

# WebMemo



Published by The Heritage Foundation

No. 2078  
September 24, 2008

## Under Aso, Prospects Bright for U.S.–Japan Strategic Relationship, but Challenges Remain

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On September 24, Taro Aso became the new Japanese prime minister and the country's fourth ruler in three years. Aso's foreign policy views are more in line with the U.S. than those of his predecessor, Yasuo Fukuda; that is a welcome development. Depending greatly on how politics in Japan shake out in the next couple months, Aso's election offers the hope of closer coordination on U.S.–Japanese strategic interests.

Washington will be nervous over the new prime minister's propensity for gaffes that inflame often delicate foreign relations in northeast Asia and set back common U.S.–Japanese strategic pursuits. Some in Washington and many in the region will yearn for a continuance of Fukuda's bland compromising policy that sought to make friends with everyone while offending none—the principal results of which were North Korea's refusal to cooperate on kidnapped Japanese citizens and the worst relations with South Korea in years. Media depictions of Aso's foreign policy are often caricatures constructed by those who favor compromise for the sake of compromise. Contrary to these characterizations, however, under Aso, Japan should have a greater sense of direction as well as a better understanding of who its allies are. Such clarity will be a good thing for Japan.

Japan faces severe economic and security challenges. However, its ability to respond to these challenges is crippled by a consensus-driven political system and a populace reluctant to alter the status quo. A debate has already begun as to

whether Japan has become complacent about devolving to a middle-status power. Such a development would be welcomed by China—which is vying with Japan for preeminence in Asia—and even by South Korea, a nation conspiratorially worried about a resurgent militaristic Japan. Chinese preeminence would be a disaster, however, for U.S. national interests in Asia.

**Picking a New Japanese Leader...Again.** Aso won election as the Liberal Democratic Party (LDP) leader in a landslide on September 22. Under Japan's constitutional system, the political party in control of the powerful lower house of the Diet (legislature) selects the prime minister. Aso gained 351 votes, handily defeating Minister of Economics Kaoru Yosano (66 votes) and former Minister of Defense Yuriko Koike (46 votes).

Aso faces a grim political landscape. Both his immediate predecessors resigned unexpectedly after less than a year in office due to legislative gridlock which precluded their ability to accomplish anything. The opposition Democratic Party of Japan (DPJ), which controls the upper house of the Diet, will be emboldened in its ability to obstruct policy, regardless of the impact on Japan's

This paper, in its entirety, can be found at:  
[www.heritage.org/Research/AsiaandthePacific/wm2078.cfm](http://www.heritage.org/Research/AsiaandthePacific/wm2078.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](http://heritage.org)

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economy or its foreign relations. DPJ leader Ichiro Ozawa is trying to force an early election, gain control of the lower house, and force the LDP from power. Whether Ozawa, largely unpopular and with health problems, would become prime minister or remain as a proverbial power behind the throne, is uncertain.

An early lower house election poses risks for the LDP. The party is certain to lose the two-thirds majority it gained during the era of the immensely popular Junichiro Koizumi; the question remains only how many seats would be lost. If the LDP were to lose its majority, it would also be only the LDP's second time out of power in over 50 years.

Such a change would have tremendous ramifications. The DPJ is a disparate collection of competing politicians and policies that maintain an uneasy alliance in opposition but could implode if forced to reach consensus as ruling party. Subsequently, the end of the DPJ majority could even lead to a long-debated massive restructuring of Japan's political system in which existing parties break and new factions, alliances, and parties are created along ideological lines.

#### **Operating within Narrow Policy Constraints.**

Aso's conservative foreign policies, including assuming a larger security role and hedging against Chinese intentions, will be favored by the Bush Administration. His foreign and security policies will be a return to those espoused by Junichiro Koizumi and Shinzo Abe. He will be more receptive to expanding Tokyo's role in the bilateral alliance with the U.S. and loosening restrictions on Japan's Self-Defense Forces. But Aso's policy focus will be primarily domestic, brought on by the need to recapture strong public support. The electorate is concerned with pocketbook issues, and there is little benefit for Aso to spend his and the LDP's limited political capital on security issues that do not resonate strongly with the populace.

Aso is seen by economists as a throwback to an earlier era of pump-priming economic largesse to win voter support heedless of soaring public debt. He has advocated for economic stimulus measures to boost the economy. Aso would be motivated to pursue such policies since they would be favored

by rural voters, who had been the bedrock of LDP support but were largely disenfranchised by Koizumi's economic reforms. The LDP's loss of the upper house in the mid-2007 election was due to a revolt against the party's perceived economic ineptitude.

**While Japan Sleeps.** Japan is conflicted over its niche in the post-Cold War environment and the proper role of its military forces. As a result of its reliance on the U.S. for security, Japan has devoted itself in a singular pursuit to build economic power. However, such reliance has bred a complacency and, subsequently, Tokyo has been resistant to U.S. requests to assume a larger security role.

Overcoming Japanese inertia will require a sea change in thinking by both politicians and the public, neither of which are particularly attuned to international security affairs. Bold leadership is needed but unlikely in Japan's consensus-driven political system. With the exception of the charismatic Koizumi, there has been a lack of dynamic leaders willing and able to transform and direct public opinion. The glacial pace of Japanese decision-making has become, if possible, even slower.

As a result, Japan is at a strategic crossroads. It can continue its status quo thinking by citing "fiscal difficulties" to continue to fend off calls for it to fully fund its defense requirements. Though it is the more comfortable choice in the short term, such a policy has the effect of ceding Asia's leadership role to China. Though militarily strong in absolute terms, Japan is in decline relative to Beijing.

**A Japanese Macbeth?** Aso's ascension to power will generate some hope and excitement, but he faces the same gridlock that brought down his two predecessors. He may be a colorful leader with a firm hand on the tiller, but the Japanese ship of state remains rudderless and foundering.

Japan's structural constraints and unwillingness to generate decisive leadership may doom it to mediocrity. The fear is that Aso may simply become a Japanese Macbeth, "a poor player that struts and frets his hour upon the stage and then is heard no more," with his administration seen as "full of sound and fury, signifying nothing."

A fundamental question for Washington, including the next U.S. president, will be how to respond to Japan's tendency for slow, incremental changes. The U.S. options will be to accept the status quo, push harder for quicker alliance transformation, or look elsewhere for more reliable allies, such as

South Korea. For the sake of the U.S. position in the region and the U.S.–Japanese relationship, transformation is the far preferable choice.

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