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ANALYSIS

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## KOIZUMI'S LEGACY: JAPAN'S NEW POLITICS

### EXECUTIVE SUMMARY

*September 20<sup>th</sup> will be a landmark day in Japanese politics. Junichiro Koizumi will step down as president of the ruling Liberal Democratic Party (LDP) and, consequently, as prime minister of Japan. The fact that Koizumi will be stepping down on his own terms as Japan's longest-serving post-war leader and with his favoured successor, chief cabinet secretary Shinzo Abe, the clear front-runner to replace him, indicates just how much this self-styled maverick has recast Japanese politics. Abe's (likely) victory will institutionalise his predecessor's political legacy. This will ensure that Koizumi was not simply a charismatic flash in the pan, as his most trenchant critics inside the LDP and out had hoped, but a political reformer who has changed the nature of Japanese politics.*

*Few, if any, recent Japanese prime ministers have left much of a lasting legacy. It would be difficult to talk about Mori's or Obuchi's legacy and it would certainly be the height of hubris to claim that either of these prime ministers changed Japanese politics. Koizumi's two terms as LDP president have been characterised by his ability to combine personal popularity with a political reform agenda into a virtuous cycle. Koizumi used his personal popularity as a maverick to force reform on to the LDP which in turn enhanced and solidified his personal popularity. Last election he delivered the LDP its second largest electoral victory by running a campaign against his own party's so-called "forces of resistance".*

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**KOIZUMI'S LEGACY: JAPAN'S NEW POLITICS****Introduction**

This *Analysis* piece is the written accompaniment to a presentation of the same title I gave at the Lowy Institute on 2 August. It catalogues Koizumi's legacy within the LDP, Japan's political system and international policy. It also acts as a political update to the longer report I co-authored in February 2006 with Huw McKay entitled *Japan: Ripe for reassessment* which is also available for downloading from our website. As with this earlier work, this *Analysis* argues that Japan is changing in fundamental ways that are not being fully understood outside Japan. The fact that these changes themselves are mutually supporting further ensures their continuation under the next prime minister and casts further doubt on the securely familiar axioms used to simplify Japan.

**Understanding Koizumi**

First and foremost, Koizumi is a political reformer, not an economic reformer or foreign affairs prime minister. Appreciating the scope, depth and popularity of Koizumi's political reforms is key to understanding his legacy. Certainly, during Koizumi's half-decade in power Japanese international policy has changed significantly and some economic reforms have been enacted. Yet, changes in these two areas – the areas of most focus outside Japan – have been propelled by Koizumi's central drive to reform the LDP to ensure its revival and continued dominance. Koizumi's choice of international policy issues and economic reforms has much to do with his internal party fight and his larger interest in redefining the nature of Japanese politics.

Hence, using the Koizumi era's uneven history of economic reform as the gauge of his reform credentials is misplaced. It is also premature, as the political reforms pursued effectively during Koizumi's reign (and before) are necessary but not sufficient precursors for effective economic reform, especially on sensitive issues like agricultural liberalisation and taxation. In a similar vein, seeing the Koizumi era singularly through the lens of its international policy, particularly bilateral tensions with China and the potential negative regional and global ramifications, runs the risk of understating the domestic political origins of international policy and how this policy can change along with domestic political calculations.

One of Koizumi's greatest political talents has been to act as a lightning rod for some of Japan's most important social changes. These include the growing importance of the urban floating vote, the rise of new-age entrepreneurs challenging the orthodoxies of Japan's business world, and the new generation of voters less encumbered by Japan's World War II legacy. Koizumi has positioned himself as the spokesperson for these constituencies and their collective call for change in Japan. Koizumi has symbolically connected his call for fundamental reform of the LDP with these groups' calls for reform in their own spheres. Koizumi's more relaxed style of dress and more elaborate hairstyle are all part of this call for a new Japan.

**Party reform**

Reforming the LDP into a more modern and politically palatable party to reassert its dominance of the political mainstream has been

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Koizumi's leadership focus and his greatest success. Three different elections have shown us how much Koizumi has changed his party – his election as head of the LDP in April 2001, the massive LDP win in lower house elections in September 2005, and the LDP presidential election next month. Koizumi's tilt for the party leadership in 2001 was a case of third time lucky as he had lost previous bids in 1995 and 1999. During his six-year losing streak, the fortunes of the LDP declined and the party finally chose Koizumi as leader out of weakness.

The prime ministerships of Obuchi and Mori did not go over well with the Japanese public. The LDP faced a serious threat of electoral defeat and were becoming increasingly dependent on their coalition party of convenience, Komeito, to maintain a majority in both houses of parliament. In 2001 Koizumi won despite not having a powerful faction backing him and by defeating Ryutaro Hashimoto, a former prime minister with impeccable factional lineage. Koizumi's election as head of the LDP indicated clearly that the party knew they were in popular decline and in need of a personally popular leader to help arrest the slide.

How powerful Koizumi's personal popularity was and how he would wield this to reshape the party in his own manner became very clear in September 2005. Koizumi delivered the LDP its second largest electoral win ever and shattered the opposition's hope of Japan's becoming a true two-party system. The LDP won 59 more seats in 2005, to control 296 of 480 seats. September 2005 not only reversed the LDP's secular decline but returned it to a position of electoral dominance.

It also reflected how far Koizumi's campaign of using his popularity to reform the party had progressed. This was the first ever snap election in modern Japan called by a prime minister against recalcitrants in his party. These recalcitrants had voted against Koizumi's economic reform of choice, postal privatisation. Privatising the post office's enormous banking and insurance arms will deprive the LDP of massive pork-barrel funds that have been funnelled disproportionately to the LDP's rural bailiwicks, home to many of Koizumi's fiercest critics. Earlier, Koizumi, going against Japanese custom, enforced a retirement age of 73 years on LDP electoral candidates, ending the political careers of some of the LDP's traditional power-brokers like former right wing prime minister Nakasone.

Koizumi not only called the 2005 election as a test of his personal popularity, he also replaced all members who had voted against postal privatisation with so-called "assassin candidates". The assassins were noticeably younger and included more females, representing the new forces in Japanese society. Despite the power of incumbency in Japanese electoral politics, over half of the assassin candidates won.

While the September 2005 election was the apex of Koizumi's career, the upcoming party election to replace him will enshrine his political legacy. A win by the clear front-runner and close Koizumi confidant Shinzo Abe would exemplify how Koizumi and his message will continue to shape the LDP after his retirement.

The race to replace Koizumi quickly turned into Japan's most platform-based, didactic Japanese election in decades. Abe has

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positioned himself as the candidate to continue Koizumi's political message and party reform. He is 13 years younger than Koizumi (who is a sprightly 64 years old), is seen to be more nationalistic and right wing and has visited Yasukuni shrine regularly.

Yasuo Fukuda was seen as Abe's greatest challenger. Fukuda, who at 70 years old is 6 years Koizumi's senior, positioned himself as the anti- or pre-Koizumi candidate. He promised to return the LDP, and Japan, to pre-Koizumi days, calling for slower, more humane economic reform and a much more conciliatory approach to China. He also criticised Koizumi's annual trips to the Yasukuni shrine. The Abe-Fukuda fight presented party members with a clear choice, Koizumi plus or a return to the pre-Koizumi status quo.

Abe is the most popular individual in Japanese politics, while Fukuda has stepped down from the leadership race, offering his advanced years as his justification. Both the Japanese public, through their strong, consistent support for Abe and, seemingly, the LDP have decided that they want the Koizumi years to continue. Abe, if successful, will become postwar Japan's youngest, most America-friendly, most hard-line with China, most conservative prime minister. One could have said the same thing in 2001 when his mentor became prime minister.

### Right wing shift

The most important part of Koizumi's political legacy may be an indirect one – the effect his transformation of the LDP has had on the main opposition party, the Democratic Party. The September 2005 lower house election and the

Democratic Party's devastating loss of 64 seats reduced the party from credible aspirations of power to a scramble for continued relevance. Koizumi called this election against his own party after losing a crucial parliamentary vote. One could hardly imagine a better scenario for a confident opposition party that had made significant ground in the previous election. Yet, the Democratic Party was devastated.

In many ways, the election was a contest between a traditional Japanese political personality embodied in the Democratic Party's stolid leader Katsuya Okada and Koizumi's new brand of personality politics. Personality politics won hands down with the LDP even doing better than the Democratic Party with new or returning voters. Traditionally, the fewer voters that turned out, the better the LDP did, given its solid rural support.

Right after the surprise defeat, the Democratic Party chose a new leader who fitted much more in Koizumi's mould. The Democratic Party chose opposition through imitation. Forty-three year old Seiji Maehara - young, right wing and photogenic - was chosen as leader in a clear bow to the power of personality politics. Maehara, like Koizumi, was predisposed to constitutional reform, including the war-renouncing Article 9. Defending a strict definition of Article 9, for decades the touchstone of Japanese opposition politics and their pacifist roots, was suddenly under bi-partisan review.

Maehara, exposing his lack of political wiles, did not last long and resigned. The Democratic Party then went one step further to the right by choosing Ichiro Ozawa as leader. Ozawa is widely expected to be re-elected, unopposed, by

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the Democratic Party in September. Ozawa's successful bid to lead the opposition represents a massive sea change in Japanese politics. Ozawa started his career in the LDP as a self-styled right wing maverick, calling for fundamental reform to the LDP and for Japan to become a more self-confident, assertive, "normal state". His 1993 book, *A Blueprint for a New Japan*, foreshadowed much of Koizumi's message and endorsed constitutional reform.

Today, the traditional right wing-left wing split that has been the bedrock of postwar Japanese politics is crumbling. The LDP's two most assertive right wing mavericks of the last generation now lead Japan's only two significant parties. Shinzo Abe, Koizumi's successor, will very likely face off against Koizumi's predecessor, Ichiro Ozawa. The voice of social democratic pacifism very sceptical of the US-Japan alliance no longer has a leading political light. The opposition party that for decades espoused this position - which kept it out of power - has now shifted significantly rightward to try to recapture lost electoral ground. The opposition has read Koizumi's writing on the wall and decided to heed it.

**International policy**

Koizumi's changes to Japan's international policy and the regional and global image have mirrored his message of assertiveness and self-confidence. Likewise, the above changes to Japan's political system are the best guarantee that the general thrust of Koizumi's international policy will continue even if symbolic referent points like trips to Yasukuni

shrine may change. Abe is much more closely associated with Koizumi's international policy initiatives like strengthening the alliance with the United States and taking a harder line on China than he is with domestic economic reforms.

The rightward shift of the opposition has also both facilitated and ensured one of the most significant international policy shifts under Koizumi. For decades, the relationship with the United States and the attendant alliance responsibilities were the main international policy focus of political debate. In the 2005 election and the run-up to next month's election, relations with a rising and ambivalent China have been the main political focus. Tightening alliance relations with the United States and the shift to a regionally focused alliance are no longer the predominant issue of debate.

This switch in national political debate from alliance relations with the United States to diplomatic relations with China reflects a larger shift in Japanese international policy. Koizumi has prioritised Japan's global policy goals over its regional ones, reversing years of focusing primarily on burnishing Japan's damaged regional image. Koizumi has been very willing to repeatedly aggravate regional sensitivities, both for domestic political purposes (visits to Yasukuni shrine) and for global ambitions.

Japan's deployment and recommitment of troops to Iraq despite the lack of a United Nations stamp of approval is the best example of this reprioritisation. In the first Gulf War, Japanese leaders used the limits of Article 9, popular pacifism and regional sensitivities about Japanese force projection as reasons not

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to deploy troops, despite United Nations sanction and strong international pressure. This time around, Koizumi pressed to send troops despite these regional sensitivities and fears, unsubstantiated, of a pacifist backlash.

For decades Japan diverted American pressure to strengthen the alliance, heighten Japan's military commitment to it and shift its focus away from Japan specifically to the region in general by referring to regional sensitivities and domestic pacifism. Today, Koizumi and Japan are much more willing to take a more active role in a regionally, at times globally, focused alliance, with voices in America now complaining that Japan is tone deaf towards regional sentiment. The alliance with the United States and the non-regional demands of Iraq provided the perfect means for Koizumi and his followers to enact this reprioritisation.

Just as foundational changes in Japanese society have underpinned Koizumi's political reforms and their legacy, changes to Japan's geo-strategic position are underpinning changes to Japanese international policy. The rapid rise of China with its own domestic political history of anti-Japanese nationalism is the strongest underlying change. North Korea's nuclear-tipped belligerence is the most topical and politically salient one. North Korea's missile tests present critics of Japanese military enhancement with an increasingly untenable position. Why should not Japan develop an autonomous first strike capability against an increasingly threatening nuclear neighbour? Is democratic Japan less predictable and rational than totalitarian North Korea, particularly when it is increasingly clear that even China cannot restrain it?

Shinzo Abe has wisely positioned himself as the government leader for North Korea, both for the very emotive abduction issue and for Japan's response to North Korean threats. It is not for nothing that Yasuo Fukuda prematurely ended his run for the leadership right after the latest and most threatening North Korean missile tests. Under Koizumi, Japan's position on North Korea has shifted from being much "softer" on Pyongyang than Washington to taking a harder line. It was Japan, not the United States, which led the call for international sanctions against North Korea after the latest tests. Japan's call for international sanctions on North Korea and its tougher line in general are both very popular domestically. North Korea's belligerence is increasing Japan's threat perception, seriously dulling its pacifist tendencies and provides a compelling case for military upgrading. No wonder the Democratic Party is downplaying its pacifist roots.

Koizumi's new politics are here to stay for the foreseeable future. Koizumi will likely be replaced by a younger, more conservative successor. The opposition party is likely to re-elect Koizumi's intellectual predecessor. Active threats from North Korea and latent threats from a rising China will remain the key international policy issues while expanding the alliance with the United States and Japanese military deepening will continue. Koizumi will be stepping down but his shadow of influence will loom large and long.





## **ABOUT THE AUTHOR**

Dr Malcolm Cook, Program Director Asia Pacific Region at the Lowy Institute for International Policy, completed a PhD in international relations from the Australian National University, and holds an MA in international relations from the International University of Japan and an honours degree from McGill University in Canada.

Before moving to Australia in 2000, Malcolm lived and worked in the Philippines, South Korea and Japan and spent much time in Singapore and Malaysia. Before joining the Institute in November 2003, Malcolm ran his own consulting practice on East Asian political and economic policy risk analysis.

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