

*Commentary*

## **Elections in Japan: Koizumi's Gamble Pays Off**

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Japan's ruling Liberal Democratic Party (LDP) – which has dominated Japanese politics for the past fifty years, swept the recent snap polls called by Prime Minister Junichiro Koizumi in August this year. The outcome of the elections has significant implications for Japan's domestic as well as foreign policy. The extraordinary mandate that Koizumi received established him as the undisputed leader, giving him the green signal to move ahead with his proposed reforms. The LDP garnered as many as 296 out of the 480 seats in the Japanese Diet's Lower House. Combined with its ally the *New Komeito*, the ruling coalition has a total of 327 seats, which gives it more than a two-thirds majority. This is the LDP's first majority in the Lower House after a hiatus of nearly a decade and a half during which it depended on allies to form the government. What made the victory even more convincing was the fact that the voter turnout was very high – 67.51 per cent in constituencies and 67.46 per cent in the proportional representation areas.<sup>1</sup>

The Lower House elections, with structural reform at the center of its agenda were held on September 11, 2005. The political environment had become extremely uncertain after Koizumi stated that the failure of the Diet to pass his postal privatisation bills would be tantamount to a vote of no-confidence against him and result in dissolution of the Lower Chamber of the Japanese Diet. With the defeat of the bill in the Upper House (House of Councillors) by 108 votes for and 125 against, the Prime Minister called for elections. The stage was set for a political battle in which the ruling and biggest political party the LDP, entered the fray as a divided group and the opposition Democratic Party of Japan (*Minshuto*) was expected to score a major electoral victory. As many as 22 LDP Upper House members voted against the postal privatisation. The bills had earlier in July been passed by the lower house by a wafer thin margin of five votes. Explaining why he

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had called for the election, Koizumi stated at a press conference: "The Diet said postal reform isn't necessary. Is that really so? I want to ask the people whether they are for or against postal reform."<sup>2</sup>

The proposed six postal privatisation bills, which became the root cause of the election, envisage the splitting of the Japan Post into four units – the service unit, mail delivery unit, the savings unit and the insurance unit in April 2007 owned by a holding company in turn controlled by the government. About ten years later, the savings and insurance company would be freed from government control and their shares sold on the stock market making them private companies.<sup>3</sup> At the heart of the issue is, however, the insurance policy and postal savings division which accumulates as much as 350 trillion yen (\$3.24 trillion) from the public making it the biggest savings bank.<sup>4</sup> This money has been in turn used by the government to further several politically popular projects, even though many of them may not have been economically desirable – perceived as yet another example of pork-barrel politics. Those arguing in favor of the postal privatisation bills argue that through privatisation this huge sum of money would be released in the market to be utilised and re-circulated in more profitable investments. However, a vociferous anti-privatisation campaign emanating not only from the opposition party the DPJ, but also several members of the ruling LDP have argued that the post office business with as many as 24,700 branches and nearly 240,000 employees (many of whom will then face the risk of losing jobs) might also lead to a closure of many unprofitable branches in rural and far-flung areas. Besides, what plays in the minds of these naysayers is the postal employees who form a big vote bank for Diet members.

The election results have come as a big surprise to Koizumi's opponents. Following the announcement of elections, the opposition DPJ found in the given situation a perfect opportunity to grab power from the LDP. Their confidence in the probability of being able to do so was buttressed by the deep rift within the LDP factions. However, as the campaigning kicked off, the opinion polls<sup>5</sup> left little doubt that the Prime Minister's agenda of postal privatisation had captured the imagination of the Japanese voters, including the floating voters. By the time of the polls, therefore, it was not the question of who but rather by how much margin Koizumi would win. The LDP manifesto contained a list of 120 election pledges with emphasis on postal privatisation stating: "We will make sure the rejected privatization bills pass in the next Diet session."<sup>6</sup> While the emphasis

of the LDP was clearly on a vote for or against the reform policy, the opposition DPJ used the elections to highlight and critique the LDP on its failure to take up what they perceived as other pressing issues, such as foreign policy, pension plans, social security and tax reforms. The results, however clearly exhibited that the opposition was unable to turn the attention and focus of the voters to these issues. The DPJ's manifesto contained a package of 'Eight Pledges to Transform Japan' which included the following:<sup>7</sup>

- Sweeping away wasteful spending, no tax increase for salaried workers
- Realisation of a safe and secure society without inequalities
- Reform of the state school system and creation of a monthly child allowance
- Decentralised reform by entrusting regional affairs to regions
- Realisation of an "Enlightened National Interest" and withdrawal of the Japanese Self-Defense Forces from Iraq by December 2005
- Realisation of a 50 per cent food self-sufficiency ration in ten years
- Fair and transparent market economy and
- Real postal reform by drastically reducing the size of postal savings and insurance and allowing funds to flow from the public to private sector.

Many crucial developments have taken place in the course of the present election. The most obvious was the rupture of the LDP which split into new political parties - the *Kokumin Shinto* (New National Party) led by rebels Tamisuke Watanuki and Shizuka Kamei and the *Nippon* Party led by Yasuo Tanaka and Koki Kobayashi. What, however, made the political chess board even more remarkable was Koizumi's decision not to allow lawmakers who voted against the bills to run the election on the LDP ticket, even as he picked candidates against these very lawmakers (called 'convicts') who were termed as 'assassins.'

In the aftermath of the elections, the DPJ President Katsuya Okada has announced his decision to step down taking responsibility for the defeat. Welcoming the overwhelming support for his party, Koizumi said, "I thought it would be ok for the LDP to get a simple majority, but people gave us even better results than we had expected...I'm overwhelmed with gratitude...I think the people handed down a verdict that postal reform is

right.”<sup>8</sup> As promised, the Prime Minister resubmitted the bills in the Diet for approval yet again. A special session of the Diet was convened on September 21 for this purpose. Needless to say, the passage of the bills in the lower house was smooth in view of the majority enjoyed by the ruling coalition of the LDP and *New Komeito*.

The implications of the recent domestic political scenario ensure continuity, no doubt. Koizumi has reinstated his popularity and strength as the party president as well as Prime Minister. There is likelihood that his term as party president, which expires in September 2006 will be extended in the light of the overwhelming electoral support, even though he has reiterated his decision to step down. He said: “People made their judgment (in the election) on the premise that my term as LDP President ends next September...There are many aspirants to be (LDP) President and Prime Minister...I want to give those people the opportunity to play as active a role as possible.”<sup>9</sup> However, several issues remain to be attended – both at the domestic and international levels. At the domestic level, many issues like aging population, pension and the social security system need to be taken up apart from the ongoing process of revision of the Japanese Constitution. Japan’s evolving security policy, which saw considerable acceleration and some bold steps under Koizumi will continue to gain momentum. There has already been a considerable breakthrough in several areas of security policy. The augmented role of the Japanese Self-Defence Forces, a rethinking on the pacifist Article 9 of the Constitution, the Japan-US collaboration on missile defence and Japan’s active support and participation in the US-led war on terror are all cases in point. The recently released *National Defense Program Guidelines for 2005 and After* and the Araki Report on ‘Japan’s Visions for Future Security and Defense Capabilities’ are perhaps a reflection of the new Japanese strategic thinking. Needless to say, this change is spurred by both external and internal factors like the concerns over China and North Korea as well as the US keenness to have its alliance partner doing more ‘burden sharing’ within the ambit of the security alliance.

At the international level, there is little doubt that relations with the US will continue to remain central and would be further strengthened under the present leadership. It remains to be seen how the souring ties with neighbours like China and South Korea would be addressed. The recent deployment of five warships including a guided-missile destroyer by China in an energy-rich field in the East China Sea days ahead of the Japanese elections was perhaps yet another grim pointer to the uneasy ties

between the two countries.<sup>10</sup>

However, Japan's ties with India which found renewed succor with Prime Minister Koizumi's visit in April 2005, is likely to gain from his victory. The visit was the first by a Japanese head of government after a gap of nearly half a decade. The highlight of the visit was the signing of the 'Japan-India Partnership in a New Asian Era: Strategic Orientation of a Japan India Global Partnership' – an eight-fold initiative. The fine-tuning of what was termed as a 'global' partnership during Prime Minister Mori's visit in 2001 to the present 'Strategic Orientation of the Global Partnership' augurs well for bilateral ties, which have been deficient in this context till now. The joint declaration envisages both nations "sharing common values and principles...with a common interest in and complementary responsibility for promoting the security, stability and prosperity of Asia..." and calls for the following in the strategic arena:<sup>11</sup>

- Enhanced and upgraded dialogue architecture including the launching of a High-level Strategic Dialogue, full utilisation of the Comprehensive Security Dialogue, Military-to-Military talks and Defence Policy Dialogue
- Strengthening of the Service-to-Service exchanges between the defence establishments of the two countries
- Joint endeavor to tackle maritime issues and ensuring safety of maritime traffic through working together of the Coast Guards of both countries on a sustained basis including the Coast Guard talks, joint exercises against piracy as well as information sharing and technical assistance.
- Closer interaction between the Indian Navy and the Japanese Maritime Self-defense Forces.

On the nuclear front, the recent Japanese 'wariness'<sup>12</sup> on a US proposal to give India a special status and permanent exception to international rules (except nuclear technology transfer) at the meeting of the Nuclear Suppliers Group (NSG)<sup>13</sup> indicates that the two countries still have to bridge the gap in understanding on the nuclear question. This is perhaps the opportune time for them to tap the huge potential to build bilateral ties, which have till date been a saga of 'missed opportunities.'

### References/End Notes

<sup>1</sup> The statistics has been released by the Internal Affairs and Communications

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- <sup>2</sup> "Koizumi dissolves lower house/September 11 election set after upper house rejects postal reform bills," *The Yomiuri Shimbun*, 9 August 2005 from <http://www.yomiuri.co.jp/dy/national/20050809TDY01003.htm>
- <sup>3</sup> "Koizumi Government Unveils Its Postal Privatization Bill, But the Substance is Viewed Questionable" April 7, 2005 from [http://www.fpcj.jp/e/mres/japanbrief/jb\\_519.html](http://www.fpcj.jp/e/mres/japanbrief/jb_519.html)
- <sup>4</sup> *Ibid*
- <sup>5</sup> Some opinion polls projected the following outcome: The *Asahi Shimbun* poll released on 8 September 2005 collected responses from 1,093 voters of whom 27% were in favor of the LDP in proportional representation constituencies as against 18% for DPJ. 33% voters were undecided from "LDP widens lead over Minshuto, 33% undecided" 8 September 2005 from <http://www.asahi.com/english/Herald-asahi/TKY200509080144.html>. Another poll conducted by the *Yomiuri Shimbun* and released on 9 September 2005 revealed that the support for Koizumi's cabinet had gone up to 52.6%. For further details see "Election 2005 – Showdown Over Reform/Poll: LDP Support Growing Among Swing Voters" *The Yomiuri Shimbun*, 9 September 2005, <http://www.yomiuri.co.jp/dy/national/20050909TDY01007.htm>
- <sup>6</sup> "Editorial: The LDP's Manifesto" *The Asahi Shimbun*, 22 August 2005, from <http://www.asahi.com/english/Herald-asahi/TKY200508220080.html>
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- <sup>9</sup> "Victorious Koizumi Firm on Fall'06 Exit" *The Japan Times*, 13 September 2005 from <http://www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20050913al.htm>
- <sup>10</sup> "Chinese Warships Remind Japanese of Challenge on Seas" *International Herald Tribune*, 11 September 2005 from <http://www.ihf.com/articles/2005/09/11/news/rivals.php>
- <sup>11</sup> Text of the *Japan-India Partnership in a New Asian Era: Strategic Orientation of Japan-India Global Partnership*, April 2005.
- <sup>12</sup> "India, US begin to finalize Nuclear Deal," Indo-Asian News Service, *Hindustan Times* 21 October 2005 from [http://www.hindustimes.com/news/181\\_1525493,0008.htm](http://www.hindustimes.com/news/181_1525493,0008.htm)
- <sup>13</sup> For details see, "NSG Defers Action on Nuclear Deal," *The Indian Express*, 21 October 2005, from [http://www.indianexpress.com/print.php?content\\_id=80434](http://www.indianexpress.com/print.php?content_id=80434)

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