woman wouldn't have much chance in the conservative world of Japanese politics, but they may get a closer look this time.

First, the party needs a boost and a woman prime minister could generate enthusiasm. Exhibit A in this brief is "Change," a popular TV drama that told the story – as only Japanese television can – of a school teacher who ran for Parliament after his father (a parliamentarian) dies and becomes prime minister. Any show with Kimutaku Kimura (the star) is a sure-fire success, but its message – encapsulated in the title – boosted its appeal. Reportedly, lots of folks in Nagatacho and Kasumigaseki were watching as well.

Second, Japan is keeping an eye on the U.S., and the candidacy of Hillary Clinton and the selection of Alaska Gov. Sarah Palin as John McCain's running mate might prod them in that direction. Third, Koike is close to former Prime Minister Koizumi Junichiro and might be seen as a surrogate for him. (All bets are off if he re-enters the ring; that is highly unlikely, but)

Will it matter?

Ultimately, the prime minister may not matter. The country is deeply divided. Politicians are struggling with divided government and the gridlock of the last few months shows they have not figured out how to make it work. More significantly, the ruling coalition is split. Junior partner Komeito is unhappy with the government's economic policy and the LDP's desire to continue the Anti-terrorism Special Measures law. Fukuda, a moderate within his own party, battled Komeito throughout his administration. Even the LDP itself is split between reform and status quo factions, and part of the Koizumi legacy is a party apparatus that has no way of enforcing discipline. The result is half-hearted, stutter-step reform and piecemeal stimulus packages like the one passed late last month and roundly dismissed as a band-aid.

Current foreign policies are likely to continue. While there are fears Aso could take a harder line, particularly against China, that is unlikely. The "ice-melting" of the Abe-Fukuda years is one of the few successes that those governments can claim; it is unlikely to be abandoned – especially when China became Japan's number one trade partner in 2007 and Japan's leading export destination in July 2008. Japanese opinion polls show ambivalence about China, but no one is eager to return to the harsh words and ill will of the Koizumi years.

The opposition's moment?

Some see this as the DPJ's moment. With the LDP rudderless and confused, many assert that the opposition can do better. To prove that, the electorate has to have a say and there is little sign that the LDP is prepared to do that. Moreover, the DPJ suffers from its own internal incoherence, image problems, and the lack of a center. It, like the LDP, is an assortment of politicians, rather than a unified group that backs a certain set of ideals and shares a common vision (apart from a desire for power).

Ominously for the opposition, that *Nikkei* poll mentioned earlier showed LDP support holding steady at 37 percent, while DPJ support fell 3 points to 30 percent (Sixteen percent of voters don't claim a party affiliation.) Given Japan's conservative inclinations, it is hard to see voters opting for big change at a time of uncertainty in relations with the U.S. (given the election here). If an election is called, expect DPJ policy to move quickly toward the LDP line when it comes to the alliance to take that issue off the table and out of voters' minds.

In short, as always, expect more of the same. There is no reason to anticipate any shifts in Japanese policies or politics. The country is still struggling to find a center. Stagnation continues to define the country's politics and economics – the economy shrank 0.6 percent in the second quarter – and the public seeks leadership even though it doesn't want much change. It is a recipe for gridlock; prepare for more.