

WebMemo



Published by The Heritage Foundation

No. 1594
August 30, 2007

Japanese Election Results Hamper U.S. Objectives in Asia

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Prime Minister Shinzo Abe faces a bleak political landscape following the ruling party's landslide defeat in the July 29 upper house parliamentary election. Abe survived widespread calls for his resignation, and his Liberal Democratic Party (LDP) retains a two-thirds majority in the lower house, but his weakened position will force him to reprioritize policy objectives. Although his approval rating rose after he reshuffled the cabinet and LDP leadership on August 27, the honeymoon will be short-lived if Abe doesn't quickly redress the electorate's economic concerns. Investors will be looking warily for indicators that the LDP is postponing market-oriented economic reforms or increasing government spending to curry domestic favor.

A rejuvenated Democratic Party of Japan (DPJ) has vowed to obstruct Abe's foreign policy initiatives that are supported by the United States. The opposition party threatens to withdraw Japanese air units deployed in Iraq and renew legislation to allow continued logistical support for coalition anti-terrorist operations in Afghanistan. Abe's ability to achieve a larger regional and international security role for Japan, favored by Washington, has also been called into question. Abe must show uncharacteristically bold and decisive leadership if he hopes to permanently reverse flagging public support. But much like a batter with two strikes already against him, Prime Minister Abe faces formidable challenges to pulling out a victory before he is sent to the dugout.

A Drubbing at the Polls. The LDP won only 37 seats while its coalition partner, the New Komeito

Party, won 9—far below the 51 seats the coalition needed for the LDP to retain its upper house majority. The coalition saw its overall strength shrink from 133 seats to 103 seats. The DPJ won 60 contests for a total post-election strength of 109 seats. The election results mark the first time since the creation of the LDP in 1955 that it is not the majority party in the upper house.

The ruling party was hurt by pre-election revelations that the Social Insurance Agency had lost 50 million pension records during the past decade. The electorate responded with a sense of outrage and betrayal by the LDP-led government. Abe was also hurt by several scandals involving cabinet ministers, which perpetuated perceptions of LDP corruption. An August 24 LDP report assessing the causes of the election outcome lambasted Abe for his role in the party's crushing defeat. The report criticized Abe's poor leadership in responding to the pension and corruption scandals, selecting cronies for minister positions, and pursuing policies out of line with the people's desires.¹

But the scope of the LDP defeat, especially in its rural strongholds, reflected a deeper electorate anguish over the disparate pain imposed by the economic reforms of Abe's predecessor, Junichiro

This paper, in its entirety, can be found at:
www.heritage.org/Research/AsiaandthePacific/wm1594.cfm

Produced by the Asian Studies Center

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
(202) 546-4400 • heritage.org

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Koizumi. A disenfranchised countryside felt bypassed by the national economic upturn and punished the LDP for cutting public works projects and tax transfers to local governments. Abe's approval ratings declined still further after the election, dipping to 22 percent with a 65 percent disapproval rating in early August, according to a Mainichi newspaper poll.²

Bleak Prospects for Bipartisanship. Abe will be pressured to respond to the electorate's strong message by reprioritizing his political agenda to highlight domestic issues over his previous focus on national security concerns. During coming months, he is expected to focus primarily on populist economic topics, such as uncertainty over pensions, unemployment, and disenfranchised rural voters hurt by Koizumi's reform measures.

Initially, Abe sought to reach across the aisle to form consensus policies with the DPJ. But his gesture was firmly rebuffed by a rejuvenated opposition that smells blood in the water and sees an opportunity to further weaken Abe and even force him from office. DPJ leader Ichiro Ozawa has laid out an ambitious party realignment plan. He aims to secure a DPJ majority in both legislative chambers by forcing a dissolution of the lower house, holding new elections, and causing ruptures within the LDP-led coalition.³

The DPJ now has an effective means to combat Abe's policies. Although the LDP's two-thirds majority in the lower house enables it to overturn an upper house veto, the split control of the Diet will nonetheless constrain LDP legislative initiatives. The DPJ has already pledged that it will not only hinder the LDP agenda but will also submit its own alternative legislative policies in the upper house, including pension reform and subsidies to farmers.

Dead Man Walking? Abe will survive for the near-term, but he has been significantly weakened.

His hold on power remains tenuous considering that past prime ministers have resigned for smaller electoral defeats. Abe's wide-ranging cabinet reshuffle was an attempt to rebuild his government's credibility, restore public trust, secure party support, and stave off calls for his resignation. The prime minister sought to show he had internalized the electorate's message by:

- Overcoming public perceptions of cronyism by selecting respected cabinet veterans;
- Repairing his relationship with his own party by incorporating leaders from additional party factions;
- Addressing public concerns over economic disparities, especially in the rural constituencies, by naming Hiroya Masuda, former Iwate prefecture governor and proponent of local authority, as Minister of Internal Affairs and the newly created position of State Minister in Charge of Correcting Regional Disparities; and
- Responding to electorate anger over the pension scandal by naming Yoichi Masuzoe, a harsh critic of Abe's handling of the pension issue, as Minister of Health.

Following the cabinet announcement, an August 29 *Kyodo News* poll showed a dramatic increase in Abe's approval rating—from 29 percent to 40 percent—and a concurrent decline in his disapproval rating—from 58 percent to 45 percent. Public support for the LDP rose by seven points to 38 percent, while support for the DPJ dropped 12 points to 25 percent. But indicating that the positive results could be fleeting, only 9 percent of respondents indicated hope for the new cabinet's political reforms, while 34 percent cited the lack of a suitable alternative as prime minister.⁴

It is critical for Abe's continued tenure that he revitalize his political standing by securing lasting increased support from the populace and LDP fac-

1. "LDP Panel Blasts Abe in Post-Election Report," *Kyodo News*, August 24, 2007, at <http://home.kyodo.co.jp/modules/fstStory/index.php?storyid=333145> (August 24, 2007).
2. David Pilling, "Abe Approval Rating Hits New Low," *Financial Times*, August 6, 2007, at www.ft.com/cms/s/9a38111c-4429-11dc-90ca-0000779fd2ac.html (August 21, 2007).
3. Daniel Sneider, "Japan's Other Earthquake," *The Christian Science Monitor*, August 1, 2007, at www.csmonitor.com/2007/0801/p09s01-coop.html?page=1 (August 1, 2007).

tional leaders. Abe's post-cabinet shuffle bump in approval ratings will be short-lived if he does not secure legislative successes or a change in the public's perceptions of his policies.

Implications for the Alliance. Abe has pursued a more assertive national security strategy that advocates revising Japan's pacifist constitution to allow the armed forces to assume a more prominent role in Asian and international security and to more assertively confront the North Korean and Chinese threats to the region. Although formal constitutional revision cannot occur for several years, an Abe-commissioned special committee was expected to recommend this autumn that Japan revise its interpretation of the concept of collective self-defense to allow a greater military role in defending U.S. forces and engaging in overseas peacekeeping missions. The committee's recommendations will likely be shelved until next year.

Although the upper house election was a referendum on Abe, it was not a rejection of his foreign policy agenda. But a lame duck prime minister will face greater resistance and have more difficulty in achieving his foreign policy objectives. Defense ministry officials privately commented that the election results would slow down—rather than derail—a major policy shift to reinterpret the common defense theory and expand military missions.

Adapting to the New Political Environment. During the coming months, the United States will need to follow Japanese political developments closely to assess the ramifications of the upper house election for Prime Minister Abe's political standing and his ability to achieve national security objectives. Washington must prepare a game plan to address bilateral security themes in the new post-election environment. Washington should coordinate closely with political and military counterparts to achieve legislative approval of critical foreign policy goals. Continuing recent efforts by U.S. Ambassador Thomas Schieffer, the United

States should reach out and find common ground with DPJ leader Ozawa.

The first of several upcoming security issues will be renewing the Anti-Terrorism Special Measures Law by November 1, 2007. The legislation allows Japanese tanker ships to continue refueling coalition naval forces in the Indian Ocean in support of operations in Afghanistan. The United States sees the legislation as critical to continuing the global war on terror and a test of Tokyo's relationship with Washington. Ozawa, however, has vowed to block the legislation as well as cancel the deployment of Japanese Air Self-Defense Forces to Iraq. Newly appointed Minister of Defense Masahiko Komura has stated that Tokyo is open to revising the law to ensure its extension by the DPJ.

Also up for renewal later this year is the Host Nation Support agreement, which covers Tokyo's payments for U.S. military forces in Japan. Tokyo wants to reduce its payments beyond what is acceptable to Washington. The DPJ is expected to push for a firm stance against the United States. The DPJ's high-risk strategy could backfire, however, if the public perceives the DPJ's confrontational tactics as recklessly sacrificing national interests for political gains.

Conclusion. If not successful in reversing flagging public support, Prime Minister Abe will have difficulty achieving policy objectives, including those of significance to the United States. Failure to placate an angered populace could renew calls by powerful political figures for Abe to step down. Abe can take some comfort that an unpopular leader and internal divisions limit the opposition's ability to put forward a viable policy alternative. But even if Abe is able to remain in command, there may be an uncertain hand on the tiller of a drifting Japanese ship of state.

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4. Abe Cabinet's Approval Rating Up 11.5 Points to 40.5%," Kyodo News, August 28, 2007, at <http://home.kyodo.co.jp/modules/fstStory/index.php?storyid=333737> (August 28, 2007).