

# **Japan's Political Realities: What's Changing, And What's Not**

by

**Dr. Gerald Curtis**

**Gerald Curtis:** I'm delighted to see so many people today. I thought Japan had dropped off the radar screen in Washington, so it's nice to know that so many people would turn out. And I'm very pleased to have Mr. Nishimura and Professor Thayer on the panel with me.

I must take a minute to say a word about Nat Thayer. When I was a graduate student in 1964 I went to Japan for dissertation research. My professor, James Morley, told me that one of his students, Nat Thayer, was the press attaché at the U.S. embassy, working for Ambassador Reischauer, and that I should look him up because he knows a lot of politicians. I had the idea that I wanted to look at Japan's grassroots or rice roots democracy by studying the election campaign of an LDP candidate for the Diet, but I had no idea who to focus on or how to find him.

When I got to Tokyo I immediately called Nat. We met in Akasaka in the lobby of what was then the Hotel New Japan. After listening to me explain what I had in mind, Nat said that he had a good friend who was working as a secretary for a Diet member named Nakasone Yasuhiro. Nakasone had just recently become the head of his own faction. In those days, his office was located just a few minutes away from the hotel, in a building across the street from the TBS television station headquarters. So we walked over and met the secretary, Kobayashi, that afternoon. Kobayashi liked my idea

and brought me in to see Nakasone. Nakasone introduced me to Sato Bunsei, the candidate whose campaign I ended up writing my dissertation about. So my involvement with Japanese politics began that summer day in 1964 when I had the good fortune to meet Nat Thayer. I am delighted to share the platform with him today and to publicly acknowledge my debt to him for opening my first door into the world of Japanese politics.

## **Japan Experiencing Third Great Transformation**

There are many things I want to talk about with you today. Recently, I have been spending half the year in Japan and the other half teaching at Columbia University. I have only recently returned from Tokyo. I do not think the story of what is happening in Japanese society and politics is getting out and it is that story that I would like to share with you today. For all the talk about how resistant to change Japan is, how the 90s were a lost decade during which Japan failed to come to grips with its problems, the truth is that Japan is going through the third great transformation in its modern history. This period, which runs from the mid-1990s through the first decade of the 21<sup>st</sup> century, is exceeded only by the Meiji Restoration and the immediate post-World War years under U.S. Occupation, in terms of the extent and significance of the changes occurring in Japanese society.

While many observers have been impressed with the surface calm and apparent stagnancy that has characterized Japan since the bursting of the bubble, the truth of the matter is that below the surface, new currents have been churning the waters and they are now beginning to make themselves manifest in many ways. The recovery of the Japanese economy is not simply a story of the consequences of strong export performance toward China and the United States. It is the cumulative effect of changes that have been ongoing since the mid-1990s.

The story is not entirely positive of course. There are pathologies in Japanese society that are becoming more prevalent and more troubling, none more so than the high rate of suicides and now the phenomenon of group suicide among strangers. Nor is the story entirely of change, for good or bad. There is a lot of deeply entrenched resistance to change that keeps Japan from moving in directions that many people in Japan believe it should move.

There is a need for a sense of balance. It seems to be a rather peculiar feature of the Japan studies field that well-informed observers, Japanese as well as foreign, race to opposite extremes in interpreting what is going on in Japan. In the 1980s the dominant view was that Japan was on a march to take over the world economically, that it was buying up America and would soon replace the Christmas tree in Rockefeller Center with a bonsai plant, that the Cold War had ended and Japan had won.

I remember giving speeches in those days in which I argued that Japanese were not ten feet tall, they did not do everything right and that their society had weaknesses, as well as strengths. I was invariably greeted with skepticism and with a look that said that I just did not get it. A decade later,

when so many people were writing Japan off as an economic and political basket case, I stressed in my speeches that Japan had strengths as well as weaknesses, that it was still the second largest economy in the world and likely to retain that position for some time, and that its politics were essentially responsive to public demands and not as dysfunctional as often portrayed. I was met with the same skeptical stares that greeted me when I warned people not to exaggerate Japan's strengths a decade earlier.

### **Japan Is Changing in Fundamental Ways**

Things need to be kept in perspective. Japan is changing in fundamental ways. Its economic recovery is real and likely to be sustainable. But Japan is not on the threshold of a great leap forward. Aging societies and highly developed economies do not leap forward very easily. This is especially true of a society that does not benefit from the infusion of new blood and new energy that immigration provides. Nonetheless, the most important story about Japan today is a story of societal change. It is intellectually interesting—and for Washington and the business community in the United States it is crucially important—to understand what those changes are and what their policy implications are.

It is widely believed that the decade of the 1990s was a lost decade for Japan. And in a sense, it no doubt was. There were lost opportunities to grow the economy, there was a loss of confidence, there was a loss of prestige. But the 1990s were important not because they were a lost decade; these years will be remembered as a watershed period in modern Japanese history when so much changed in terms of values, expectations, behavior and institutional performance that wherever Japan goes in the future, the thing

that is certain is that it is not going to go back to where or what it was before the 1990s.

### **Emerging Brain Drain in Japan**

The future, of course, lies with people who are young today, and the story of what is happening to young Japanese in terms of values, lifestyle preferences and many aspects of social behavior, is full of dangers and opportunities for the Japan of the future. One of those dangers and opportunities is the phenomenon of an emerging brain drain in Japan. Unlike many other developing countries, Japan during the Meiji period and later did not suffer from a significant brain drain. People who went abroad to study invariably went back. The irony is that Japan is experiencing a brain drain for the first time, now that it is a developed economy.

The story of a well-educated woman who quickly hit a glass ceiling in Japanese companies and bailed out and came to the U.S. to seek new opportunities is not a new one. The new story is that there are increasing numbers of young Japanese men opting out of the system who, if they stayed quiet and committed themselves completely to their work are almost certain to have the kind of secure “salaryman” life of their fathers. It is hard to get aggregate data to document this trend, but the anecdotal evidence is too strong not to believe that there is something important going on here. They are opting out precisely because they do not want the life of the “salaryman” as it has been known in postwar Japan, and because they do not accept the assumptions about the meaning of work and the appropriate way for corporations to manage human resources that were for so long widely accepted in Japan.

This individual level protest against the ways in which many Japanese companies are managed is reflective of and a consequence of a fundamental change in Japanese society. Years ago Nakane Chie, the noted anthropologist, wrote a book about Japan’s vertical society. Her basic argument was that Japanese, unlike westerners, identified with the organizations of which they were a part, rather than the class or other stratified social group to which they belonged. Society was vertically arranged into these organizational pillars, rather than horizontally stratified, and people were comfortable with and accepting of this hierarchical arrangement. Lifetime employment, of course, fit comfortably in this model. A system in which people were hired for their entire careers and promoted mostly on the basis of seniority was accepted as fair and equitable. But what is viewed as equality in a hierarchical society comes to be perceived as unequal and unfair when that hierarchical structure begins to crumble.

A young employee in a Japanese company who goes to work early in the morning, does his boss’s bidding and stays at the office however late his superior stays might look at his boss and say to himself, “In ten years, I will be in exactly the same position, enjoying the same perks as he and will be able to make my underlings do my work as he is making me do his.” In this view, the system is equitable and fair. But increasingly, young people are feeling frustrated that their hard work and talent are not adequately rewarded and that they are unable to spend more time away from work, even though the long workday is ridden with inefficiencies. For people who think this way, Japan’s personnel management system is unfair and inequitable, and for what seems to be increasing numbers of people staying within companies that stick to this system, it has become intolerable.

## **Pressure for Companies and Educational System to Change**

The pressure is not just on companies to change their personnel systems. There are a lot of comparable pressures on the educational system. In the United States it is common for young people to take a year or two off after college to do something adventurous, or to chase a dream before going to graduate school or settling down into a career. Some even take that year off during college or between high school and college. Some travel the world, some go to Japan on the JET program, some become ski bums and so on. There are many young Japanese who want to do the same thing, but when you strike out on your own in Japan it can be very difficult to get back on track. The consequence is the growing army of “freeters,” free arbiters, people who float from one job to another; the more they do so, the more difficult it is to ever get into a mainstream career. I think there is a lot of pent up energy in this younger generation, a lot of dynamism that can be tapped. If Japan cannot figure out how to do that then foreign companies will.

## **Japanese Companies Have Adapted and Evolved for More than a Decade**

I will get to politics in a minute, but just a brief word on the economy. Economists argue about just how sustainable the current recovery is. Obviously, a lot depends on the state of the world economy and on the health of the Chinese and American economies in particular. But Japan’s economic recovery is not just the consequence of strong export markets in China and the U.S. or the arrival at the Bank of Japan of a new leader who inspires confidence, as important as those things are. What we are witnessing is the cumulative effect of more than a decade of effort on the part of companies in Japan

to restructure, to streamline, to become more efficient. Strong companies today are stronger for having met the challenges of the 90s. If you do not look below the surface into the changes that have occurred in Japan’s best corporations over the past decade, then what is in fact institutional evolution will appear as revolutionary change, or simply a matter of good luck. The important story is of institutional adaptation and evolution in response to changing social, economic, and globalization pressures.

Now, to Japanese politics. One of the characteristics of the current scene in Japan is that the kind of structural changes that have been occurring in other sectors of Japanese society and in the economy have not yet manifested themselves in a new kind of dynamic political party system. In 1993 the LDP lost power, but it was back within eight months, albeit needing a coalition with one or another small party to retain power. Those who thought in the mid-1990s that the LDP’s future was past were sorely mistaken.

## **Reasons for Delayed Political Change**

There are two basic reasons why political change has been delayed. One is that mistakes were made in 1994 by the LDP’s opponents that opened the door to its return. Political scientists have been captured by the idea of political man being something akin to economic man, acting rationally to maximize his utility or, in simple English, to do what is in his self-interest. In politics, however, people often do irrational things because of stupidity, lack of foresight as to the consequences of their action, or an inability to think straight because of the press of events and so on. This last point was brought home to me in a conversation I had some months ago with former Prime Minister Hosokawa. Reminiscing about his days

in office, he remarked that he was so busy and so tired everyday that he hardly ever had time to think. His day would be a series of moving from one unexpected issue or crisis to another and then getting only a few hours sleep before repeating the cycle.

In 1993, when Mr. Hosokawa was prime minister, the leaders of an anti-LDP coalition that held power—and its most powerful leader Ozawa Ichiro in particular—made a huge and historically fatal decision to let the Socialist Party leave the coalition. Ozawa thought the Socialists had no choice but to swallow whatever he forced upon them. They did have a choice, however, and that was to link arms with the LDP. The LDP out of power was like a fish out of water, unable to breathe and on the verge of suffocation. If the LDP had been kept out of power for another six months or so, chances are that it either would have collapsed entirely, or defections would have turned it into a minority party and a new party system would have unfolded.

Political change is not necessarily driven by social forces. Social forces define the range of what is possible, but what happens in politics is determined by politicians. If they make bad decisions, then what should have happened may be delayed for a very long time. Japan is still in the process of trying to catch up with what should have happened in the mid 1990s.

### **Koizumi Prevented Split of LDP**

A second reason for the delay in the emergence of new dynamic political party system, ironically enough, is the coming to power of Mr. Koizumi. One has only to imagine what might have happened if former Prime Minister Hashimoto had been successful in defeating Koizumi and coming back to power. The chances are that the

party would have split and that anti-Hashimoto faction LDP Diet members would have linked up with people in the Democratic Party to form a new party. Koizumi prevented that from happening. While saying he would change the LDP or destroy it, he has in fact saved it, at least for the time being.

Koizumi can be criticized for not bringing about more extensive policy change, but one has to respect his feel for what is going on in Japanese society and his ability to sustain high levels of public support. Koizumi has an instinctive grasp of what is changing in Japan and how politics needs to respond. He is an urban and urbane man with a totally modern sensibility. His personal appeal has drawn voters who are otherwise not attracted to or even repelled by the LDP. Koizumi has long coattails and the LDP has been riding them. One day, however, Mr. Koizumi will no longer be prime minister and the LDP will face the reality that its base has contracted, that its core support has shrunk. When that day comes, people will begin to realize that the surface reality of LDP dominance masks what has been enormous change in the structure of Japanese politics.

### **LDP Political Machine Is Crumbling**

The proverbial LDP political machine is crumbling. Even in rural Japan where it is the strongest, the ability of the LDP to mobilize votes through traditional means—personal connections, construction company vote delivering capabilities, the ability of local politicians and other local elites to deliver voters loyal to them—has been declining rapidly. The pillars on which the LDP has rested all these years are no longer so strong. The LDP is like a large and imposing edifice sitting upon a weakened and shaky foundation. It would not take all that

much to see it develop major fissures or even collapse.

One reason for this weakening or crumbling of the LDP political machine is the marked decline in the ability of traditionally powerful interest groups linked to the LDP—the medical and dental associations, agricultural cooperatives, building trades organizations, and so on—to mobilize and deliver votes. I discuss the reasons for this decline at considerable length in *The Logic of Japanese Politics* and will not repeat those arguments here. What I do want to stress is that a direct consequence of this decline in the vote mobilizing abilities of traditional interest groups has left the LDP increasingly dependent on one organization that does retain the ability to deliver its members to the political party whose support it designates. That organization is the Soka Gakkai. Almost any LDP Diet member you talk with readily admits to the importance of the Soka Gakkai vote for his own election. In single member constituencies where the competition is now pretty much reduced to the LDP and the Democratic Party, DPJ, Komeito-controlled votes can spell the difference between winning and losing. The LDP is increasingly dependent on its coalition with the Komeito to retain power, and the relationship between these two parties is one of the most interesting and important features of contemporary Japanese politics.

### **Role of Komeito in Evolving Party System**

The Komeito is now faced with the need to make a fundamental strategic choice about how to position itself in the evolving Japanese party system. The party has three choices: it can continue to tie its sails to the LDP, it can begin to distance itself from the LDP in order to position itself for coalition with the Democrats in the event they out-

poll the LDP in the next general election, or it can opt for a position of neutrality vis a vis these two large parties, throwing its weight this way and then that way, depending on the issue. The Komeito leadership is divided on which strategy to adopt.

The dominant view among Komeito leaders is that the party should continue to stay close to the LDP. Breaking with the LDP after working so closely with it for the past six or more years would be a risky move, especially since the future of the Democrats is anything but certain. The Komeito has invested a lot into the LDP relationship and its best option is to reap the rewards of this investment, rather than discard it in this mainstream view. There are others in the top leadership who feel quite differently. One acquaintance of mine who holds a high position in the party remarked to me in a recent conversation: “We know the LDP is going to lose power and the Democrats are going to win. And we must come up with a new strategy to survive.” In this view, the danger of not changing course could lead the Komeito to a double suicide with the LDP.

Several years ago, when the Komeito was contemplating alliance with the LDP, I was of the view that the best course for the Komeito and the best course for Japanese politics would be for the Komeito to stay out of government and throw its support to one side or the other, depending on the issue at hand. This would give it more leverage than it would get from being a minor partner in a coalition government, and it would help shift the focus of decision making to the Diet and its committee structure and out of the non-transparent procedures that traditionally have characterized the policy process. But the Komeito was determined to get a piece of the action and exercise governmental power.

Now those in the party are revisiting this issue, trying to decide whether to begin a shift toward alignment with the Democrats, or toward a more neutral position. The problem with the first option is that “it takes two to tango,” and the Democratic Party shows no interest in alliance with the Komeito. Thinking in the Democratic Party today appears to be that the party has a great deal more to gain from taking a public stance of rejecting alliance with the Komeito than welcoming it. This helps draw to it the votes of all those people who dislike the Soka Gakkai and those religious organizations such as Rissho Koseikai that compete with it. So if the Komeito begins a move to distance itself from the LDP, it may find itself somewhere in the middle, between it and the DPJ, and not in alliance with either.

Predictions are of course perilous, but there is a strong possibility that Japanese party politics will evolve to embrace a pattern quite similar to what exists in Germany today, namely two large parties with a small third party—in the German case the Free Democrats, who align with whichever party is stronger.

For those interested in Japanese political developments, one of the most important things to keep your eyes on in the coming months is whether the Komeito begins to move away from the LDP as the next lower house election approaches. If it does begin to do so, it will likely take the form of the Komeito criticizing the LDP position on two critically important issues or issue areas. One involves pensions, healthcare and associated social security issues. The Komeito has become much more of a middle class party in recent decades than it was originally, but there is still a strong core of less affluent voters who are scared by LDP policies to increase premiums and reduce benefits in Japan’s social security system.

Everyone knows that the current system is unsustainable, but that does not lessen opposition among those least able to pay increases in premiums. The second issue is constitutional revision of Article Nine and the attendant policy to expand Japan’s military role. The Komeito was established in the early 1960s with a strong pacifist program and those sentiments remain strong in the party today. So LDP proposals for revision of Article Nine will give the Komeito an excuse to break with the party, if it decides for strategic reasons that is what it should do. If the Komeito decides to remain wedded to coalition with the LDP it will find a way to compromise on Article Nine revision and social security reform. It is not policy that will drive politics, but politics that will drive policy.

Now on other issues. I have been thinking a lot recently about institutional change and what has and has not been changing in Japanese politics and society and have been endeavoring to come up with an overview or theory, if you will, of the postwar Japanese political system. One of the things that is rather unique about academic and journalistic analyses of Japanese politics is how deep differences are among well-informed observers about what exactly they see. Some see a system of bureaucratic dominance, others emphasize the important role politicians play on critical issues. Some see a strong state dominating a weak civil society, while others see a system in which interest groups have a strangle hold over policy.

### **Informal Mechanisms of Coordination Characterized Japanese System**

But when you cut through all these differences and go to the core of the system, it seems to me that what is most characteristic of postwar politics in Japan was the exist-

ence of effective informal mechanisms of coordination among the major actors in the system: bureaucrats and politicians, the ruling party and the opposition, the prime minister's office, the *kantei* and the LDP, the business community leadership, the *zai-kai* and the LDP government, and the state and the press. All of these mechanisms of coordination are breaking down under the weight of social change.

In a system of informal elite coordination—where bank regulation, for example, is managed by a relatively small group of MOF officials coordinating informally with bank executives who are tasked with interacting with the bureaucrats—you do not need many bank examiners. That was a very different situation than what exists today, where the FSA regulates the banks in a far more formal and transparent manner. Formal rules are replacing informal processes. In a system of informal elite coordination, politicians who had risen to the highest positions possible in the administrative bureaucracy before entering politics could coordinate with bureaucrats in the ministries they used to run informally and effectively. Power did not flow only in one direction. These politicians could impose their will on the bureaucrats, and the bureaucrats could get a sympathetic and understanding hearing for their views from the politicians. Now that bureaucrats who enter politics do so early in their career, rather than near the end of it, this system of coordination no longer prevails.

In a system in which the opposition party became resigned to always being in opposition, the temptation to collude with the ruling party proved irresistible. Today the DPJ believes it can wrest power away from the LDP, so it is not susceptible to the same kind of behavior. A friend took me recently to dinner at a beautiful *ryotei* in Akasaka.

The aging geisha that was with us said that when she came to Akasaka thirty years ago there were 430 or so geisha there. Today there are less than thirty. Their demise is not unconnected to these political changes.

### **Japan Increasingly Regulated By Formal Rules**

What these trends reflect is captured by a signboard you can see here and there if you walk around Chiyoda ward in downtown Tokyo. The signboards are posted by the Chiyoda ward police department and the heading on it has important symbolic meaning. In a typical Japanese use of foreign loan words, the headline says “*manaa kara ruuru e*,” “from manners to rules,” or if these words are translated back less literally and more accurately, “from informal understandings to formal rules.” The sign informs people that it is illegal in Chiyoda ward to smoke while walking, that it is illegal to discard cigarette butts, empty soda bottles and anything else on the street and that it is illegal to post billboards on building walls. And it concludes by saying that as a result of a law passed in 2002, people who violate these rules will be subject to a fine. In other words, behavior that in the past was expected to result from informal understandings of what is proper is now being regulated by formal rules. And this pattern is now evident in nearly every aspect of Japanese social life.

Why is it that more than eighty universities this year have opened new graduate schools to train lawyers? Why are many universities creating graduate programs to train certified public accountants, or that there is a veritable boom of public policy schools modeled on Harvard's Kennedy School or the public policy and international affairs schools at Columbia and elsewhere? The reason is that a society where behavior is regulated by

formal rules and less by informal understandings and coordination mechanisms, for better or worse, needs more lawyers, more public accountants, more people trained in modern techniques of policymaking, and so on. Political change in Japan is part of parcel of this larger pattern of social change. The change may be relatively slow, some of it perhaps visible only to the well-trained specialist's eye, but it is a profound and fundamentally important change with enormous political implications.

### **Declining Influence of State Bureaucracy over the Private Sector**

One more point I would like to emphasize when looking back over the past so-called "lost decade" is the declining influence of the state bureaucracy over the private sector, the shrinking of the power of the state vis a vis civil society, and the breakdown of informal mechanisms of coordination between the state and the business community. I do not have time to go into the details, but I suggest to you that this is a very important story. Attitudes among businessmen toward the state clearly have changed significantly. Rather than look to the state for guidance and cues, business leaders today are much more likely to adopt the attitude that the best thing the government can do for them is to stay out of their way.

If there is one particular set in the pattern of informal elite coordination that has not significantly changed it is that between the state and the press. I have become increasingly of the view that the way the press covers political news, the way reporters are trained, and the way news articles are written with little thought given to distinguishing factual reporting from editorial opinion, and what can be described at best as a nonchalant use of quotation marks and excessive reliance on anonymous sources are in-

creasingly anachronistic and in need of major reform. South Korea recently banned press clubs, but Japan still uses them. They produce a kind of cartel arrangement among the major providers of news and put too much power in the hands of those whose actions are being reported. The practice of *yomawari*, of reporters visiting at the homes of politicians, government officials, and others at night is a case of informal coordination and collusion if there ever was one. It cannot be much longer before a major shakeup of the news media's traditional way of doing things commences.

Finally, I should mention that one of the most significant changes in the patterns I have been describing, initiated by Prime Minister Hashimoto and moved forward with great energy by Prime Minister Koizumi, is a shift of the center of gravity of politician involvement in policymaking, away from the LDP and into the *kantei*, the prime minister's office. There is a centralization of policymaking and a growing role for the prime minister that is very important and generally positive. Koizumi is changing Japan's cabinet culture, much to the consternation of old line LDP members. His attitude is that it is his cabinet, not the LDP's cabinet, and he has made ministerial appointments in line with that belief. There may be some back-peddling after Koizumi is gone, but even if there is, Japan has moved into a new era in its policymaking processes: more transparent, more rules based, and more *kantei* driven.

### **Constitutional Revision**

Let me turn now to the issue of constitutional revision, an issue that is rapidly emerging as a major issue on Japan's political agenda. Revising the constitution was a major and very divisive issue in the 1950s. It then effectively disappeared for decades

and is now reemerging with new vitality. Both the LDP and the DPJ are planning to come up with proposals for constitutional revision next year. So revision is now becoming a major issue, and unlike the 1950s, a large number of Japanese, perhaps a majority by now, are not, in principle, opposed to revising the constitution.

I chose my words very carefully in what I just said. The question asked by public opinion polls, “Do you favor or oppose revising the constitution,” is becoming increasingly irrelevant. What other country asks in the abstract whether people favor revising the constitution? What is common sense elsewhere is now becoming common sense in Japan: if there is a good reason to revise the constitution, then revise it, and if there is no good reason to revise it, then leave it alone. The taboo of even discussing revision is now pretty much a matter of the past. It is very important, therefore, to understand that the decline of opposition to revising the constitution does not equate to support for revising it. Whether and, if so, how it is revised is something that is only now beginning to be discussed.

It is important to keep several things in mind in thinking about this issue. First is that the issue of revision today is totally different from what it was in the 1950s. This is not a revival of that debate but an entirely new one. In the 1950s the objective of those who advocated revision was to take Japan back to something it had lost, to restore the Emperor to a position more prestigious than being the symbol of the state, to undo Occupation reforms conservatives viewed as incompatible with Japanese traditions and values, and to restore institutions of an earlier age.

The debate over constitutional revision today is about moving forward, not back-

ward. The question being asked is whether the constitution needs to be revised to position Japan to prosper in the 21<sup>st</sup> century. There is virtually no interest, other than among a few right wing ideologues, in restoring an earlier political system. There is no serious talk about changing the definition of the Emperor’s position and role. The constitutional revision debate today revolves primarily around one issue: whether to revise Article Nine, the no war clause of the constitution, and if so, how to revise it.

### **Public Have Very High Degree of Confidence in Political System**

One key reason an open debate over constitutional revision is accepted by the public today as natural and timely, it seems to me, is because there is a very high degree of confidence, a kind of high comfort level in the fundamental strength of the political system created after the Second World War. If people do not worry that tinkering with the system will lead to its total unraveling, they are far more likely to be willing to contemplate constitutional changes. In the 1950s it was clear that if constitutional revision succeeded the democratic reforms initiated during the period of American Occupation would be thrown into jeopardy. There is no such apprehension today. In that sense, the emergence of a new debate over constitutional revision reflects the strength of the political system and the basic confidence people have in it, even if they are critical of how it is being managed.

Another crucially important point is that those people who are opposed to a substantial expansion of Japan’s military power are shifting from a position of opposition, to constitutional revision, to support for it. The argument over Article Nine is complex; it is important to listen carefully to what people are saying. There are two

groups diametrically opposed in their objectives who favor revising Article Nine. One, which actually includes a number of variations, is the group that wants to see Japan have the constitutional flexibility to become more of a normal country, in terms of the use of military power. The other, however, is a group of people that seems to me to be growing in size and importance who argue that Article Nine should be revised to prevent a creeping expansion of Japan's military role through constitutional interpretation. These people, "doves" if you will, want to lock in something close to the status quo by more explicitly stating in the constitution what is and what is not permitted in terms of Japan's military role. This group, too, has its subgroups, with some people stressing the importance of enabling Self Defense Forces to participate in UN-sanctioned peace making activities, and others that are more circumspect, and so on.

What does all this imply about the course of constitutional revision? The implication is that it is going to take a long time before a consensus is reached on how to revise Article Nine. The only thing that could radically speed up the process, in my view, would be some calamity in Japan on the scale of September 11; a tragedy of that magnitude could galvanize a consensus for revision of Article Nine very quickly. In the absence of such an exogenous shock, I do not expect to see revision any time soon. But the debate over revision is very important, because it is in fact a surrogate for a debate on Japanese foreign policy. It is impossible to discuss revision of Article Nine without talking about the role Japan should play in the world. So in that sense a debate over constitutional revision is very healthy and forces Japan to confront real issues of how to pursue its national interests.

### **Basic Japanese Approach to Foreign Policy Has Not Changed**

Let me conclude therefore with a few words about Japanese foreign policy trends. Two things are particularly noteworthy. One is that the basic Japanese approach to foreign policy has not changed. That approach involves a careful calculation of what the minimum response is to U.S. expectations necessary to sustain a close U.S. alliance, balanced against a calculation of what is the maximum concession acceptable to the Japanese public. I see little evidence that the public or the political leadership as a whole is eager to embark on a foreign policy course fundamentally different from what we have seen over the past decades. There is a lot of continuity in Japanese policy. To my mind, sending SDF troops to Iraq does not represent a departure from well known Japanese foreign policy approaches. It is a logical extension, given the global political realities Japan faces, of Japan's postwar approach to foreign policy.

### **Strategy to Deal with a More Powerful China**

The second point is that the most vexing challenge to Japanese foreign policy today is how to construct a strategy to deal with an ever more economically powerful and politically influential China. This of course is an issue that preoccupies all the countries in East Asia. And each, I would argue, is responding with a strategy that combines four elements, the weight of each differing somewhat, depending on the country at issue.

The first element is a determination to ride the wave of China's economic dynamism. Until just a few years ago, Japanese businessmen and businessmen elsewhere in Asia thought of China's economy in zero

sum terms. Chinese economic success would necessarily result in the hollowing out and decline of the Japanese economy. Today the idea that economic relations with China can and must become a win-win game dominates thinking among Japanese business leaders. It should be possible, in this view, for Japanese to prosper by investing in and trading with a rapidly growing market of over a billion people located only a few hours away by plane from Tokyo and Osaka.

The second element in Japan's and other East Asian countries' China strategy is to compete with China by sustaining their own global competitiveness. This is driving all countries in the region to open their economies more, to invite in more foreign investment, to improve efficiency, and to forge free trade agreements with China and other countries in the region and beyond. But here Japan has not been keeping pace with other East Asian countries. It has been late to jump on the FTA bus and important sectors of its domestic economy remain over-protected and overregulated. But the pressures on Japan to liberalize agriculture, to accept foreign workers from Thailand and the Philippines and so on are growing too strong to deny. The China challenge is forcing important domestic economic reform in Japan.

That reform is likely to be seen fairly quickly in regard to agriculture. It is really quite extraordinary how the debate over agricultural policy in the past year or so has shifted away from a traditional emphasis on maintaining high tariff walls, to discussion of the need to shift to an income support policy for farmers. The pressures for agricultural liberalization from outside, combined with the rapid aging of the Japanese farm population are going to drive change

in this area, even though it is one of the most sensitive areas politically for the LDP.

The third element in a strategy to deal with China is to entangle it in regional institutions, to create a new regional architecture in East Asia that envelops China both in economic and political/security terms. Inevitably, some of these institutions, such as ASEAN Plus Three or a proposed China-Japan-Korea security forum, exclude the United States. The existence of regional institutions that do not involve U.S. participation is not necessarily inimical to U.S. interests. East Asian regionalism is a new reality and the U.S. needs to adjust its policies accordingly.

The fourth element in a regional China strategy is to keep the U.S. engaged in Asia and to welcome its military presence as the guarantor of a regional power balance. There are differences within and among Asian countries as to how to structure that presence, but there is no support for its withdrawal.

Taken together, these four elements comprise a subtle and complex strategy for accommodating and managing China's expanding influence and importance to the region. This presents a complex set of new opportunities and constraints for the U.S. and requires an equally subtle and sophisticated American regional strategy.

I will conclude my remarks here and leave it to my colleagues on the platform to make some additional comments.

**Nathaniel Thayer:** I find myself inspired, per usual, by Professor Curtis's remarks. He took everything I wanted to say and said it better. I find myself in agreement with him on his idea of a third revolution in Japan. Japan's society is aging and aged. I

don't know if you can call old folk walking on walkers down the street revolutionary, but change is coming, and change is coming very quickly.

### **LDP Will Continue to Adjust to Changing Conditions**

I disagree with Curtis on whether the LDP is collapsing. The LDP is both a government with largess to distribute, as well a political party. It has been able to adjust to conditions over the years. I think it will continue to adjust to conditions.

My last question is if the LDP is collapsing, why is the Minshuto imitating it, particularly in electoral procedures and in promising largess and the other things that the LDP does?

I am particularly interested in the period of 1993 to 2003, and the changes that came in this past decade had been fundamental. Let me speak to two. One of them is the change in the electoral system, and the other one is the change in policymaking.

Since 1925, Japan has had a very good electoral system for the lower house. It was complicated. Three to five Diet men were elected from each district. Both voters and candidates alike spent half their time trying to figure out what was going on, but the system, while complicated, worked.

The LDP lost an election, and felt that one of the ways they could be sure that they didn't lose any more elections was to change the electoral system. And they put in a system that is very much like the American system or the British Commonwealth system: you elect one person from each district.

The LDP, in pushing this electoral system, said it would save money. It didn't. The LDP said that it would make the elections issue-oriented; there would be debate over what to do. That is not the description of any Japanese election I have witnessed.

And the third thing they said was that with the single member districts you end up with a two-party system, two moderate parties, fighting for the center. That may be true, but we may also see in Japan an "imitation"—that's not the right word, but I'll use it—an imitation of the European system, in which there are several small parties, one of which can be the balancer. At any rate, the electoral system was changed. We may be seeing the emergence of a two-party system: two major parties which trade off power, and one or two small parties that will always be in the ruling coalition.

Japanese elections, then, are changing. But allow me to point out that the LDP still is responding to political challenges. It will probably continue to remain in power for quite some time to come.

The second thing I wanted to talk about was policymaking. It's a huge topic and deserves a lot of attention. I have said that before, and to many students, one of whom just delivered to me a 600-page manuscript, tightly bound, tightly written, waiting for comment. I told him I would read every other page.

He is concerned principally with policymaking; it used to be dominated by the bureaucrats who interacted with politicians who specialized in common areas of policy concerns. The third member of the triangle was business. The three of them would operate much like the triangles in American politics, but with secrecy. That caused reformers within the LDP and in the political

world in general to decide that they wanted to move policymaking into the cabinet's hands.

The cabinet already has all the power it needs to take over policymaking. In the constitution it is described as the sole lawmaker, as well as the highest organ of state power. It rarely exercises its power. What happens with the cabinet is that it meets twice a week, usually. It meets for periods sometimes no more than 20 minutes at a time. There is no major debate in the cabinet. Occasionally, there is one Diet man, a cabinet officer who will read a statement prepared by his ministry to another fellow who listens and doesn't understand what he is hearing. The cabinet has not distinguished itself in its lawmaking responsibility.

### **LDP Is Capable of Reform from Within**

Reformers have attempted to infuse the cabinet with new power. They have created a new cabinet office staffed by 900 people. It is designed to help both the prime minister out, to give him an alternate source of policymaking, as well as to give the cabinet a bureaucracy to respond to its wishes. More political appointees have been assigned in each ministry. Their purpose is to try and establish greater political control over the policymaking process. My conclusion: The LDP is capable of reform from within.

Let me call it off here and switch to my colleague.

**Nishimura Yoichi:** Maybe I can write five or six front page feature stories based on Dr. Curtis' presentation. What he said in his presentation about the signboard in Chiyoda-ku, "from manners to rules," was interesting.

As far as domestic politics is concerned, the change has resulted from the strict rule of seniority by Takeshita, to Koizumi's "surprise" system, based on populism. His anecdote reminds me of two episodes.

When former Prime Minister Takeshita was still a young politician, he always had a piece of paper. This was the list of all of the members of the Diet, arranged by seniority. And one day he whispered, "Oh my gosh, I'm still 137<sup>th</sup>." He tracked the age of all the members of the Diet and he underlined the names of anyone who was seriously sick, which meant those who were expected to resign. He also introduced a point system. This was kind of a political mileage system. Each minister received 1 point, and 1.5 was given to high-ranking officials of the LDP. And if you were the finance minister or the minister of foreign affairs, you scored higher, and if you were the secretary-general of the LDP, you also got higher points. So he developed the point system, and this was his basic political tool.

When you saw the Takeshita paper, it was very easy for us to predict the next cabinet, to predict at least the potential candidates for the next ministers. Next Monday, Koizumi will announce the latest makeup of the new cabinet. But maybe, again, we will make a mistake. Koizumi's surprise system is kind of unpredictable, but the Takeshita system could easily be predicted.

More recently, former Prime Minister Mori met with Mr. Koizumi in Tokyo in a restaurant and they had dinner. Mr. Mori gave Mr. Koizumi a note. Some of the points of the note were reported to be talking about "clearing the inventory" of the Diet members who have been elected five or six times and who desperately want Cabinet posts, but who are still left outside the cabinet, stagnating. Because of Koizumi's sys-

tem of surprise, former Prime Minister Mori, who is a boss of a faction, has a very huge inventory list. There's a huge difference between the Takeshita system and the Koizumi system.

I'd like to point out several comments on Dr. Curtis' remarks. He said the LDP power base has been shrinking, and this is clear when we look at the Hashimoto faction's situation right now. The largest faction of the LDP is the Hashimoto faction, which is descended from the Tanaka faction, founded by former Prime Minister Tanaka in the 1970s, and this faction is now seriously damaged by a donations scandal and is having trouble selecting a new leader.

### **Most Powerful LDP Faction Cannot Select a Leader**

This is also very surprising to us. The largest, most powerful faction in Japan cannot select a new leader. We have the name of Mr. Nukaga, one of the members of the National Security annual delegation to the United States, or Mr. Watanuki, the former Chairman of the Parliament, or Mr. Fujii, the former minister of transportation. But it is very, very difficult for the Hashimoto faction to select a new leader after this very big scandal.

This eloquently symbolizes the decline of factional politics, how the faction is severely damaged and losing its power right now. When I was in Japan, the most powerful guy of the most powerful faction of the most powerful party was Mr. Kanemaru. He used to say, "If the boss say it's black, in spite of the fact that it's white, it's black. If the boss says you have to turn right, you have to turn right. If the boss say you have to say yes, you have to say yes." This is the kind of discipline with the faction. We often compare this solidarity with the Yakuza

crime organization. But now, because of Koizumi's surprising way of power management, probably the relevance of factions is decreasing.

On Koizumi. The current term of Koizumi as president of the LDP is until September 2006. Koizumi should not have to worry about the upcoming election for a certain time. This can be applied to the anti-reform group too, led by Mr. Aoki, the boss of the upper house LDP members. Although Mr. Koizumi still remains the center of the LDP—that is clear for us—his gravitational pull is weakening, as is the influence of the anti-reform group.

At this moment, Koizumi has the advantage because he can still decide the personal moves of the cabinet. Koizumi's popularity is due to his skill of ignoring the list of recommended personnel sent to him by various LDP factions. Japanese people once applauded him because he seems to be dismantling this ancient regime. But those who were moved by Koizumi are now bored with him, according to several opinion polls.

### **Koizumi's Popularity Decreasing**

It is unclear what he plans next and what his game plan is, or what he wants to do next. According to several opinion polls, Koizumi's likeability, favorable feelings towards Koizumi are falling radically. And now that number is the same as the favorable feeling towards the ruling party, which means Prime Minister Koizumi can no longer count on his personal popularity to increase the party status.

If Koizumi's poll numbers become lower than 30%, a fierce internal battle, an LDP political battle, will surely come. But what is next? Who will be post-Koizumi? Un-

fortunately, I don't have a name right now. Secretary-General of the LDP Mr. Abe resigned, and maybe he would like to have some kind of distance from Mr. Koizumi so that he can have the time to prepare for the next political battle. Abe's rival, Mr. Okada, Chairman of the DPJ, is 50 years old. Maybe the time of the generation younger than 50 will come.

When I was in Japan, most of the political pundits named Mr. Aso, Mr. Hiranuma, Mr. Koga and Mr. Komura as the next Japanese prime minister. But we often say, "After Koizumi, only Koizumi," which means a Koizumi-type politician.

What is a Koizumi-type politician? Koizumi was never interested in the faction management or party management, and he didn't have any ambition to be a party boss. If you would like to be a party boss or a faction boss, you have to collect large amounts of money, which inevitably leads to a financial scandal. I can't say that Koizumi is scandal-free, but at least when he became the prime minister, we couldn't find any financial scandal connected to Koizumi.

If you are someone who always likes to climb the party ladder step by step, and if you have to gather a lot of money, and if you are older than 50 years old, then in Japan those kinds of politicians, I think, will not be regarded as a new prime minister.

### **Koizumi Changed the Japanese Public's Mood**

What did Koizumi achieve? Koizumi achieved few tangible things. In Japan we have the word *nekodamashi*. *Nekodamashi* is a kind of a sumo wrestling tactic, clapping loudly and suddenly, in front of your opponent, to startle the opponent and freeze the

opponent, and then gain the advantage. What Koizumi was doing was *nekodamashi*, a very swift and unexpected move. He has achieved very few tangible things, but what Koizumi achieved was perhaps a change of the Japanese public mood or consciousness.

When I was in Washington last time, we often heard "It's the economy, stupid," from the Clinton team. I say that "It's the prime minister, stupid." For the Japanese people, as Dr. Curtis said, there was an informal connection of the informal groups, which was well-functioning. But after Koizumi, the people began to watch the prime minister, the prime minister's diplomacy, or slogan, or sound bites. Even though he had achieved few things, at least the prime minister was important; it's the change of the Japanese people's mood or feelings toward politics that made a difference.

You can say this about the DPJ, too. That's why, in the upper house election this summer, the DPJ had won. One of the reasons is the so-called "Okada-effect" (the DPJ chairman). The fact that he's the new leader of this party has influenced the voters' actions.

### **Komeito Is Very Key to Japanese Political World**

Finally, on Komeito, I completely agree with Dr. Curtis that Komeito is very key now. I will finish by telling you two pieces of data. According to one of the exit polls by our media in Japan, in the upper house election in July, 80% of Komeito Party supporters supported the LDP candidates in single-member constituencies. But without Komeito's cooperation, LDP seats won in the single-member constituency would be half. Komeito has helped the LDP in the last four elections. If you look at the general

election last year, given that 80% of Komeito voters supported LDP candidates, without Komeito votes, surprisingly 77 members of the LDP would have lost the elections. And even if only 60% of Komeito supporters had voted for LDP candidates in that election, their support made the difference in 53 single-member constituency elections. This shows a very, very heavy dependence upon the Komeito Party by the LDP. Thank you.

### Q&A

**John Ikenberry:** Our speakers have given us a whole range of insights and rich themes to engage, so I want to open things up, if that's okay Professor Curtis, and let you hold your fire in responding to the discussions and invite comments and questions from the audience.

**Questioner:** Since your views are always so insightful, I can't pass up this opportunity to ask a few questions that are in my mind these days. You successfully argued that support for a revision of the constitution is not necessarily a move towards nationalism or military activism. But taking various political, then social phenomena overall, would you characterize Japanese politics as moving towards the right?

And in relation to that, I mean, depending on your answer, how would that affect this new issue you've talked about of Japan's relations with China, given the recent signs of both Japanese and maybe particularly Chinese younger people turning more nationalistic, in an exclusive manner? What is your prediction of how Japan will deal with China?

**Curtis:** I do not think that Japan is shifting to the right. If anything, there is a kind of drift going on that is pulling Japan toward a

more expanded security role because of the imperative of sustaining the U.S. alliance. A rightward shift implies a concerted effort to change the underlying ideology and the set of assumptions that has provided the framework for postwar Japanese security policy, but I do not think that is what Koizumi and other governmental leaders are trying to do. I think they are trying to accommodate new realities without fundamentally altering that framework.

### More Fluidity in Public Discourse

It is certainly true, however, that there is much more fluidity in the public discourse over foreign policy today than ever before. Taboos have been lifted, constitutional revision is vigorously debated and criticizing China for interfering in Japanese domestic affairs by protesting the prime minister's visits to Yasukuni shrine is popular. So voices on the right, which have always been there, are now heard more clearly. And a lot of those voices focus on China.

There is a huge disconnect between Sino-Japanese political relations and economic linkages. Political relations have been strained by Yasukuni and by the persistence of the history issue more generally. But its impact on economic relations has been limited. It probably had something to do with the Chinese decision not to rely on Japan for building a new bullet train line, and it probably leads the Chinese to favor making some deals with Americans or Europeans, instead of Japan. Nonetheless, Sino-Japanese economic relations are booming. Two-way trade between Japan and China now exceeds two-way trade between Japan and the United States. As far as Yasukuni is concerned, I do not think there is any possibility Koizumi will stop his visits there. It is just not in his character and he would be criticized at home for caving into Chinese

pressure. One possible solution is to find a way to have those convicted of war crimes at the Tokyo War Crimes Tribunal removed to a subsidiary shrine affiliated with Yasukuni.

**Ikenberry:** Can I follow up on this drift and ask you to think about Japan as it reacts to America's changing foreign policy and global security posture in a European context, because several European governments also were adjusting their foreign policy to preserve the alliance, in that case the NATO Alliance in the context of new realities, new American policies, new hot spots. And yet it opened up a bridge with their people and the public opinion became more anti-American.

Leaders either caved in or they didn't, but you saw new strains domestically in various European countries, in the context of a post-9/11 Iraq war, a re-calibration of European relations with Washington. Your picture of Japan is much more of the people and the leaders together, moving in a kind of calculated, incremental way to remain on the right side of the bright lines that keep the alliance as a coherent entity. Is there any latent debate that would break out public opinion and leadership on the kind of dynamics on following America's lead, no matter what?

### **Japanese Feel Threatened by North Korea**

**Curtis:** There is a tension in Japanese attitudes about the alliance with the United States that needs to be underscored. A key reason why there is not more overt public criticism of Prime Minister Koizumi's stance with regard to the alliance is that Japanese feel truly threatened by North Korea. The belief that Japan needs to demonstrate its support for the U.S. in Iraq as a

kind of quid pro quo for U.S. attentiveness to Japanese concerns about North Korea is something widely shared in Japan. Without the North Korean issue I think things would look quite different.

The second point is that it is possible for the United States to take actions that would push public opinion in Japan to the breaking point and the most likely candidate would be an effort by the U.S. to push harder than Japanese are willing to go to accommodate American desires, with regard to Japan's role in the global repositioning of U.S. military forces. The proposed military transformation with regard to East Asia does not only involve the reduction by about a third of U.S. forces in South Korea and repositioning of forces remaining in Korea to areas south of the Han River. It also involves making Japan a hub for American military operations in the Asian region, broadly defined. How far Japan will be willing to go to accommodate Pentagon desires is unclear at the present time.

So far, the Japanese government has endeavored to avoid public discussion of this issue in Japan and negotiate it quietly with the United States. The Japanese press has so far not given this story the attention it deserves. The contrast with South Korea is very sharp; there, one can get a quick education into the specifics of the U.S. military transformation project by reading the Korean press, even just the English language press. Japanese media coverage has been spotty at best. This is likely to change as the negotiations move forward. U.S.-Japan economic relations have not been this problem-free for many decades, and if serious problems are to arise in the relationship now, they are almost certainly going to involve the U.S. military presence in Japan, the range of issues involving American bases in

Okinawa and Japan's participation in military aspects of the global war on terrorism.

**Nishimura:** On the question about the constitution, I just want to introduce one survey conducted by our newspaper recently. We conducted a survey of the LDP and DPJ lawmakers who were born after 1954, when the Self Defense Forces (SDF) were established. And 80% of them think that within 10 years the constitution will be revised.

### **Two Answers to New Role of Self Defense Forces**

There are two thoughts, two answers. The majority supports the clarification of the role and the mission of the Self Defense Forces in Article Nine, and the second group largely supports changing the SDF to normal forces, such as the United Kingdom's military force.

There are two trends if we divide those answers: that we can say the difference between LDP and DPJ members for the younger generation is very small, and that they both tend to be very independent on conducting autonomous diplomacy; they would like to have a very autonomous and independent diplomacy. Independence or autonomous means not only from the United States, but also from Russia and China. According to Mr. Keizo Takemi, a veteran member of parliament who has a lot of foreign affairs experience and may have given a speech here, "These guys are neo-nationalists." As a result, we are a little bit concerned. Do they have a perspective of history, or not? They have a very logical and very clear vision. Maybe you can have a kind of clear table of options if you interview them.

There are four options: you have the Self Defense Forces in a coalition of the willing,

without a U.N. mandate; second, dispatching Self Defense Forces to a U.N.-mandated multinational force while exerting collective self defense; third, allowing Self Defense Forces to join U.N.-mandated multinational forces, but not allowing the exertion of collective self defense. And fourth, only dispatching to UN Peacekeeping Forces.

There are three matrices: to rewrite the constitution to recognize the right of collective self defense and clarify the mission of the Self Defense Force; second, to completely rewrite Article Nine and insert into Article Nine that this is a normal force or forces, like the UK's army; third, just continue the interpretation of the constitution. Here we have a 3 by 4 matrix. I think a broader consensus is possible, but right now I still think it's difficult to make a clear consensus.

**Questioner:** Having followed postal reform lately—really an obscure issue in the U.S.—it is not surprising for anyone who's in the postal area in the United States to understand that this is the matter of headlines in Tokyo. I'm wondering if anyone might speculate about why Prime Minister Koizumi is pushing so hard on postal reforms. Where does it fit in his own program, in his personal program and in his political program? What factors are going to influence the way that this issue develops, including a possibility of the future crumbling of the LDP, if that's an issue?

### **Postal Reform Is Koizumi's Life Work**

**Curtis:** This is, in a sense, Koizumi's life work. It is an issue that has preoccupied him from long before he became prime minister. He wants to get the legal structure in place while he is prime minister to privatize the post office and most importantly its role as banker and insurer. The process is

politically contentious in the extreme and some compromises are inevitable. The question is whether Koizumi will sustain his leadership over the issue and push for a thorough and meaningful reform, or whether he will settle for something that looks more like a reform than it actually is. That is what happened with the so-called “privatization” of the national highway authority, and it could happen here as well.

Koizumi likes to take on new challenges and make bold commitments, but his attention span tends to be short, with the result that he seems to get bored and moves on to the next issue. If that is what he does on postal reform, it will fail, despite the best efforts by his minister in charge of the issue, Mr. Takenaka. This is a reform that will happen only if the prime minister stays engaged and invests his own power in making it happen. If it does happen, it will have enormous consequences for Japan’s governmental system, as well as for the structure of the financial markets. It will, in effect, starve the government-affiliated agencies now funded with postal savings and radically reduce government involvement in the economy.

**Questioner:** Regarding your comments on defense transformation: couldn’t the disparity be explained by saying that the ongoing global posture view is much more dramatic addressing it in South Korea than it ever could be in Japan? For example, U.S. forces in Japan are not anticipated to have any severe reductions as in South Korea. There won’t be any major basing changes, and even the headquarters’ shift to Camp Zama or Camp Yokota wouldn’t require a great shift in U.S. forces, which are already very mobile and very situated to disperse rapidly amongst the Asia region. I guess my point is that the issues that the Japanese press may cover would be centered around com-

munity impact and have less of a strategic, or less of a world or diplomatic nature.

Also, you spoke about the fact that Japanese foreign policy is often geared towards doing the minimum to maintain the U.S. alliance. Yet we’ve seen that Koizumi on occasion pursues a more aggressive North Korea policy and a bilateral strategy, and he tries to balance that maybe, it can be said, against his allegiance to the U.S. position. But lately we’ve seen that South Korea and China have started to divert from the U.S.-Japan position. What would it take, in your opinion, for Japan to follow that lead and be forced to pursue a more independent North Korea strategy?

**Curtis:** It would take a very different North Korean approach to Japan, one that is difficult to imagine happening. For better or worse, Japanese policy toward North Korea has become hostage to the Japanese abductee issue. Without credible accounting of what happened to these unfortunate people, Japanese public opinion is not going to countenance a softer line toward North Korea. Yet a full accounting of what happened to the abductees who the North Koreans said died or never entered the country might so inflame public opinion as to make an accommodation with North Korea impossible. My sense is that Japan is likely to be the last to come to an accommodation with North Korea and that it will be in the context of a U.S. normalization with the regime.

As for the U.S. global military transformation issue, how it plays out in Japan depends on how skillful the U.S. is in negotiating the details and how much patience it has for Japan to work these issues through its system. The general thrust of transformation seems to me to make very good sense and is something that a Democratic admini-

stration would be likely to carry out, as well as a Republican one. After all, it makes sense to reduce the troop presence in Germany and South Korea and reposition troops in South Korea further south, away from the DMZ. But the idea of turning Japan into a hub for U.S. military operations in the region and beyond is bound to run into a great deal of resistance in Japan. The U.S. should not have exaggerated expectations for what is possible in Japan but try to work the issue through quietly and relatively slowly.

### **East Asia Emerging as a True Region**

As I mentioned earlier, there are huge changes going on in East Asia in the sense that this geographical area is emerging as a true region in economic, political and even psychological terms. Japanese relations with South Korea are a particularly poignant case in point. South Korean movie stars are the rage in Japan today. A South Korean television soap opera, *The Winter Sonata*, has absolutely captivated the Japanese audience. There are more than 10,000 people flying between Japan and South Korea every day, some four million a year. Taking membership in Japanese golf clubs in regional areas has become popular among South Korean businessmen who can fly in, play a round of golf, spend an evening at a hot springs resort, play the next day and go home and have it cost no more than playing at home, where golf is even more expensive than it is in Japan.

**Questioner:** As a former staff member of Koizumi's office, I really enjoyed the professor's speech on everything.

I have two questions. First of all, about Professor Curtis' comments on the LDP decline and also the Democrats' emergence: I think what's missing in the discussion is

generational issues. Although Mr. Nishimura touched upon that, the thing is that the division of the two parties, it seems to me, is not truly issue-based. As Nishimura mentioned, on all the major issues, there are more divisions between the senior and junior members, rather than between the parties. My question is that first of all, in the recent future, do you see any consolidation of the two parties in terms of issues, rather than status quo of two parties?

The second question is about the power of bureaucrats. My understanding is that the two parties are now sort of a collection of all the different policies in one party. It seems to me that there's an argument in which Democrats may have more power than they used to have because of the diversion from issues in one party. And if they have strong party lines going from the 1955 year system, then compared to those old systems they may have more power and leverage because of the diversions within the party itself.

**Curtis:** I am not a good crystal ball gazer so I don't want to hazard a prediction as to what is going to happen after Koizumi leaves the prime ministership, as far as party reorganization goes. Surely, many young members of the LDP and the DPJ would like to be in the same party. They have a lot more in common with each other than they do with the elders of their own parties. But in a single-member district election system, creating such alliances and party reorganizations is very difficult.

I would not bet a lot of money on the Democrats winning the next election, but I would not bet a lot against that possibility either. They clearly have a good shot at it. One reason is that whoever follows Koizumi in the LDP is going to look less attractive by comparison. Another is that the DPJ

is driven by the fear that if it does not win the next time, fissures in the party may break it up. In the past couple of elections DPJ leaders emerged with smiling faces, even though the party lost. Increasing its seats were part of what it called its hop, skip and jump strategy. But you don't hop and skip to political power. You either grab it or you don't, and if the DPJ doesn't win the next time, it will face a deep internal crisis.

### **Koizumi's Successor Will Likely Come from the Next Generation**

There is a lot of guessing going on in Tokyo about who is likely to succeed Koizumi as the LDP's candidate for prime minister. Everyone agrees that the next general election is going to be held under that successor and not by Koizumi. What seems clear is

that Koizumi's generation is probably not going to be able to come up with a viable candidate. The next LDP president is likely to be considerably younger. Abe Shinzo is one obvious possibility, but not the only one. Depending on how threatened the LDP feels by the DPJ, it might do something drastic like choosing a woman to be its president. The name of Noda Seiko is sometimes mentioned. Can we look forward to a US, Japan, South Korean summit of women leaders in 2008 with Hillary Clinton, Noda, and Park Geun-hye, former President Park Chung-hee's daughter? It's not likely, but stranger things have happened in politics.

**Ikenberry:** Well, on that tantalizing point, will you join me in thanking our speakers? Thank you for coming.  
(End)

## About the Panelists

### Main Speaker

**Dr. Gerald Curtis** is Professor of Political Science at Columbia University and is a specialist on politics in Japan and U.S.-East Asian relations, with particular research interests in parties, interest groups, and state-society relations. He has served as Director of the East Asian Institute for a total of twelve years between 1974 and 1990. Dr. Curtis has been a consultant and adviser to *Newsweek* for its Japanese and Korean Language editions, a columnist for the *Tokyo/Chunichi Shimbun*, a member of the international advisory board for *The Asahi Shimbun*, a member of the Board of Directors of the U.S.-Japan Foundation and the American Academy of Political Science, and a member of the Trilateral Commission and the Advisory Council for the Center for Global Partnership of the Japan Foundation. He won the Masayoshi Ohira Prize in 1989 for the best book on Japanese politics and was cited by *Newsweek* as one of the ten leading Asia scholars in the United States. Dr. Curtis received his Ph.D. from Columbia University. He is the author of *Election Campaigning Japanese Style* (1971), *The Japanese Way of Politics* (1989), *The United States, Japan, and Asia: Challenges for U.S. Policy* (editor and contributor, 1994), several other books and numerous journal articles in English and Japanese.

### Discussants

**Mr. Nishimura Yoichi** has been Bureau Chief of *The Asahi Shimbun's* Washington, D.C. bureau since 2002. He first served in the Washington bureau from 1998 to 2001 covering issues related to defense, diplomacy, and the U.S. 2000 presidential election. Mr. Nishimura previously spent one year at the newspaper's Tokyo office as deputy foreign editor and senior diplomatic writer. He also has covered the office of the Prime Minister, the Diet, and the Ministry of Foreign Affairs in Tokyo. From 1993 to 1997, he worked at *The Asahi Shimbun's* Moscow Bureau. Mr. Nishimura received a B.A. from Tokyo University and studied at Moscow University and the Institute of Ethnology of the Russian Academy of Science. He is the author of *Grave of Prometheus (Purometeusu no Haka)*, and has contributed to the books *The Iraq War (Iraku Senso, 2003)*, *The World at a Crossroads (Kiro ni Tatsu Sekai, 2002)*, *55 Chapters to Know Modern Russia (Gendai Roshia wo Shirutameno 55 Sho, 2002)* and *The Gulf Crisis and Japan (Wangan Kiki to Nippon, 1992)*.

**Dr. Nathaniel Thayer** is Yasuhiro Nakasone Professor of Japanese Studies at the Paul H. Nitze School of Advanced International Studies, Johns Hopkins University. He also has taught at Columbia University, the City University of New York, and Harvard University. Previously, he was the national intelligence officer for East Asia and the Pacific for the Central Intelligence Agency, and a foreign service officer with the U.S. Department of State. Dr. Thayer has been a Ford Foundation Fellow and an Abe Foundation Fellow. He received a Ph.D. from Columbia University. Dr. Thayer has written *How the Conservatives Rule Japan* (1968) and "Japanese Foreign Policy During the Nakasone Years," in *Japan's Foreign Policy After the Cold War* (Gerald L. Curtis, editor, 1993). He is currently working on a new book entitled *Japanese Politics in Comparative Perspectives*.

### Moderator

**Dr. G. John Ikenberry** is the Albert G. Milbank Professor of Politics and International Affairs at Princeton University. He previously taught at Georgetown University. Dr. Ikenberry also has been a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. He received his Ph.D. from the University of Chicago. Dr. Ikenberry is the author of numerous publications, including *State Power and World Markets: The International Political Economy* (2002), *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars* (2000), and *Reasons of State: Oil Politics and the Capacities of American Government* (1988).