Policy Brief No. 61, March 17, 2011

THE JAPANESE DISASTER: ARE POLITICIANS UP TO THE TASK?

Bert Edström

The effects of the series of disasters that are evolving in Japan are staggering. In the national calamity created by the disasters that are ravaging the Japanese nation, there is no time for politicians to play the blame game and point fingers. It is time for them to act in a responsible way. Japanese politicians should remember the Emperor's words in August 1945 that Japan had to "endure the unendurable." In tough times, tough decisions are needed. Are Japanese politicians up to what is needed?

Plain Disaster

The effects of the series of disasters that are evolving in Japan are staggering. The scale of the disasters was much worse than initially reported. At first, the magnitude of the earthquake was said to have been 8.8, but eventually it dawned that it was 9.1, maybe even bigger. It was the largest in Japan in recorded history, surpassing that of the 1923 Great Kanto Earthquake that devastated Tokyo and the Kobe earthquake in 1995. When the tsunami hit the east coast of Japan, waves were reported to have been as high as 10 meters. But subsequent calculations made at the Building Research Institute and the University of Tokyo indicate that some of the tsunami waves may have been as high as 20 meters (*Asahi shimbun*, March 15).

To the effects of the earthquake and the tsunami are added the dangers emanating from the nuclear accident. At the time of writing, frantic efforts are being made to try to stop the serious problems at Japan's nuclear power plants from turning into plain disaster. Unfortunately, the TEPCO power company managing the nuclear power plants has a dismal safety record and the Japanese have good reasons for distrusting information released by the company.

In the prevailing precarious situation, the government and its leaders have key roles to play. It is plain to see that political leaders in Tokyo have learnt the lesson from the inept way that the Japanese government handled the 1995 Kobe earthquake, when Japan's political leadership was paralyzed. Prime Minister Tomiichi Murayama demonstrated only too glaringly that he was not a statesman but a local politician, who had been elevated far above his level of competency. It took days for the Self-Defense Forces to arrive in the disaster areas. The NGOs saved the situation by reacting instantly. Assisting in relief op-

erations, they saved countless lives and eased the burden of the victims.

Prime Minister Naoto Kan

Prime Minister Naoto Kan began his political career as an activist and it shows in his actions now. It is clear that Kan is aware of the need to provide accurate information swiftly to avoid confusion. After the earthquake and the tsunami both he and Chief Cabinet Secretary Yukio Edano appeared on TV several times a day updating the people on the situation and how the ongoing catastrophe is evolving. They have reassured the people that all efforts are being done to handle the effects of the catastrophe.

In one of his appearances, Kan said: "The earthquake, tsunami and the nuclear incident have been the biggest crisis Japan has encountered in the 65 years since the end of World War II. Whether we Japanese can overcome this crisis depends on each of us."

In a situation that worsened by the hour, and with no signs of improvements, his sombre comment made sense. At times almost desperate, facing an increasingly precarious situation, he tried nevertheless to infuse hope in the Japanese people: "I strongly believe that we can get over this great earthquake and tsunami by joining together."

To the hundreds of thousands of victims, this might not be much of a reassurance but it showed the prime minister's compassion and trust in the people's ability to overcome hardships. Beginning as an activist, Kan is intensely aware of the sentiments of the Japanese people and does not take easily his duty as the prime minister at least to offer some consolation.

Bringing up World War II in the way Kan did has deeper

significance. The war left Japan in ruins and millions of people displaced. Basic needs could not be satisfied. People died from starvation and illness. The ongoing disaster that is evolving now is not of the same scale but close to in parts of the country. What is needed is an all-out effort for national reconstruction. Companies in Japan — Japanese as well as foreign — are reported to have taken swift action.

Decisive Actions Needed

Decisive actions from Japan's political leadership are a sine qua non for national reconstruction. It should be alarming for the Japanese and friends of Japan that the political system and the politicians do not seem to act in a way that can be said to be responsible. The Asahi shimbun (March 15) reports about an emergency meeting on Sunday between Prime Minister Kan and Sadakazu Tanigaki, president of the leading opposition party, the LDP. According to its report, Tanigaki "suggested time-limited laws, including those on tax increases, to secure financial resources for the reconstruction of damaged areas." Chief Cabinet Secretary Edano is reported to have said that "the government has not ruled out the possibility of raising taxes to help fund reconstruction and relief efforts." Then, in this national crisis situation where politicians have to come up with ways and means to finance the rescue operations and reconstruction, he continued: "We are not in the stage that we are considering it or analyzing it."

Was Edano dreaming himself back to the days of the 1991 Persian Gulf War, when the Japanese government secured a massive US\$13 billion as Japan's contribution to the war effort by establishing rather short-term temporary "special corporate taxes," or to 1995 when the government did not see it necessary to increase taxes to obtain financial resources to rebuild the Kobe area after the earthquake?

For many years now, the LDP as the governing party financed an increasing share of the government expenditures by issuing bonds. It has converted into an ever increasing national debt. No change of this habit was seen after the DPJ had taken over the national rudder in 2009. Its first budget, for Fiscal Year (FY) 2010, was a masterpiece of increasing expenditure by issuing bonds on an unprecedented scale. Bonds amounted to much more than income from taxes. The DPJ-led government avoided a financial meltdown by tapping unused reserves. The problem for the DPJ-led government this FY is that the FY 2010 budget depleted the stock of unused reserves.

Bringing up World War II in the way Prime Minister Kan did is a healthy sign. It indicates that he is aware of the tremendous scale of the disaster we are now witnessing. But are he and his fellow members of the Diet capable of responding to what is needed? For many years, it has been glaringly clear that Japan has to raise taxes in order to handle the problem caused by aging, urbanization, increasing disparities, etc., etc. Equally obvious has been that the political system has been unable to come up with an appropriate decision.

In the national calamity created by the disasters that are ravaging the Japanese nation, there is no time for politicians to play the blame game and point fingers. It is time for them to act in a responsible way. Given the tremendous scale of the reconstruction work that is awaiting, taxes should be raised to give reconstruction work enough financial muscle and to restore sound fiscal policies. Japanese politicians should remember the Emperor's words in August 1945 that Japan had to "endure the unendurable." In tough times, tough decisions are needed. Are Japanese politicians up to the task?

Bert Edström is a Senior Research Fellow with the Institute for Security and Development Policy.

The opinions expressed in this Policy Brief are those of the author and do not necessarily reflect the views of the Institute for Security and Development Policy or its sponsors.

The Institute for Security & Development Policy

Västra Finnbodavägen 2, SE-13130 Stockholm - Nacka E-mail: info@isdp.eu / Tel: +46(0)8-41056960 Website: www.isdp.eu

Directors:

Svante E. Cornell & Niklas L.P. Swanström

Chairman, Advisory Council:

S. Frederick Starr

Deputy Director:

Robert Nilsson