

ISSUE BRIEF

No. 3997 | JULY 22, 2013

Japan Should Prioritize Future Policies over Revising the Past *Bruce Klingner and Derek Scissors, PhD*

Japanese Prime Minister Shinzo Abe and his ruling Liberal Democratic Party (LDP) scored a landslide victory in upper-house parliamentary elections on Sunday. With the LDP now in control of both houses of the national legislature, the stage is set for Abe to be a transformational Japanese leader. But decades of Japanese policy inertia were caused by deeper endemic factors than competing parties splitting control of the Diet. Whether Abe can break the logjam remains an open question.

Although Japan is being challenged by an increasingly assertive China, the regional focus has instead been more the fear of an imagined “resurgence of Japanese militarism.” Abe’s revisionist historical remarks and questioning of Japan’s previous apologies for its wartime actions were needlessly provocative and counterproductive. His remarks chilled relations with South Korea, undermined efforts to enhance alliance security capabilities, and deflected attention from the real Chinese and North Korean threats to Asian security.

Whether Abe can lead Japan out of its policy doldrums is of critical importance to the United States. Japan is a major trading partner and crucial to U.S. security interests in Asia. Washington should

counsel Abe to implement sound economic and security policies rather than unnecessarily roiling the waters of the past. Abe has been given a unique opportunity to provide political stability and regain Japanese influence and relevance in Asia. He should not squander it.

Resounding Electoral Victory. Seven months after regaining the lower house and returning Abe as prime minister, the LDP trounced all opposition parties. The LDP and coalition partner New Komeito gained 76 of 121 contested seats, giving it a majority of 135 in the 242-seat House of Councilors. Combined with its overwhelming majority in the House of Representatives, the LDP coalition can push legislation through with minimal opposition.

The LDP victory was helped by rising voter support for Abe’s willingness to stand up to Chinese assertiveness and optimism over “Abenomics”—the prime minister’s economic stimulus policies. Nor did the LDP face a viable challenge from opposition parties. The Democratic Party of Japan, which ruled Japan from 2009 to 2012, lost a significant number of seats during the election.

Nationalism Less Dangerous in Japan Than China. Although voters focused primarily on economic issues, Abe was aided in both recent elections by rising domestic support for his pledge to resist growing Chinese belligerence. Sino–Japanese confrontations over the disputed Senkakus generated greater support in the electorate for augmenting defense forces. While much has been made of Abe’s nationalism, it is China rather than Japan that has sought to extend its territorial claims in both the East and South China Seas through intimidation and military adventurism. Beijing has increasingly

This paper, in its entirety, can be found at
<http://report.heritage.org/ib3997>

Produced by the Asian Studies Center

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pursued a Thucydidean policy of “the strong do as they can, and the weak suffer what they must.”

Despite dire predictions of reckless Abe policies causing hostilities with China, the prime minister has adopted a pragmatic policy of asserting Japanese sovereignty while calling for mutual restraint and highlighting the importance of the bilateral relationship. When emotions in both countries flared during last year’s island dispute, it was widespread nationalist demonstrations in China, not in Japan, that became violent.

Abenomics Risks Missing the Mark. Abe described his Abenomics policy as consisting of three arrows. The first arrow, looser monetary policy, brought a rise in the stock market in late 2012 and early 2013, bolstered exports by weakening the yen, and improved business sentiment. The second arrow, fiscal stimulus along with pledges of fiscal consolidation in the future, is internally inconsistent and has had little impact. The third arrow, structural reform including membership in the Trans-Pacific Partnership, has been discussed, but no action has yet occurred. The effects of looser credit are temporary, and there is an obvious risk that structural reform will again prove empty or politically infeasible. In this case, Japan will return to economic stagnation.

What Washington Should Do. Washington should urge Japan to:

- **Implement necessary defense reforms.** Abe seeks to remove the Article 9 “Peace Clause” and rename Japan’s Self Defense Forces as a military. Tokyo should instead prioritize adopting a policy of collective self-defense, allowing Japan to defend its allies. Japan should also implement less restrictive rules of engagement when Japanese forces participate in international peacekeeping missions. Both reforms would be more effective and less worrisome to Japan’s neighbors than altering the constitution—which at any rate requires a majority in the upper house larger than what the LDP coalition has acquired.
- **Increase Japanese defense spending.** Shortly after assuming office, Abe reversed an 11-year trend of shrinking defense budgets by authorizing minor spending increases. But Japan needs to go further to fully fund its defense requirements.

The Ministry of Defense recently released a white paper articulating Japan’s regional security challenges. Abe has directed modifications to the country’s National Defense Program Guidelines, which are expected by the end of the year. This process should include greater defense expenditures on missile defense and protecting Japan’s southern islands against Chinese incursion.

- **Abandon counterproductive historical revisionism.** While attempting to redress defense shortcomings, Abe has shown a tin ear for regional reactions, particularly those of another critical U.S. ally, South Korea. For many in Asia, Abe’s comments became the personification of Japan’s perceived decades-long aversion to atoning for its wartime actions. Abe’s sound foreign and security strategy was undermined by poor implementation and this undermined Japanese and U.S. security objectives. Abe should publicly affirm his administration’s unequivocal commitment to the Kono and Murayama statements of contrition, not visit the controversial Yasukuni Shrine—particularly on the August 15 anniversary of the end of World War II—and should strongly disavow revisionist statements by other Japanese politicians.
- **Implement the third arrow of Abenomics.** Abe’s stimulus efforts have buoyed the Japanese economy, but the effect will be short-lived without long-overdue structural reform measures. Abe should use his renewed electoral mandate to overcome entrenched constituencies to, for example, reform land use, overhaul the pension system and encourage labor mobility, and greatly reduce the amount of government borrowing.

A Crucial Alliance. Abe advocates security policies that are well-aligned with those of the U.S. With North Korean and Chinese security threats overshadowing the region, the bilateral U.S.–Japanese alliance assumes even greater importance.

Washington should encourage an expanding Japanese security role while concurrently taking into account regional concerns due to unresolved historical issues. The U.S. can do so through maintaining a significant forward-deployed military presence in both Japan and South Korea. The Obama Administration should make clear to Abe

that revisionist historical statements would undermine Japanese and U.S. strategic interests.

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