

# Clashes, Crises and Confusion

## Japanese Politics at a Crossroads

Bert Edström

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## Executive Summary

2009 was a calamitous year for Japan's long-ruling Liberal Democratic Party (LDP). After its landslide victory in the Lower House election in 2005 and defeat in the Upper House election in 2007, support for the party was sliding. The party leadership tried to save the situation by putting up new party leaders, but to no avail. In September 2007 Abe Shinzō was replaced with Fukuda Yasuo but he lasted only one year. His successor, Asō Tarō, saw his support soon beginning to evaporate and it would not recover.

Also the leading opposition party, the Democratic Party of Japan (DPJ), was tested. On March 3 DPJ's party leader Ozawa Ichirō's fundraising organization Rikuzankai was raided by the police. It was a scandal which would continue to reverberate in Japanese politics and make headlines throughout the year. After several weeks of headline-producing details, Ozawa announced his resignation as leader of the DPJ and was replaced by Secretary-General Hatoyama Yukio. The shift of party leaders played out well for the party. Polls showed a continued drop in support for the LDP-led government and a widening gap in support between the ruling and opposition camps.

For Prime Minister Asō Tarō and the LDP, the situation grew steadily worse. A severe loss for the party in the Tokyo municipal election in June visualized the decay of the LDP's support. What saved Asō from being sacked as prime minister was that others in the party leadership realized that it was already too late to force him to leave before the general election. After the election on August 30 however, his exit was inevitable after the landslide victory for the DPJ. The party received 308 seats, against 119 for the LDP and 21 for the New Komeito, while the rest of the seats were allotted to six small political parties and six independents.

On September 16, Japan's new prime minister, Hatoyama Yukio, presented the coalition government formed by the DPJ and two minor parties. Despite only possessing ten seats between them, the participation of the minor parties in the cabinet was valuable for the DPJ. Forming a coalition ensured the smooth enactment of budget and government bills. Right from the start the government began working towards implementing the policies presented during the election campaign. Two new organs for governing the

country were established. The National Policy Unit was to be in charge of policymaking regarding the outlines of tax and fiscal policy and basic policies for economic management, while the Government Revitalization Unit was to be in charge of renewing the shape of the national government as a whole based on the perspective of the citizenry.

The DPJ-led government focused both on the short-term task of compiling the national budget, and on the long-term task of reforming the political decision-making system, away from being centered on the bureaucracy, to centering on politicians as the elected representatives of the people. Much effort was put into the budget work. The government was squeezed between decreasing tax revenues because of the economic downturn, and increasing expectations among voters because of the promises made by the DPJ during the election campaign. The DPJ had pledged to reduce wasteful spending and use the money to finance its proposals. In a remarkable move the government opened the budget process to the public by appointing a budget screening group. Bureaucrats in charge of each program had to answer questions posed by reviewers, who would report to the government whether the project was suitable, should be revised or scrapped, or should be transferred to local governments.

When in opposition, the DPJ had conducted a screening of part of the fiscal 2009 budget compiled by the previous government, which had convinced them that seven trillion yen in spending could be saved. The result of the budget screening showed that this figure was far too optimistic, with the first round of budget scrutiny by the working group resulting in a saving of just 1.6 trillion. At the same time, tax revenues were down to a record low since 1984.

On December 25, the 92.3 trillion yen budget was approved by the government. Securing a record 10.6 trillion yen from nontax receipts, including tapping into reserves and retained earnings in special accounts, bond issuance stood at 44.3 trillion yen – roughly the level promised beforehand of the government – which must be said to be one of the few successes scored so far by Japan's new DPJ-led government.

In December the DPJ was facing mounting problems. Instead of making decisions on vital issues, they merely postponed them. Accordingly, the party has had to realize the bitter lesson that its ambition to institute “real reforms” is an evasive goal. The increasing budget deficit demonstrated also

that the promise to stop the waste of taxpayer's money was proving difficult. The convulsions in the coalition government impacted public opinion, which was reflected in the polls, with support of the government sliding downwards and resulting in distrust of the prime minister's leadership.

## The Long Drawn Out Wait For an Election<sup>1</sup>

It was a symbolic collapse. On the very first day of the election campaign for the Lower House election in Japan to take place on August 30, 2009, Finance Minister Yosano Kaoru, amidst vocal pledges of “we’ll fight!,” became dizzy and fell from the roof of his election car and had to be carried away.<sup>2</sup> In a way it was symptomatic that one of the heavy-weights of the long-ruling Liberal Democratic Party (LDP) quite simply collapsed. It was fitting of a calamitous year for a party that had ruled almost without interruption for more than half a century. Indeed, 2009 had been a continuation of the setbacks of the two preceding years, which had tested the party’s stamina to the limit. It had all begun with the Upper House election in 2007, which represented a historic defeat for the LDP only two years after the party under its charismatic leader Koizumi Jun’ichirō had secured a landslide victory in the Lower House elections. The constantly negative opinion polls that the party had had to endure bred gloom in the party, but they also encouraged the political opposition, led by the Democratic Party of Japan (DPJ), to go on the offensive. With the experienced Ozawa Ichirō at the helm, the DPJ devised a strategy that worked, even when it was severely tested with both Ozawa and the prospective prime minister, Hatoyama Yukio, becoming embroiled in political scandals.

At the outset of 2009, the Sword of Damocles hung over the LDP. The party faced the upcoming Lower House 2009 election that in all likelihood would spell disaster, maybe even the party’s doom. After its election triumph in 2005, the LDP had seen its support among the electorate slip. Following Koizumi’s resignation in 2006, the party leadership tried to stop the decline by putting up someone who was thought to be an election locomotive, Abe Shinzō. Abe was a one-issue politician, however, who was elevated to the

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<sup>1</sup> The author would like to express his gratitude to Professor Fukuma Hiroshi, Seio University, Tokyo, who supplied materials vital for this report, and Dr Kazuki Iwanaga, University College of Halmstad, who read and commented on a draft version of this report.

<sup>2</sup> “Yosano zaimushō, shutsujinshiki de tachikurami” [Finance Minister Yosano dizzy on campaign start], *Asahi shimbun*, August 18, 2009, <http://www.asahi.com/politics/update/0818/TKY200908180219.html>. Articles and documents made available on the Internet were accessed the same day or the day after they were issued.

top post due to his support in opinion polls; but this was not enough as his period in power coincided with the LDP entering an astonishing decline. A key reason for the drop in support was that Abe rushed the re-admission of those LDP rebels that Koizumi had expelled from the party over their resistance to his key reform policy, postal privatization. This ill-advised move by Abe resulted in the disastrous 2007 Upper House election for his party, and, subsequently, he was forced to leave his post despite doing his utmost to cling to power. Just ten months after his appointment, the party replaced Abe with Fukuda Yasuo who had an air of competence, skill, and honesty about him. However, support for the ruling party suffered from the latter's lack of charisma and after a year as prime minister the political charmer Asō Tarō took over. Abe and Fukuda had been political blueblood and Asō was even more so – but even so the change of leader did not help to stem the LDP's freefall. With an air of arrogance about him and a tendency to speak a little too carelessly, Asō created problems for himself and his party. A mood of revulsion spread among voters and gloom and despair among party workers and the leadership.

The change of leadership from Fukuda Yasuo to Asō Tarō did not, therefore, work in the way that LDP bosses had planned. With party support failing to recover with the appointment of Fukuda, the plan had been to replace him with the popular Asō and arrange a snap election during the customary “honeymoon period” that a new premier enjoys. To the surprise of not only the LDP but political observers, the usual boost in popularity for the new incumbent failed to materialize. Already a week after Asō assumed the premiership his support began to evaporate and would not recover.<sup>3</sup> Composed of factions, in reality sub-parties dwelling under the LDP label, the party became ever more characterized by internal divisions with splinter groups and maverick personalities running their own shows. Even those considered strongmen of the party or who had held high office in the party and the government made moves against the party leader. Former LDP Secretary-General Nakagawa Hidenao ran what was de facto a mini-party within the party with proposed policies contrary to those pursued by the LDP leadership.

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<sup>3</sup> Bert Edström, *Asō Tarō and Japan's Political Autumn*, Institute for Security and Development Policy, Asia Paper (February 2009), pp. 53f.

On January 13 former Administrative Reform Minister Watanabe Yoshimi, who had been a thorn in the side of the LDP leadership and revolted against Prime Minister Asō, brought matters to a head when he left the LDP. That a former cabinet minister left the LDP had happened before, but Watanabe's departure boded ill for the ruling party.<sup>4</sup> His departure had long been in the making and was only a question of time after his performance in the Diet (the Japanese parliament) on December 24, when he voted for an opposition-sponsored nonbinding bill to dissolve the Lower House in order to make way for a snap election. The reason he gave for his revolt against the party was that he found the aforementioned measure proposed by the political opposition as the most effective way to alleviate the sense of stagnation prevailing in Japan.<sup>5</sup> Upon leaving the LDP, Watanabe assembled a policy group around him aimed at creating what he said would be a "people's movement" charged with changing the current bureaucrat-led government to a government led by elected officials. On August 8, three weeks before the Lower House election, Watanabe formalized the grouping into a new party called Minna no Tō, literally "Everyone's Party" but officially translated as Your Party, and fielded 13 candidates of which five secured seats in the Lower House.<sup>6</sup>

With the worldwide recession deepening, the government appeared at a loss over what measures to take. The Associated Press reported: "The pain of Japan's recession is spreading from the factory floor to the living room, as December figures showed companies slashing output at a record pace, the jobless rate surging and household spending falling sharply."<sup>7</sup>

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<sup>4</sup> Tahara Seichirō, "Watanabe Yoshimi Jiminritō no ura ni aru mono" [There are things behind Watanabe Yoshimi leaving the LDP], *Tahara Sōichirō no seizaikai "koko dake no hanashi,"* Nikkei BPnet, January 15, 2009, <http://www.nikkeibp.co.jp/article/column/20090115/125221/>

<sup>5</sup> Kazuaki Nagata, "Watanabe vies for change: Renegade vote for opposition's election motion draws LDP rebuke," *The Japan Times*, December 25, 2008, <http://search.japantimes.co.jp/cgi-bin/nn20081225a3.html>

<sup>6</sup> Leaving the LDP, Watanabe did what his father had also done. Watanabe Michio was a leading contender for the post of prime minister from the mid-1980s onwards. In the political mess that evolved after the Hosokawa cabinet's resignation in 1994, Watanabe left the LDP in the expectation that he would become prime minister but returned to the party when the plan did not materialize.

<sup>7</sup> Tomoko A. Hosaka, "Japan Factory Output Plunges, Jobless Rate Jumps: Recession spreads in Japan as factory output plunges, joblessness jumps, family spending falls," Associated Press, January 30, 2009, <http://abcnews.go.com/Business/Economy/wireStory?id=6766157>

The attempt by the Aso government to manage the effects of the world-wide slump on the domestic economy was ineffective and took its toll. Prime Minister Aso excelled in fumbling and espousing contradictory views and opinions that could only confirm the impression that the LDP and especially its leader were at a loss as to how to manage the crisis. Time and again mistakes were made that had to be retracted or explained away or apologized for. He floundered for instance when he explained how he was going to act when the government implemented a cash handout to boost consumption. Aso stated that he, being very rich, was not going to accept the cash handout, which was contrary to what he and the government wanted others to do. Later, due to the uproar his comment created, he changed his stance and said he would accept his portion of the cash hand-out and participate in stimulating consumption in his district.<sup>8</sup> But right from the outset, the two trillion yen cash handout program launched by the Aso government to prop up the economy was criticized as in all likelihood having almost no effect whatsoever on improving the economy.<sup>9</sup> For the government, and particularly the prime minister, it was a snub that the Fiscal System Council, the government's advisory body on the budget compilation process, recommended that the cash handout be abolished since it doubted the program's effectiveness for lifting the economy.<sup>10</sup>

Worse was still to come. Derision spread when it was revealed that as Koizumi's minister of post and telecommunications in 2005, Aso had voted for the postal privatization laws but had in fact actually been against them. Koizumi retorted by making his immediately famous remark that he was so astonished and disgusted at Aso's perfidy that he could no longer get angry, only laugh.<sup>11</sup>

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<sup>8</sup> Masami Ito, "Aso decides he will take cash handout: Now argues consumption needs boost," *The Japan Times*, March 3, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090303a1.html>

<sup>9</sup> Rei Yoshida, "Cash handout finding few fans: Local leaders say the economy needs a government stimulus plan with greater focus," *The Japan Times*, November 17, 2008, <http://search.japantimes.co.jp/cgi-bin/nn20081117a5.html>

<sup>10</sup> Kyodo News, "Finance panel against cash handouts," *The Japan Times*, January 16, 2009, <http://search.japantimes.co.jp/cgi-bin/nb20090116a7.html>

<sup>11</sup> "Koizumi motoshush hatsugen 'Warat chau' Jiminsaninkanbu ga hihan" [Former Prime Minister Koizumi: "I can just laugh," criticized by LDP officials], *Sankei news*, February 19, 2009, <http://sankei.jp.msn.com/politics/situation/.../st0902191152003-n1.htm>

As could be expected, and as polls vindicated, no one was impressed with or appreciated Asō's performance. A poll published on February 23 showed that the government enjoyed the least support since the days of the massively unpopular Mori Yoshirō, who was prime minister in 2000-2001. This can be seen from the slide in support for the LDP by 6.8 percent, and an increase of non-support by 8.8 percent to 80.2 percent, the first time the non-support rate had exceeded 80 percent.<sup>12</sup> The LDP's leader was even less popular than his unpopular party, and it was dawning on party members and the leadership alike that Asō was going to be a veritable sinker in the upcoming election.

Days passed and the Asō cabinet seemed unable to draw some trick from up its sleeve. The realization that its days were numbered spread rendering the prime minister a lame duck and the government effectively paralyzed. Furthermore, a visit to Washington and a meeting with the new darling of international politics, Barack Obama, failed to strengthen Asō's popularity. If Asō thought that a meeting with the new U.S. president would strengthen his credentials at home, he was mistaken. Asō's reputation preceded him as "among the most gaffe-prone and unpopular leaders in Japan's postwar history," as the *Washington Post* reported.<sup>13</sup>

For Asō there came a constant flow of bad news. Finance Minister and Minister of State for Financial Services Nakagawa Shōichi resigned after being accused of having been drunk at a press conference during the G7 meeting in Rome.<sup>14</sup> It was a personal tragedy for Nakagawa; but it also hit Asō since he had appointed Nakagawa as minister. Later in the year, Nakagawa was found dead, and so the circle was closed. He was the son of another LDP leader who had been a Young Turk-turned pretender for the post of LDP party president in the 1980s but committed suicide. According to polls, many longed for former Prime Minister Koizumi Jun'ichirō to return, but he had announced his retirement from politics. At a meeting of MPs convened by supporters of the former prime minister in order to

<sup>12</sup> "Sankei FNN g d yoron ch sa Asō naikaku shi iritsu 11% ni kyō raku" [Sankei FNN poll: Sharp decline 11% of support for the Asō cabinet], *Sankei shimbun*, February 23, 2009, <http://sankei.jp.msn.com/politics/policy/090223/plc0902231143003-n1.htm>

<sup>13</sup> "Japan's Beleaguered Leader to See Obama," *Washington Post*, February 23, 2009.

<sup>14</sup> Leo Lewis, "Shoichi Nakagawa to resign as Japanese Finance Minister over 'drunken' performance at G7," *Times*, February 17, 2009, <http://www.timesonline.co.uk/tol/news/world/asia/article5749967.ece>

“promote the adherence to the privatization of the post office,” Koizumi’s political magnum opus, only eighteen MPs showed up. A sad fact was that only six of the eighty-one members of “the Koizumi Children” – the LDP MPs who had entered the Lower House on Koizumi’s coat tail – attended. It was an indication of the lack of loyalty to the former prime minister and proved how far the anti-reform movement had gone within the LDP.

The still popular Koizumi – in the electorate, that is – announced that he would be absent from the Diet chamber during the revote on the second supplementary budget. Confronted with this rejection of the party line, the LDP leadership threatened to punish him if he did what he said he would. Eventually, Koizumi did abstain from voting but his days in the limelight had gone. In the press his revolt against the party line was noted only in passing, eclipsed as it was by headlines that the Upper House had rejected the government’s supplementary budget proposal and reports about the cash handouts that the government hoped would beef up the economy and with it its support.

## Ozawa Ichirō Departs as DPJ Leader – But Remains in Power

On March 3, the *Sankei shimbun* and other media reported that Ozawa Ichirō's fundraising organization Rikuzankai had been raided by the police. One of its officials, as well as executives of a construction firm, had been arrested.<sup>15</sup> It was an incident, many would say a scandal, which would continue to reverberate in Japanese politics and make headlines throughout the year. The seriousness of the affair was immediately clear, since Ozawa was likely to become the new prime minister after the Lower House election later in the year; and the revelation of the scandal threatened not only his own position but, above all, the election prospects of his party. As is customary the media rushed to publish opinion polls on the scandal, with a sizeable majority of those polled concluding that Ozawa had to resign as party leader.

But Ozawa shot back. He had no intention of resigning but instead accused the Tokyo District Prosecutor's Office of being a political tool. A legitimate question was why this scandal now and why Ozawa? A more intriguing fact was that a "source" within the government floated the news that the scandal would not extend to members of the LDP.<sup>16</sup> The immediate question was how the "source" knew this if he or she didn't have insights into the investigation being pursued by the Tokyo District Prosecutor's Office? This gave weight to Ozawa's accusation of there being political motivations behind the move. Embarrassing for the LDP was that one of the heavyweights of the LDP and a member of the Asō cabinet, Nikai Toshihiro, came under suspicion for involvement in questionable fundraising linked to the Ozawa "affair." Remarkably Nikai was involved with the same construction company as Ozawa. Even if he denied any illegality concerning

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<sup>15</sup> "Nishimatsu kenkin, Ozawa shi dantai no k setsu daiichi hishora sannin taiho kenkins gaku nioku en chikaku ka" [Nishimatsu funds, three arrested among them secretary of Mr. Ozawa's organization, total amount close to 200 million yen?], *Sankei shimbun*, March 3, 2009, 18:45, <http://sankei.jp.msn.com/affairs/crime/090303/crm0903031740027-n1.htm>

<sup>16</sup> "Nishimatsu kenkin 'Jimin ni oyobazu' to seifu suji" [Government source: Nishimatsu fund 'won't extend to the LDP'], *Yomiuri shimbun*, March 5, 2009, [http://www.yomiuri.co.jp/getsuroku/2009/politics\\_03.htm](http://www.yomiuri.co.jp/getsuroku/2009/politics_03.htm)

the money, he stated that he had decided “from an ethical viewpoint” to return the full amount.<sup>17</sup>

After several weeks of headline-producing details, Ozawa Ichirō announced his resignation as leader of the DPJ, stating that he had “to sacrifice [him]self and resign as party leader to strengthen the unity of the party towards a clear victory in the next election and achieve a change in government.”<sup>18</sup> The parting words of Ozawa as party leader had a prophetic ring. In the intervening period between the outbreak of the scandal and the above announcement, Ozawa had demonstrated stamina and perseverance and had maneuvered in such a way that the damage done to the party could be limited, with the DPJ emerging in reasonably good shape. Ozawa played his cards cleverly and did not leave the upcoming Lower House election out of sight. Nonetheless, the LDP and its leader, Prime Minister Aso Tarō, whose reputation and standing had also plummeted in public opinion, kept their fingers crossed that the scandal would continue to taint the DPJ.

And so, again, Aso dragged his feet and decided not to call for the Lower House election. In thus doing, he missed a golden opportunity to hold the election at what was the most convenient for the government.

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<sup>17</sup> Masami Ito, “LDP members to return Nishimatsu cash,” *The Japan Times*, March 7, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090307a3.html>

<sup>18</sup> Chisa Fujioka, “Japan opposition leader quits ahead of election,” Reuters, May 11, 2009, <http://www.reuters.com/article/idUST4193720090511>

## Hatoyama Yukio – The New DPJ Leader

On May 16 Hatoyama Yukio replaced Ozawa Ichirō as the leader of the DPJ. For Hatoyama, this was a return to a post that he had held 2000–2002. The favorite of the party's rank and file was not Hatoyama, however, but the incumbent secretary-general Okada Katsuya. He was a former DPJ party leader who had more support both in the party's local chapters and among the general public. After a rushed election, Hatoyama emerged the winner in the contest for the party leadership. In Hatoyama one saw a continuation of the Abe Shinzō–Fukuda Yasuo–Asō Tarō line of prime ministers in one sense. All three belonged to Japan's political nobility and had close relatives who had held the highest political office in the country. Continuity could also be seen in the sense that all had had "ordinary" jobs before becoming politicians.

Elected to the Diet in 1986, Hatoyama was a member of the LDP of which his grandfather Ichirō was one of the founders. But he left the party in 1993 to form the New Party Sakigake, a reformist party that was instrumental in throwing the LDP out of government shortly afterwards. As one of the leaders of the new party, that was also an important part of the new government that formed, Hatoyama was guaranteed a post in the government and duly served as deputy chief cabinet secretary, a post that he had to leave however when this government resigned. In 1998, Hatoyama co-founded the DPJ, together with his brother Kunio, and served as its leader from 2000 to 2002.

### Personal and Family Background That Counts

*A profile without a profile*

For those interested in the career and background of the new prime minister, checking the homepage of the Prime Minister's Office (PMO) under "Profile of Prime Minister Hatoyama" reveals only scant information. Still after months in office the only information posted about the prime minister is that he was born in Tokyo on February 11, 1947, is a member of the Lower House, and has been reelected eight terms for the 9th District of Hokkaido.<sup>19</sup>

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<sup>19</sup> Prime Minister of Japan and His Cabinet, "Profile of Prime Minister Hatoyama,"

The only additional information for the reader of the Japanese version of the homepage is that Hatoyama's blood group is O and some rudimentary facts about his constituency. While information on the PMO homepage about a new prime minister is not usually expansive, this time no one could dispute the scarcity of facts provided about Hatoyama.

More information is provided on the DPJ's homepage about Hatoyama's personal and family background, political career, social involvement and hobbies. But also here the information, provided both in Japanese and English, consists only of name tags and labels of posts and positions, so a reader is provided with only a skeletal outline of Hatoyama's career before he took over as prime minister.<sup>20</sup>

There is far more body and content on his personal homepage, however. A reader will find buttons for "statements" (in the Diet), "speeches," "media," newsletters, etc. But there is something evasive about the information provided. The inventory of "statements" lists only two for the years 2001, 2002, 2003, four in 2004, two in 2005, one in 2006 and 2007, none in 2008, and two in 2009. The picture is even more lopsided for "speeches" of which two are undated, six are from 2000, five from 2001, and none for the period from 2002 to 2008 and from 2009. A reader is also informed that Hatoyama is the author of two books and four articles between 2000 and 2009, and learns that he is responsible for a report on constitutional issues. His six offices are presented but only with photos and maps and nothing is said about activities.<sup>21</sup>

Homepages of leading politicians are usually packed with information and overflowing with facts about the politician's activities; the more the better is the golden rule. Due to the huge gaps seen in the political curriculum vitae presented on Hatoyama's homepage, he is clearly a politician who does not indulge in this habit. The gaps in Hatoyama's listed activities – be it speeches, statements, or some other category – are noticeable, compared to information provided on the homepages of the four other top representa-

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[http://www.kantei.go.jp/foreign/hatoyama/profile/index\\_e.html](http://www.kantei.go.jp/foreign/hatoyama/profile/index_e.html) (accessed November 15, 2009).

<sup>20</sup> "Yukio Hatoyama," DPJ homepage, [http://www.dpj.or.jp/english/about\\_us/sec\\_gen.html](http://www.dpj.or.jp/english/about_us/sec_gen.html)

<sup>21</sup> Minshut daihy Shuingiin Hatoyama Yukio [DPJ Chairperson Hatoyama Yukio, member of the Lower House], homepage, [http://www.hatoyama.gr.jp/tentative\\_plan/index.html](http://www.hatoyama.gr.jp/tentative_plan/index.html) (accessed November 15, 2009).

tives of the DPJ, Ozawa Ichirō, Kan Naoto, Okada Katsuya, and Maehara Seiichi, all of whom had to leave the post of DPJ party leader prematurely; in Okada's case because of losing an election (2005), the others because of scandals (Kan in 2004, Maehara in 2006, and Ozawa in 2009). Hatoyama's interest in amassing and supplying information about himself and his activities to supporters seems to lack momentum, at least as far as can be concluded from his homepage.

The situation is partly the same for the information provided by Hatoyama's *kōenkai*, or supporters' organization. Judging from information found on its homepage, the last event reported for 2009 took place on August 17; the organization seems to have fallen asleep after its leader was appointed prime minister.<sup>22</sup> The *Hātomēru* (The Heart Mail), the newsletter issued by Hatoyama's *kōenkai*, does not give much more information either. The newsletter used to be issued weekly but seems to have ceased with Hatoyama's electoral success. October 1, the message greeting visitors to his homepage was that the newsletter had temporarily been put on ice; those interested were directed to the newsletter issued by the Prime Minister's Office.<sup>23</sup> The 411th issue, issued on August 7, three weeks before the general election, was the last issue of the newsletter (unless it is to be reissued in the future).

The contrast to the homepages of other DPJ leaders is striking. Compared with materials provided by homepages linked to Ozawa and the three other leading party representatives, its relative lack of information gives an impression of a politician who is not concerned with his PR. This lack of interest in disseminating information to his supporters and others who are interested might have to do with his massive personal resources sufficient to propel his personal political drive. His personal fortune is considerable and he has not hesitated to contribute considerable financial resources to consolidating his political basis. His wealth derives from his mother, Yasuko, who is the daughter and heir of Ishibashi Shōjiro, the founder of the Bridgestone Tire company, one of the largest tire producers in the world. She has funneled considerable financial resources to the Democratic Party of Japan, which as previously mentioned Hatoyama Yukio and his brother Kunio

<sup>22</sup> "Ibento" [Events], Hatoyama Yukio *kōenkai* homepage, <http://www1.tomakomai.or.jp/hatoyama/event/index.html> (accessed November 20, 2009).

<sup>23</sup> *Shūgiin giin Minshutō Hatoyama Yukio mērumagajin*, *gogai* [Lower House member DPJ Chairperson Hatoyama Yukio mail magazine, special issue], October 1, 2009, <http://archive.mag2.com/0000074979/index.html>

founded. Kunio later left the DPJ and rejoined the LDP. He was a minister in the short-lived Hata cabinet in 1994 and after his return to his political alma mater he served subsequently as a cabinet minister in the Abe, Fukuda, and Asō cabinets. On June 12, 2009, he left the Asō cabinet after an argument with the prime minister.<sup>24</sup>

Added to Hatoyama's wealth comes his family pedigree. Like other leading politicians who were prime ministers before Hatoyama, Abe Shinzō, Fukuda Yasuo, and Asō Tarō being cases in point, Hatoyama Yukio is political blue blood being the fourth-generation of a political family. Hatoyama may be in no need therefore of boasting about and boosting his political activities by employing fulsome language on his homepage. Therefore, if it was Father Joseph who pushed his sons to become the Kennedy political brethren, it is Mother Yasuko who has supported the political careers of her sons Yukio and Kunio. In Japan there are many "political families" but the Hatoyamas are one of the most illustrious, often being called the Kennedys of Japan. In a book published in 1990, Ichikawa Taichi showed that members of the Hatoyamas led the league of MPs, having been reelected to the Diet 29 times.<sup>25</sup> This continues to be the case today.

The Hatoyamas are so important in Japan's political life that the family is described as a "dynasty" by Ito Mayumi in her book about the family.<sup>26</sup> Japan's new prime minister is just the most recent of spring of a family that has been part of Japan's political leadership for many decades. His grandfather Hatoyama Kazuo was elected to the Diet in 1892 and subsequently became the speaker of the Lower House; his grandfather Ichirō was education minister 1931–34 and prime minister 1954–56; and his father Iichirō was foreign minister in the first Fukuda Takeo cabinet 1976–77.

An interesting aspect is that Hatoyama Yukio's father Iichirō became a politician very late after having been a businessman for many years; he also became a minister after having been elected MP only once. A rule of thumb in Japanese politics à la the LDP is that a LDP politician is qualified to become a minister by being re-elected a number of times. It can be speculated that

<sup>24</sup> "Hatoyama resigns over Japan Post row," *Asahi shimbun*, June 13, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200906130064.html>

<sup>25</sup> Ichikawa Taichi, "*Seshū*" *daigishi no kenkyū* [Research on "hereditary" MPs] (Tokyo: Nihon keizai shimbunsha, 1990), p. 24.

<sup>26</sup> Mayumi Ito, *The Hatoyama dynasty: Japanese political leadership through the generations* (New York: Palgrave Macmillan, 2003).

in the case of Hatoyama Ichirō he became minister so speedily because of his family background. The lasting fame of his father, Hatoyama Ichirō, is linked to the fact that as prime minister he was able to normalize relations with the Soviet Union in 1956, even though the two countries did not sign a peace treaty. It appears that Fukuda Takeo planned to make advances in Japan's relations with the Soviet Union when he became prime minister in 1976. When Fukuda asked Hatoyama Ichirō to become foreign minister in his first cabinet, Hatoyama was asked by the prime minister to follow in his father's footsteps in his diplomacy towards the Soviet Union.<sup>27</sup> Soon, however, it was China that monopolized Japan's foreign policy at the time, which might have contributed to the fact that Hatoyama was replaced by Sonoda Sunao as foreign minister when Fukuda reshuffled his cabinet.

### The Hatoyama Legacy and Japanese Politics

Hatoyama Yukio's background, both in regard to his family background and his own career, has a bearing on his political activities and most likely also those of his government. With him at the helm, the shadow of Hatoyama Ichirō will loom large over governmental policies. In two respects his heritage will prove important for governmental policies and influence policies that Hatoyama Yukio will try to pursue as premier.

The heritage of Hatoyama Ichirō is founded upon his accomplishments, *deeds*, and his *ideas*. He was predestined to become prime minister after the first postwar election in 1946 when his Liberal Party became the largest party, but was suddenly removed from the scene when he was purged by the Occupation authorities for his prewar activities. In this situation, the Liberal Party picked a new and untested leader in form of the arch bureaucrat Yoshida Shigeru, who was a career diplomat and had been foreign minister in the previous government. When Hatoyama returned to politics and eventually replaced Yoshida as premier in 1954, the succession was complicated since Hatoyama returned "with a sense of burning resentment against Yoshida, who now refused to step down in his favour despite an understanding he would do so when Hatoyama was released from the purge."<sup>28</sup>

<sup>27</sup> See the interview with Hatoyama Ichirō in Yomiuri shimbun sei ibu, ed., *Jimintō no sanjūnen: Kenryoku no chūsū o kataru* [The 30 years of the LDP: Central actors speak out] (Tokyo: Yomiuri shimbunsha, 1985), p. 35.

<sup>28</sup> J. A. A. Stockwin, *Japan: Divided Politics in a Growth Economy*, 2nd ed. (London:

The feud between the two men was transposed to later generations and lingered on in coming decades.

There is no doubt that Hatoyama Ichirō's reputation as one of Japan's most important prime ministers in the postwar period is linked to his role in normalizing relations with the Soviet Union in 1956. Once, an influential commentator remarked that "if one takes away the four characters *Nissō fukkō* [the Japanese–Soviet normalization], nothing at all remains of Hatoyama's deeds."<sup>29</sup> This derogatory statement seems a bit unfair, however. The 1956 normalization of relations with the Soviet Union enabled Japan to become a member of the United Nations, which had been a top priority of the Japanese government. Admission to the world body meant that Japan re-entered the international community of nations that it had left 23 years earlier, when it had marched out of the League of Nations.<sup>30</sup> The agreement with the Soviets meant that Hatoyama, rather than just opposing Yoshida's policies, surpassed their limitations.<sup>31</sup>

The legacy of the grandfather is easy to discern, for instance, in the fact that Hatoyama Yukio is chairperson of the Japan–Russia Society.<sup>32</sup> It also emerges from his link to the Hatoyama *yū ai juku*, an educational and cultural body established by the Hatoyama family to disseminate knowledge about the ideas of Hatoyama Ichirō. Both Yukio and Kunio figure as leaders of this institution. The key concept here is *yū ai*. As is the case with many central political concepts, it is not easy to define it. Neither is it easy to translate the concept into English. In translations of Hatoyama's speeches provided by the foreign ministry and the Prime Minister's Office, this concept is rendered in English by the term "fraternity." Roger Pulvers contemplates the meaning of the term writing that

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Weidenfeld and Nicolson, 1982), pp. 66f.

<sup>29</sup> Kikuchi Hisashi, *Sengo sōridaijin no kenkyū* [Research on postwar prime ministers] (Tokyo: Chihara shobō, 1980), p. 153.

<sup>30</sup> Makiuchi Masao, "Kokusai rengō to Nihon" [United Nations and Japan], *Kokusai seiji*, Summer 1957, p. 48.

<sup>31</sup> Kikuchi Shigeo, "Daiichi i Hatoyama naikaku" [The first Hatoyama government], in Hayashi Shigeru and Tsuji Kiyooki, eds, *Nihon naikaku shiroku*, 5 [A historical documentation of Japanese cabinets, Vol. 5] (Tokyo: Daiichi shoin, 1981), p. 295.

<sup>32</sup> Maybe also in the fact that Hatoyama's son Kiichirō lives in Moscow and lectures at Moscow State University.

what the prime minister actually seems to be aiming for is a “friendly rapport” among people, Japanese and non-Japanese, and an acknowledgement that, wherever we live in the world, we are all in the same boat when it comes to our livelihoods, our security and our very survival. Yuai underscores Hatoyama’s vision of a new Japanese globalism — a policy orientation that Japan, which has operated until now with an unspoken guilt from its 20th-century militarism, has previously avoided.<sup>33</sup>

As Hatoyama was to explicate the concept of *yūai* in important speeches after his ascension to the post of prime minister, the concept constitutes the very basis of his political agenda, both domestically and in foreign policy. It is intimately linked to policies that the new government will pursue. It is a concept that took center ground in the national political debate in Japan, as Japan’s new prime minister used the concept in his policy speeches in the United Nations and in the Diet. In the same way as his predecessor, As Tarō, Hatoyama had to rush to deliver Japan’s speech to the United Nations. This may explain the fact that *yūai* is presented as the pivot of the foreign policy of Japan’s new government. The Japanese prime minister told the UN General Assembly:

My grandfather Ichiro, then Prime Minister, was an advocate of the concept of *yu-ai*, or “fraternity”. This *yu-ai* is a way of thinking that respects one’s own freedom and individual dignity while also respecting the freedom and individual dignity of others. There is a remarkable resonance between the concept of the “bridge” in Mamoru Shigemitsu’s address [in the UN in 1956] and Ichiro’s concept of *yu-ai*, or “fraternity”. Now, ff y-three years later, here at the very same United Nations General Assembly, I declare with firm determination that Japan will play again the role of a “bridge”.<sup>34</sup>

<sup>33</sup> Roger Pulvers, “Reading between the lines of Hatoyama’s far-sighted ‘vision thing’,” *The Japan Times*, November 11, 2009, <http://search.japantimes.co.jp/print/f20091108p.html>

<sup>34</sup> Ministry of Foreign Affairs of Japan, “Address by H.E. Yukio Hatoyama, Prime Minister of Japan at the sixty-fourth session of the General Assembly of the United Nations,” September 24, 2009, <http://www.mofa.go.jp/policy/un/assembly2009/pm0924-2.html>

A month later Hatoyama presented his first policy speech in the Diet and in this speech *yūai* forms a central concept for the policies that the new government will pursue. The concept is given a thorough presentation by the prime minister. Its key place in Hatoyama's thinking is shown by the fact that the second of six sections in the speech, comprising 1844 out of a total of 13,082 characters or fourteen percent, is allotted to his discussion of the concept. Hatoyama expounds how this concept is the basis of key aspects of his own and the DPJ's policy line in domestic affairs. The prime minister interpreted the DPJ's victory in the election as a result of the fact that voters wanted to see an end to "the cozy relationship" [*motareai no kankei*] that has characterized relations between politicians and bureaucrats. This attack on Japan's bureaucratic rule burned with an ambition to bring about the rule of the people (through politicians). It is the core of Hatoyama's credo as a party politician and will be an important thread of policies that he will pursue as prime minister. It is an idea that contradicts how politics has traditionally been pursued in Japan. Politics in Japan having been molded in the traditional way by the Meiji fathers and reconstructed after the Second World War, when the arch bureaucrat Yoshida Shigeru was prime minister, suggests a long history of continuity. Hatoyama Ichirō and Yoshida Shigeru stood as representatives of diametrically opposed ways of looking upon how politics should be organized and pursued. The clash between these men, who served as prime ministers after the war but whose careers were very much a thing of the prewar period, has lingered on during the postwar period. It was epitomized when Yoshida Shigeru's grandson Asō Tarō was prime minister and Hatoyama Ichirō's grandson Yukio was opposition leader. It was as much a clash between the heads of Japan's two leading political families as it was between the ruling and opposition camps. When Hatoyama took over after Asō the confrontation continued to be not only a clash between family heads but also of political philosophies.

## The Way to the Lower House Election

The shift from Ozawa to Hatoyama as the leader of the DPJ played out well for the party. Polls showed a continued drop in support for the LDP-led government and a widening gap in support between the ruling and opposition camps. From the outset, Prime Minister Asō acted in a way that robbed his party of a decent chance to perform satisfactorily, that is, by not calling the election at the beginning of his term in office. This had been the reason given by his predecessor, Fukuda Yasuo, as to why he stepped down. He did so when he realized that his party would not fare well in the upcoming Lower House election with himself as leader. His departure was sudden and his decision to leave turned out to be a gross miscalculation, since Asō did not enjoy the honeymoon period customary for a new premier, but rather saw his support rate drop almost immediately.

From his start in office, Asō's actions were marked by vacillation. Hesitating to dissolve the Lower House and call for election at a more opportune time damaged the party's chances for success. Further, a last chance to limit the coming election defeat for the LDP was lost when he failed to announce the election for the Obon holiday weekend, when many Japanese would be travelling and were not in their usual voting districts and arguably would not go to the polling station. Asō thus missed his chance to perform disenfranchisement à la Mori Yoshirō (prime minister 2000-2001). In the final stage of the 2000 election campaign when the LDP was not expected to perform particularly well, Mori made a statement about undecided voters: "If they still have no interest in the election, it would be all right if they just slept."<sup>35</sup> In a similar statement by one of the LDP's top contenders in discussing the issue of voter turnout, chairman of the LDP Election Committee Koga Makoto is said to have stated: "A not terribly high turnout is desirable. It may have been said in the past that 'for the LDP, a high turnout, is all to the good.' But in recent years, a high turnout is quite frightening."<sup>36</sup> Thus,

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<sup>35</sup> Howard W. French, "Governing Party in Japan Suffers Election Setback," *The New York Times*, June 26, 2000, <http://www.nytimes.com/2000/06/26/world/governing-party-in-japan-suffers-election-setback.html?pagewanted=all>

<sup>36</sup> "Koga Makoto Tries Honesty," *Shisaku: Marginalia on Japanese politics and society*, May 20, 2009, <http://shisaku.blogspot.com/2009/05/koga-makoto-tries-honesty.html>

the disrespect of voters who did not vote “right” beset the ruling party and showed that it was out of tune with currents in the electorate. But to the honor of Aso, he did not devote himself to this mumbo jumbo.

### **The LDP in Disarray**

Aso's vacillation resulted in that the dissolution of the Lower House came after the Tokyo municipal elections in July. Not to take the initiative was politically ruinous for his party. The Tokyo election outcome visualized the decay of the LDP's support and gave a boost to the DPJ's candidates and supporters. An open revolt against Aso surfaced in the LDP. In mid-June, he lost his third minister, Hatoyama Kunio, who resigned after the prime minister had declined to endorse Hatoyama's recommendation to fire the head of Japan Post, the world's largest holder of cash deposits with a history of being a useful milk cow for financing the pet projects of the LDP's heavyweights.<sup>37</sup> The situation grew steadily worse for the prime minister. A former secretary-general of the party, Nakagawa Hidenao, tried to have Aso replaced. As the party statutes prescribe, Nakagawa submitted a list with the necessary number of signatures of LDP Diet members supporting an immediate general party meeting to discuss the replacement of the party president. He wanted to see a more attractive election locomotive than the hapless Aso. What saved Aso from being sacked as prime minister, however, was that others in the party leadership realized that it was already too late to force him to leave; there was no time for a new incoming leader to reestablish voter confidence.

The outcome of the Tokyo municipal election showed that the LDP was fighting a losing battle with Aso at the helm, and the subsequent row in the LDP corroborated that the party was at a loss at how to rectify the situation. An extravagant move was made by the LDP Election Strategy Council Chairman Koga Makoto. He travelled to Miyazaki Prefecture to ask its popular governor, Higashikokubaru Hideo, a former comedian, to stand as a LDP candidate in the upcoming Lower House election. He accepted the offer but on the condition that the party listed him as a candidate for party president.<sup>38</sup> His demand was seen as demeaning to the party showcasing as

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<sup>37</sup> “Hatoyama Quits Aso's Cabinet Over Japan Post Struggle,” Bloomberg, June 12, 2009, <http://www.bloomberg.com/apps/news?pid=20601101&sid=a74xMIMVFo0>

<sup>38</sup> “Woored by LDP, Higashikokubaru sets condition,” *The Japan Times*, June 24, 2009,

it did its precarious situation, and it was harshly criticized by LDP members and the public alike.<sup>39</sup>

### The Election Campaign

That Finance Minister Yosano Kaoru collapsed on the first day of the official election campaign was an ominous sign for both the LDP and the New Komeito, the LDP's partner for ten years in the coalition government. Considering the fact that Yosano had three ministerial portfolios, being in charge of the entire government finance, economic planning, and financial regulatory systems, it is no surprise that he was overworked. He was a key figure in the government and with plummeting support for Prime Minister Asō, Yosano's collapse represented a serious setback for the LDP. Yosano was well known as the minister who kept the government together and he was regarded as the de facto prime minister. Even for Asō's most ardent supporters, the prime minister's arrogance and at times sloppy speaking habits had become too much, with support for him at a critical low. Worse still for the LDP was that the prime minister's ever-increasing unpopularity served to drag the party down with him. Seasoned party members endured the ignominy of witnessing, poll after poll, ever-sinking support for the LDP. To select Asō as party leader had been an attempt to prevent further chronic voter dissatisfaction and disillusionment. The historical victory that the LDP won in the 2005 "Postal Election" under its charismatic leader Koizumi Jun'ichirō was still memorable. Now the party found itself in a precarious situation with clear signs of a once seemingly unbeatable election-winning machine decomposing and decaying. No longer was the party the deadening bulldozer that flattened other parties in elections, as it had done since the party's founding in 1955.

Compared to many other countries, like the United States or Sweden, official election campaigns in Japan are short, lasting twelve days in accordance with election law. The law also regulates the ways and means in which the parties are allowed to conduct their campaigns. In fact, election campaigns in Japan have recently started to resemble those in the United States or Sweden, with the campaign, in a sense, starting the day after an

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<http://search.japantimes.co.jp/cgi-bin/nn20090624a6.html>

<sup>39</sup> Masami Ito, "Higashikokubaru rues ultimatum," *The Japan Times*, August 15, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090815a2.html>

election. Ever since the Upper House election in 2007, the political activities of Japanese parties and politicians might be said to have been part of an ongoing election campaign. Political parties and politicians had been seen to be jockeying for power and positions, with actions taken and measures proposed with the upcoming election in mind. Informal election campaigns therefore had started earlier than the twelve days allotted to the official campaign. In a comment about Prime Minister Asō's decision on July 21 to dissolve the Lower House and announce election on August 30, the leader of the main opposition party, Hatoyama Yukio, stated that Japanese politics had entered into "a 40-day election campaign," which was not an unreasonable claim.<sup>40</sup>

It was clear in the run-up to the election that Prime Minister Asō was clearly a political "has-been." He cut a mediocre figure in the election campaign, marked by the substantial disinterest or even ill-will that met him. Furthermore, the way Asō was out of tune with voter sentiments was striking. When he "asked those hit hard by the recession to give the ruling party another chance,"<sup>41</sup> it was a reminder to the electorate how utterly the LDP and the LDP-led coalition government had failed to tackle the ongoing economic crisis. That the crisis was not of Japan's doing but was a global phenomenon did little to assuage the negative sentiment felt towards the ruling party. The North Korean threat, a key issue in his campaign, was no winning card either according to polls. Probably of greater concern to the LDP was the futility of their campaign to undermine the credibility of DPJ representatives. According to polls, the DPJ was seen as the "cleanest" party (18.0%), even ahead of the admittedly non-corrupt Communist Party (16.4%). To paint the DPJ as a party of corruption failed to provide dividends for the LDP. Instead, past sins made it hard for the ruling party to convince that it was a clean party; only 6.3 percent of those polled agreed to that claim.<sup>42</sup>

<sup>40</sup> "The die is cast for Japanese politics," *Asahi shimbun*, July 22, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200907220033.html>

<sup>41</sup> "Lower House campaigning starts," *Asahi shimbun*, August 19, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200908190096.html>

<sup>42</sup> "Sankei FNN gendayoron chosa: Seitshi i' Minshu yit'suzuku" [Sankei FNN joint poll: "DPJ excels" continues in support for political parties], *Sankei shimbun*, August 10, 2009.

## Manifestos

In recent election campaigns in Japan, parties offering their services to voters have come up with “Manifestos” comprising their political platforms. In the 2009 Lower House election there was a veritable *embarrass de richness* of manifestos for the Japanese voter to pick from; no less than nine political parties offered their services to the people in this type of document.<sup>43</sup> The Manifesto presented by the DPJ was of significant interest, since it seemed likely that this party would form the government after the election. The DPJ Manifesto was 24 pages long. It started with five principles [*gensoku*] and five policies [*saku*] that were going to guide a DPJ-led government. A key aspect of it was to transform Japan’s current system of government led by the bureaucracy into one led by elected politicians. In practice the key points in such a transformation would be the policymaking apparatus and the procedures for drafting the budget. To realize this, the promises and commitments of the Manifesto were formatted in a manner which made it appear concrete and implementable. It was divided into two parts of which the first comprised five sections outlining policies and proposals and attaching price-tags to them; the second part presented a program comprising 55 “political goals,” “practical policies,” and, in many cases, the amount of money allocated to implement the policy. The time plan for implementing the proposals was from 2010 to 2013 – that is, the four-year period that a new government can be in power. The DPJ planned to introduce a child subsidy of 13,000 yen a month, make public senior high school tuition free, eliminate temporary tax rates on gasoline, implement job creation measures, eliminate expressway tolls, resolve the shortage of doctors, and introduce a subsidy to supplement farm household incomes.<sup>44</sup>

All in all, the offer to voters formed part of a grand plan by the DPJ, and its financial outline to achieve this was extensive. The party was going to redistribute outlays for 70 trillion yen of the 206.5 trillion yen in total expenditures listed in the general and special accounts of the budget. 9.1 trillion yen was to be secured by eliminating wasteful spending by stopping construction of two dams, eliminating public corporations that served only to

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<sup>43</sup> “Kakut k yaku” [Platforms of the political parties], Yomiuri online, part of special site “S senky 2009” [General election 2009], <http://www.yomiuri.co.jp/election/shugiin2009/commitment/> (accessed November 15, 2009).

<sup>44</sup> The Democratic Party of Japan, *Manifesto* [Manifesto] (Tokyo: Minshut , 2009).

hire retired central government bureaucrats, and revising the government subsidy system. 4.3 trillion yen in “hidden” reserves in special accounts as well as additional tax revenues were to be used to implement reforms and proposals by reshuffling expenditures. The DPJ had restricted itself to this when Prime Minister-to-be Hatoyama Yukio promised back in June that the party was not going to raise the consumption tax during the four years it would be in power, if elected.<sup>45</sup>

Presented as very much the guarantor for this program was the new party leader, Hatoyama Yukio, whose ubiquitous image appeared on almost each spread of the Manifesto. There are photos of him as a political speaker with a microphone in his hand or in front of microphones, and three pictures with him amidst people showing his and his party’s compassion. On the cover the DPJ’s slogan, *seiken kōtai*, or “change of government,” in giant letters.

The LDP’s Manifesto was very different. Its layout lent it the look of a booklet informing about medical treatments, rather than a PR statement of a political party. In fact, on its cover is found what looks like an abstruse mathematical formula:

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In contrast with the DPJ’s strikingly catchy slogan of *seiken kōtai* (change of government), the LDP’s formula-resembling “slogan” shows a party that had lost its political compass. Add to this calamity the fact that the party chose not to put up for show its election “face,” Prime Minister Aso Tarō, despite the fact that he had been made prime minister for the very reason that the party believed in his assumed capacity of being an “election locomotive.” Yet, Aso’s days in office had proven that he was anything but an attractive “face” for the party. There is a picture of him in the LDP’s Manifesto which is even smaller than that of a passport photo and hidden away in the 36-page booklet. This is a graphical demonstration that the prime minister was seen as a liability to his party, not an asset, in the election campaign.

<sup>45</sup> “Hatoyama blasts Aso in debate,” *Asahi shimbun*, June 18, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200906180034.html>

The message from the party on the front of the Manifesto should have been reconsidered. *Nihon o mamoru, sekininryoku*, roughly “Protecting Japan, the power of responsibility,” was not exactly what a party engulfed in trouble should have championed, because of the image that had spread of the LDP as a party headed by a leader and a leadership unable to come up with solutions to the severe problems that the country encountered.

Written on the cover of the DPJ's Manifesto is the party's vote-winning slogan *Kokumin no seikatsu ga daiichi*, or “People's Lives First,” which had not lost its appeal. A poll taken shortly before the election revealed that the LDP's plan to stoke fears of North Korea or China as a wedge issue was not a very smart move in the election campaign. Only 2.4 percent of those polled agreed that the North Korea problem and other security issues was a main issue in the election. The issues were ranked in an order that fitted the election strategy of the DPJ: medical programs and pensions (30.8%), economic countermeasures to the current slump (20.1%), the possibility of change in ruling parties (15.0%), child rearing and education issues (10.7%), fiscal issues, including the consumption tax (6.6%), the ability to carry out policies (6.1%), administrative reform (4.1%), agricultural policies (2.9%), the DPRK problem and other security issues (2.4%), and “I don't know” (0.5%).<sup>46</sup>

Added to the LDP's misidentification of the key issues for voters, according to polls, was the confirmation of the low approval rate for Prime Minister Asō. Answering the question who was most suitable as prime minister, the incumbent Asō was mentioned by only 4.1 percent, ranking seventh, while a devastating 85.9 percent found his leadership lacking. The highest approval rate was for one of Asō's ministers, Health, Labor, and Welfare Minister Masuzoe Yūichi, with 16.9 percent, while the DPJ's top contender was seen to be Hatoyama Yukio who received support from 12.8 percent of the respondents. Luckily for Asō it appeared that only 4.9 percent were to decide on how to vote based on the identity of the party leader. A remarkable point was that former Prime Minister Koizumi Jun'ichirō was still around in fourth place with the support of 7.8 percent in the poll, despite having announced his retirement from politics. An indication of the problems faced by the LDP was that one of the party's young and previously serious leader-

<sup>46</sup> “Sankei FNN gendai yoron chōsa: Seitō shi i ‘Minshu y i’ tsuzuku” [Sankei FNN joint poll: “DPJ excels” continues in support for political parties], *Sankei shimbun*, August 10, 2009.

ship contenders, Ishihara Nobuteru, ranked higher than As , despite having led the party to a solid defeat in the Tokyo municipal election in July.

With election day approaching and the campaigns heating up, the issuance of poll results by the media was as frequent as ever and indicated that the ruling coalition was struggling. Both the LDP and the New Komeito captured support rates that clarified that an election triumph for the two parties in the ruling coalition was not very likely. On August 18, just before the official election campaign commenced, an *Asahi shimbun* poll revealed an increase in support for the DPJ (upper line) while the opposite was seen for the ruling LDP (lower line).

Figure 1. Support for the DPJ and the LDP (%)



Source: *Asahi shimbun*, August 17, 2009

## The Election

The result when votes were counted on election day, August 30, evinced the political landslide. The DPJ received 308 seats, that is, far more than the 241 needed for a simple majority, the LDP won 119 seats and the New Komeito 21, while the rest of the seats were allotted to six small political parties and six independents.<sup>47</sup> The outcome made the 2009 Lower House election historic in that it was only the third time in the postwar period that an election resulted in a shift of government. The previous cases were the 1947 election when the Japan Socialist Party (JSP) won and its chairman, Katayama Tetsu, became prime minister, and 1993 when the LDP was unseated in the aftermath of the Lower House election. This time around, it was apparent almost from the first result that the LDP had lost. Prime Minister Asō Tarō would go down in history as the man who completed the LDP's march into the political wilderness. Asked why the voters rejected his party, he seemed at a loss to explain the election outcome.

The outcome of the election was as a matter-of-course a result based on the election system that had been introduced in 1994. 480 seats were contested, 300 were determined through single-seat districts, and the rest through the proportional representation constituency system. Each voter has two ballots, writing in the name of a candidate for the single-seat district and picking a party for the proportional representation constituency. The candidate who gets the most votes in the single-seat district wins the seat. The system is advantageous for a party that is popular. In all elections after 1994 until the Upper House election in 2007, the LDP was vastly superior in every election. It is likely that those who devised the system never imagined that the LDP would one day not be the most popular party and, thus, not be guaranteed to receive many more seats in the Lower House than its share of the votes.<sup>48</sup> It is fair to say that the LDP strategists of 1994 laid the foundation for the LDP's downfall at the 2009 election.

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<sup>47</sup> "S senkyo 2009," Yomiuri online.

<sup>48</sup> In 2005, the LDP received 38.2 percent of the votes but 61 percent of the seats in the Lower House, while the DPJ received 31 percent of the votes and 23 percent of the seats. The system is greatly disadvantageous for smaller parties. The New Komeito received 13.3 percent of the votes but only six percent of the seats, the Japan Communist Party got

The defeat that the LDP had to endure was even more severe considering that many of its stalwarts, including a number of its most senior members, lost their seats in the Diet. No less than a staggering 23 former ministers were not reelected, among them one former prime minister, Kaifu Toshiki, and two other important members of the party's top leadership, the party's former vice-chairman, Yamasaki Taku, and the chairman of the LDP's General Council Sasakawa Takashi.<sup>49</sup>

The election was a political defeat of a magnitude never before witnessed in Japan's modern political history. That a former prime minister was not reelected was the first time that such had happened since 1963, when Katayama Tetsu and Ishibashi Tanzan were similarly discarded by voters.<sup>50</sup> Arguably it is no surprise that the LDP candidates were rejected in some cases: Nakayama Tarō, a former minister, was 85 years old, Kaifu Toshiki, the former prime minister, was 78, and Sasakawa Takashi was 73. In fact, among the 1374 politicians who entered the election campaign as candidates, Nakayama was the oldest.

Despite the political avalanche that the 2009 election represented, the election result was consistent with the two previous elections, for the Lower House in 2005 and the Upper House in 2007. There was actually significant continuity in the outcome of these elections, in that the 2005 election was a landslide in favor of the LDP, while the 2007 election was a resounding victory for the DPJ. Both in 2005 and in 2007 the victor was a proponent of change, and change was very much the lead-theme of DPJ propaganda in preparing for the 2009 election. In fact, even in the 2005 election when the LDP's image was not that of a party promoting change as such, a vote for the LDP was in fact a vote for change. This was because the party leader, Koizumi Jun'ichirō, stood as a guarantor that change was to be implemented despite the fact he was leading a party that was a solid proponent for non-change.

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7.3 percent of the votes but received only one percent of the seats.

<sup>49</sup> "Yot no omo na rakusen k h sha ichiran" [List of important deposed candidates of ruling parties], *Yomiuri online*, August 31, 2009, <http://www.yomiuri.co.jp/election/shugiin2009/news/20090831-OYT1T00060.htm>

<sup>50</sup> "Shush keikensha no rakusen, 46nen buri" [After 46 years: non-election of former prime ministers], *Yomiuri online*, August 31, 2009, 00:40, <http://www.yomiuri.co.jp/election/shugiin2009/news/20090831-OYT1T00059.htm>

Polls taken both before and after the 2009 election indicated that voters had not only based their choice on the patronizing nature of the vote-hungry LDP. The polls indicated that voters saw the party as responsible for having run the economy into the ditch and blamed it for being unable to come up with policies and reforms that could rectify the situation. In sum, the outcome of the election was not that the DPJ had won so much as the LDP had lost.

### A Generation Shift?

The DPJ's victory in the general election paved the way not only for new parties to take over from the LDP-New Komeito coalition government, but it also brought in a group of untested politicians. Not that Japan's new government would lack experience at a ministerial level. One of them, for instance, Deputy Prime Minister Kan Naoto, has even written a bestseller based on his eleven months as health minister in Hashimoto Ryutarō's first cabinet in 1996; Kan secured lasting fame when as health minister he exposed the ministry's responsibility for the spread of tainted blood and has remained one of Japan's most popular politicians since.<sup>51</sup> Others in the team that emerged have also had stints as ministers in various governments, but Hatoyama Yukio himself is not among them. The most experienced was unquestionably the finance minister, Fujii Hirohisa, with twenty years as a finance ministry bureaucrat and who served as finance minister in the mid-1990s.

That so many of the LDP's most senior and experienced politicians did not get reelected may indicate that the seniority system, so ingrained in not only the LDP but in Japanese political life, might be on its way out. When he was prime minister, Koizumi Jun'ichirō attempted to rejuvenate the party and managed to engineer the situation whereby some of the party's oldest MPs were refused backing by the party in the 2003 election. Some bowed gracefully to Koizumi's action, like former Prime Minister Miyazawa Kiichi who withdrew from politics after having been a key figure in Japanese politics since the early 1950s having also served as prime minister (1992–93) as well as minister on several occasions.<sup>52</sup> Others forced to resign by Koizumi

<sup>51</sup> Kan Naoto, *Daijin* [Minister] (Tokyo: Iwanami shoten, 1998). It has recently been reissued in an expanded version, according to the *Asahi shimbun*, December 10, 2009, p. 4.

<sup>52</sup> The time was not long since his seniority and experience had been seen as a true

were not as graceful. Most stubborn was Nakasone Yasuhiro (prime minister 1982–87), who thought that having been an MP since 1947 and a leading politician for half a century should be rewarded with something else than being dismissed.

Koizumi's efforts to rejuvenate the party aside, the election outcome of 2009 led to many of the LDP's most senior MPs losing their seats and being forced to retreat into the political wilderness awaiting the next general election or by-elections. Whether these politicians can endure that long is written in the stars. Being a politician is a profession as much as a living, and since it is hard to teach an old dog new tricks, the political comeback of those cast aside in the August 30 election should not be underestimated. Whether they will be allowed back into the political warmth depends to a large part on the degree to which the new government succeeds. One strategic decision taken by Prime Minister Hatoyama, or at least announced by him, is that his cabinet will "endure" the four years accorded to it by the constitution. If his promise is fulfilled, it will be a precedent of sorts since very few of Japan's postwar Lower House cohorts have served the maximum period of four years. Almost always, the incumbent prime minister has used his prerogative to dissolve the parliament and call for election at any time he finds fit.

The message from voters to the parties could be interpreted as having a deeper meaning. With the landslide win that the DPJ secured in the election, many new, young, and untested politicians were elected to the Diet. When the "Koizumi children" were recruited by Koizumi to support him in his daring fight against party stalwarts in the 2005 "postal election," they were in many cases *tarento*, that is, celebrities, and untested as politicians. The "assassin candidates" were used by Koizumi to eliminate his opponents as a force within the party, and 83 of his "assassins" were elected. Their election could in many cases be ascribed to the support for Koizumi that was found among those who turned up at the ballot box. With Koizumi having retired from politics, these former newcomers had to stand on their own feet and face voters, and they did not weather this test. To have a photogenic face and be known from TV shows or be able to sing nicely was no

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asset. In 1998, when Miyazawa was 78 years of age and had more or less retired as a politician, Prime Minister Obuchi Keizo appointed him finance minister in his first cabinet. It was an appointment that was seen as a masterly move at the time.

longer enough to become an MP. The case of Fujino Makiko was a warning to parties. She was famous for her cooking and as a “charismatic housewife.” She had been one of the “Koizumi children” elected in 2005, but had not served her constituency well enough according to local opinion and was not reelected in the August 2009 election.<sup>53</sup> Of the 65 who were candidates in the 2009 election only three were re-elected.<sup>54</sup> This outcome can be seen as an expression of disappointment with the LDP as a reform party, with votes from disillusioned reform-inclined voters going to the opposition DPJ rather than the LDP.

Arguably one reason why most of the “Koizumi children” lost was that the reformist Koizumi was seen to have lost the internal fight in the LDP. This happened when his successor as prime minister, Abe Shinzō, allowed back into the party those very politicians who Koizumi had thrown out of the LDP for opposing his reform plans. This decision showed voters that reform was not on Abe’s agenda, however much he had claimed as a prime ministerial candidate that he was a reformist and a staunch supporter of Koizumi’s reform policy. Abe’s actions showed that the LDP was in no way a reformist party. Appointing first the arch bureaucrat looking Fukuda and then the arrogant Asō as chairman of the party, both of whom subsequently became prime ministers, showed that the “oldies” were back in full sway.

### The New Komeito in Dire Straits

If the LDP came out severely tarnished from the Lower House election, the situation was perhaps even more precarious for its coalition partner, the New Komeito, with its seats dwindling by ten seats to just 21. The party’s top leaders, Chairman Ōta Akihiro and Secretary-General Kitagawa Kazuo, did not secure reelection and, on top of that, another party VIP, Fuyushiba Tetsuzō, a former secretary-general, also failed to win his seat.<sup>55</sup>

<sup>53</sup> “‘Karisuma shufu’ Jimin-Fujino Makiko shi rakusen” [LDP’s “charisma” housewife Fujino Makiko not elected], *Yomiuri online*, August 31, 2009, <http://www.yomiuri.co.jp/election/shugiin2009/news/20090831-OYT1T00157.htm>

<sup>54</sup> “Yot no omo na rakusen kōhō sha ichiran” [List of main failed candidates of the ruling parties], *Yomiuri online*, August 31, 2009, <http://www.yomiuri.co.jp/election/shugiin2009/news/20090831-OYT1T00060.htm>

<sup>55</sup> “Yot no omo na rakusen kōhō sha ichiran” [List of main failed candidates of the ruling parties], *Yomiuri online*, August 31, 2009, <http://www.yomiuri.co.jp/election/shugiin2009/news/20090831-OYT1T00060.htm>

After the party had licked its wounds, it reemerged and admitted that “it lost the election primarily because the party was washed away by a ‘big wave’ of excitement at the prospect of a change of government.”<sup>56</sup> Having been the junior partner to the much larger LDP in the government for a decade, the party had had a voice when important policies were hammered out and even traces of a veto on issues crucial to the party. It was hard to deny that the junior partner in the government had been in many respects the fifth wheel of the carriage and in a sense had accepted that LDP rubberstamped decisions that were vital to the senior partner in the coalition government. It was thus not so surprising that a negative vibe was present after the election results. The New Komeito emphasized the negative aspect of its alliance with the LDP and found faults with Prime Minister Asō’s late dissolution of the Lower House. However, it was also displeased with its own leader, Ōta Akihiro, who had not been “sensitive enough to the will of the public and did not correctly respond to it.” With the voters’ disinterest in the New Komeito’s contribution to prolonging and securing the grip on power by the LDP, the party recognized that it had to make an “effort to rebuild itself as a political party,” and had to “put priority on dialogue with the public.”<sup>57</sup> It was certainly no coincidence that the New Komeito declared after the election that it “would base its policies on the realities faced by people in their day-to-day lives.” This resembled closely the DPJ’s political slogan *Kokumin no seikatsu ga daiichi*, or “People’s Lives First,” that had proven attractive to voters. The New Komeito indicated that it would try to emulate Ozawa on another front where he had been singularly successful, building the party’s basis from the grassroots level. The New Komeito declared that it would “use its local assembly members’ network” to make its new policies. It was also evident that it wanted to add distance between itself and its former coalition partner. Asked about future election cooperation with the LDP a month after the elections, Secretary-General Inoue Yoshihisa stated that no decision had been taken and that the party refrained from taking a confrontational stance to Hatoyama’s team.<sup>58</sup>

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<sup>56</sup> “Komeito blames poll defeat on voters’ desire for change,” *Yomiuri shimbun*, October 5, 2009, <http://www.yomiuri.co.jp/dy/national/20091005TDY02308.htm>

<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

## LDP as Opposition Party

One aspect of the election outcome that should not be overlooked is the fact that the DPJ's success had put many freshmen in the Diet, while the LDP had lost not only many of its most senior MPs but retained a minority. One effect of the election outcome was that the LDP team in the Lower House was mostly composed of politicians who had been frequently reelected. The face of the LDP after the election was, therefore, represented to an even greater degree than before by senior members. Experience was abundant but equally there was an uncompromising stubbornness. The incorrigible Abe Shinzō was reelected and in light of his party's severe defeat, he said that he felt his responsibility as a former party chairman: "There was a violent wind in the election this time for a 'change of government.' This wind will not continue for long. We should aim at an honest reconstruction."<sup>59</sup> His comment should worry both the LDP's leadership as well as party members because if Abe's view prevails, it suggests continued existence in the doldrums for the party. The public support for Koizumi back in 2001 and throughout his years in power, the LDP's struggle to stay afloat after the 2007 Upper House election, and the landslide victory for the DPJ in the 2009 general election are all proof that the Japanese electorate is tired of politics à la LDP. What should be the rallying cry for the LDP is not Abe's vision of a return to the ideas of a golden past but ideas that fit the new world of which Japan is a part. To look and long for the past as Abe recommended voters to do in the 2007 Upper House election did not work then, and will not work henceforth either. Japan is a conservative country, but outdated policies and approaches are ill-suited to the present-day era.

The position of opposition was a new and somewhat unaccustomed platform for the LDP. The debate after the opening of the Diet session showed that it would take time for it to adjust to the post-election situation. Not only had it lost its position of having a seat and a voice in the government, its status was badly tarnished and its numerical strength weakened. From being

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<sup>59</sup> "Abe motoshushu 'sekinin tsukan shite iru'" [Former Prime Minister Abe: "I feel severe responsibility"], *Yomiuri online*, August 30, 2009, 21:56. <http://www.yomiuri.co.jp/election/shugiin2009/news/20090830-OYT1T00672.htm>

the largest party in the Diet, it had become the second largest; from commanding a convenient super majority in the Lower House together with its coalition partner, the New Komeito, it faced a parliamentary situation with its political opponents having a majority in the Upper House and nearly a two-thirds majority in the Lower House. Fifteen years of almost unbroken and unquestioned right to govern and rule had prepared the party badly for years in opposition.

Ever since the Upper House election in July 2007, the party had been increasingly in disarray. For the LDP leadership, its strategy went astray when it focused on selecting a front figure rather than launching a policy drive in a situation where the electorate was focused on policies and not personalities. The grim truth dawned on the LDP's leaders and members that the party's standard operation procedures (SOPs) that had worked well in the past no longer did so. The people (that is, voters) had grown increasingly tired of the worn-out faces that the party paraded.

The LDP was in need of an overhaul, as shown by the outcome of recent elections. Abe Shinzō should be proof of the fact that youth is not enough. When he succeeded Koizumi Jun'ichirō as prime minister, Abe had been picked for his youth becoming the first premier to be born after World War II. Abe did not bring just his youth to the post, but also a staunch conservatism and many traces of a reactionary philosophy, in the sense that he was guided by a longing for bygone days as well as striving to bring about regime change, that is, an overhaul of the "postwar system" that had been put in place by the United States during the Occupation period 1945–52.<sup>60</sup> The lesson from the 2005 Lower House election should also be food for thought for LDP strategists. The landslide victory that the LDP under Koizumi Jun'ichirō reaped in that election was because he was a leader that represented and advocated change and who back in 2001 had secured his position as party president under the rallying cry that he would destroy the party if it resisted reform. With the outcome of the 2009 general election, Koizumi's promise seemed to be on the verge of materializing, not by his efforts but by the voters' displeasure at the LDP's unwillingness to reform, both itself as a party and Japanese politics.

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<sup>60</sup> Bert Edström, *The Success of a Successor: Abe Shinzo and Japan's Foreign Policy*, Institute for Security and Development Policy, *Silk Road Paper* (May 2007).

## Exit Asō

Asō had an uphill battle throughout his term as prime minister. His greatest miscalculation was to postpone the dissolution of the Lower House and call for election. Asō procrastinated and the situation continued to deteriorate for himself and the party. This was also due to his unfortunate habit of committing gaffes which raised doubts among the public about his leadership ability, and his weak position in the LDP as head of a small faction also crippled him. In hindsight, it seems he made a serious miscalculation from the start when he had taken over from Fukuda. The calculation was that the LDP with Asō at the helm would quickly dissolve the Lower House and announce a snap election where he as new prime minister would enjoy the customary honeymoon period. That Fukuda stepped down was not surprising given his low popularity rate, but the timing of his departure was. His argument for leaving was that his successor would be in a better position than himself to fight the upcoming Lower House election. At the time of the shift, this reasoning seemed justified since Asō was popular according to polls, and that was the reason he was picked as the successor to Fukuda by the party. The disturbing fact for both the LDP and Asō was that the honeymoon given him lasted only a few days. This almost non-existent honeymoon for the new prime minister was a phenomenon new to Japanese politics.<sup>61</sup> A reasonable conjecture is that the Japanese did not fancy the idea of having yet another prime minister picked by the LDP bosses; neither Abe nor Fukuda or Asō had taken on the top job after having fought and won an election. It brought back memories of occasions in the past when it was not popularity among Japanese but sheer party egoism that was decisive for the selection of a premier. It seemed that the message from voters conveyed through polls was that the selection of Asō for the post of prime minister was a case of one too many. The way Asō during the election campaign tried to portray the LDP as the truly “responsible party” simply did not square with the opportunistic way the party picked its leader, based on face, not policies. In hindsight, the effects on the electorate of Abe’s elevation should be food for thought for the party leadership and its members, as with Abe

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<sup>61</sup> Bert Edström, *Problems and Perils of a Prime Minister: Asō Tarō and Japan’s Political Autumn*, Institute for Security and Development Policy, *Asia Paper* (February 2009), pp. 53f.

as its “face” in the Upper House election in 2007 policy ideas emerged that clashed head-on with sentiments running high among voters.

### New LDP Leader

On September 16 the outgoing LDP president, Asō Tarō, reflected on his premiership. His comments were a mixture of pride, regret, and disappointment. It was a pity he said, with a hint of bitterness in his voice, that he had to leave halfway through his term. Asked what he expected from the new government, his reply was quite remarkable: “Well,” he said, “basically, [it is] to defend the interests [*rieki*] of the Japanese nation and people, that is, to defend our living.”<sup>62</sup> Asked who he wanted to succeed him, Asō’s conservative leanings were again on full display. He did not want to mention any names, but stressed that he wanted Japan’s history and traditions to be taken into consideration. His comments echoed the same sentiments that his friend and predecessor as prime minister, Abe Shinzō, aired right after the election defeat of their party, that is, a longing for turning the clock backwards. Asō longed for the Japan created when his grandfather Yoshida Shigeru was in power; Abe for the time when his grandfather Kishi Nobusuke was running the show as prime minister. The problem for the two politicians, and more for their party, was that Asō and Abe did not seem to grasp that the ideas that had once carried their party to power were outdated. Devoid of new ideas the party had tried to replace ideas with fresh faces only to find that voters saw through this masquerade.

Former Finance Minister Tanigaki Sadakazu emerged as the new leader of the LDP. His main task was to devise a strategy that would return the party to power.<sup>63</sup> The onus on him was to remake the party to enable it to go on the offensive in the 2010 Upper House election. His task was not easy. Previous premiers had left the once predominant party in miserable shape. With junior, mid-ranking, and senior LDP lawmakers strongly asserting different views, discord was a central tenet within the party. Party bigwigs like

<sup>62</sup> “Zannennagara michinakaba de tainin’ Asō shushō saigo no kaiken zenbun” [“Unfortunately I retire after only having reached halfway.” Complete text of Prime Minister Asō’s last press conference], *asahi.com*, September 16, 2009, 11:27, <http://www2.asahi.com/senkyo2009/news/TKY200909160081.html>

<sup>63</sup> Hirohide Hayashi, “Tanigaki out to unite LDP / New LDP leader pushed to include key party rival in shadow cabinet,” *Yomiuri shimbun*, September 30, 2009, <http://www.yomiuri.co.jp/dy/national/20090930TDY03105.htm>

former Prime Minister Mori Yoshirō, among others, who were used to running the show, posed a formidable obstacle to any renovation of the party that went against the prevailing power structure and the generations-old way of implementing political priorities. Eliminating those accustomed to holding power and posts would not be easy.

This was one of the ideas championed by the runner up in the fight for the leadership of the LDP, Kōno Tarō, one of the party's younger leaders and also the son of the party's former chairman, Kōno Yōhei, and grandson of Kōno Ichirō, one of the LDP's founding fathers. In the party, there was a "united we stand, divided we fall" mentality, only too adamantly stressed by the party leadership after the outcome of the Lower House election. The question, however, was if Tanigaki's approach to solving his party's problem would be the right one. As newly appointed party leader, he explained that he planned "to put the experience and wisdom of the party heavyweights to full effect."<sup>64</sup> No wonder the party heavyweights expressed high expectations for Tanigaki's plans to unite the party. Could they be anything but pleased? After having destroyed the popular support the party had enjoyed over the decades since it was founded in 1955 and steered the formerly predominant party out of power, it would have seemed reasonable for party members to want to rid the party of its former coryphées, whose activities and policies no longer met the approval of the voters and placed the survival of the party at risk. While it was obvious that it was not easy for the bosses to accept that they were no longer at the rudder, one could argue that the party's aspiring candidates might continue to support party bosses since they owed their political careers to them. But why ordinary party members still supported bosses who had failed so utterly is more of a mystery.

The election of Tanigaki did not seem to improve the standing of the LDP in the eyes of the general public. In a survey conducted immediately after the August 30 Lower House election, 66 percent of the respondents thought the LDP could regain control of the government, while in a poll taken at the beginning of October, when Tanigaki was party leader, only 50 percent held this view.<sup>65</sup> This being the case, it seemed that the LDP had departed from the habit of picking a successor to the outgoing party leader

<sup>64</sup> Hayashi, "Tanigaki out to unite LDP."

<sup>65</sup> "Approval rating for Tanigaki at 34%," *Yomiuri shimbun*, October 6, 2009, <http://www.yomiuri.co.jp/dy/national/20091006TDY02301.htm>

based on popularity figures. This had been the case with Koizumi (albeit it was against the will of the party bosses at the time) as well as Abe Shinzō and Asō Tarō. Whatever it was that made Tanigaki party leader, it was not his popularity among voters.

## Post-Election Politics

### The New Cabinet

Despite the fact that the DPJ won an overwhelming victory in the Lower House election in August 2009, the party did not form the government alone. During the election campaign it was made clear that the DPJ was going to form a coalition government together with other opposition parties. It is reasonable to conjecture that the landslide was partly a result of the joint action taken by the then opposition parties. It raised expectations of a change in government and is likely to have been rewarded by virtue of the fact that a majority of voters were fed up with what they saw as LDP mismanagement. A week before Prime Minister Hatoyama was to present the members of his cabinet, it was announced that three former opposition parties would join forces in the government. The DPJ had agreed to form a coalition government between the DPJ, the Social Democratic Party of Japan (SDPJ) led by Fukushima Mizuho, and the People's New Party (PNP) led by Kamei Shizuka.<sup>66</sup> While the DPJ had won 308 seats in the Lower House election and was the largest party, its coalition partners were tiny with only seven and three seats, respectively. Nevertheless, despite only possessing ten seats between them, their participation in the cabinet was valuable for the DPJ. Forming a coalition ensured the smooth enactment of budget and government bills. As the initial stage of the upcoming session of the Diet would show, the two minor parties in the coalition government were handsomely rewarded for participating in the coalition.

Prime Minister Hatoyama presented the new ministers on September 16. Okada Katsuya, the former DPJ president and Hatoyama's main competitor for the post of party chairman, was made minister for foreign affairs; Naoshima Masayuki, the secretary-general of the DPJ Upper House caucus, was appointed minister of economy, trade, and industry; Maehara Seiichi, another former DPJ president, was named minister of land, infrastructure, transport, and tourism; and Hirano Hirofumi, the deputy

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<sup>66</sup> Jun Hongo and Alex Martin, "DPJ, two allies agree to form coalition: But stubborn SDP may yield 'mix of oil and water'," *The Japan Times*, September 10, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090910a1.html>

DPJ secretary-general and a close associate of Prime Minister Hatoyama, became chief cabinet secretary. In one of the key areas for the new government, social security, Nagatsuma Akira was appointed minister of health, labor, and welfare. This was based on his popularity with the public for his dogged pursuit of the missing pension records at the Social Insurance Agency. The leaders of the parties in the coalition became ministers. The head of the PNP Kamei Shizuka became minister for financial services and postal reform, while Fukushima Mizuho, the SDPJ's leader, assumed the portfolio of consumer affairs, gender equality, and birthrate issues.<sup>67</sup>

### Setting Sail to the DPJ Manifesto

Despite the skepticism that voters expressed over the likelihood that Manifestos issued by political parties would be implemented if they won the election, the DPJ-led government right from the start began working towards implementing its policies, implicitly following the advice in *Rivstart* [Flying start] by the political scientist Hans Bergström, about the importance that the first days for a new government; that's when it has the chance to make a difference.<sup>68</sup> Before the election the party focused both on the short-term task of compiling the national budget, a demanding task given the economic situation with rising unemployment and eroding governmental finances; and on the long-term task of reforming the political decision-making system, away from being centered on the bureaucracy, to centering on politicians as the elected representatives of the people. At the inaugural meeting of the cabinet on September 16, the DPJ-led government began its period in power with establishing two new organs for governing the country. The National Policy Unit, headed by Deputy Prime Minister Kan Naoto, was to be in charge of policymaking regarding the outlines of tax and fiscal policy and basic policies for economic management. The second "organ," the Government Revitalization Unit, headed by Minister of State Sengoku Yoshito, was to be in charge of renewing the shape of the national government as a whole based on the perspective of the citizenry. The unit aimed to become

<sup>67</sup> Masami Ito and Alex Martin, "Hatoyama ushers in new era in politics: 'Historic turning point' ends 54 years of LDP rule," *The Japan Times*, September 17, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090917a1.html>

<sup>68</sup> Hans Bergström, *Rivstart* [Flying start] (Stockholm: Tiden, 1982).

the pillar in the new government's drive to streamline the state budget and governmental agencies.

What was proposed was, put simply, the overturn of the basis of Japanese governance that was established at the beginning of the Meiji era (1868–1912), with policymaking entrusted to incorruptible, elite public servants. This was to ensure it was not the dictate of powerful private or sectional interests and where officials were accountable to the Emperor, not the people. Japan's new government announced its ambition to pursue a policy embracing Hatoyama Ichirō's ideas, that decision-making should not be in the hands of bureaucrats but handled by politicians. An indicator that those now in power wanted to accomplish changes of historical dimensions can be taken from the name of the Government Revitalization Unit, in Japanese *Gyōsei ishin shingikai*. That the word *ishin* was used and not *kaikaku* or some other word for "reform" was an indication of the level of ambition. It reminded of the fact that the lodestar of the reforms that the new government opted for was the 1868 Meiji Ishin – rendered as "the Meiji Restoration" in English – the revolution from above that initiated the modernization of Japan. But, this time, "restoration" was not about restoring Imperial rule, as the case was in 1868, but to bring about a democratization of Japanese politics, away from the bureaucratic rule that has been in place since the Meiji period. The rule with bureaucrats on the top is a valid description of Japanese politics also according to the new 1947 Constitution, when officials were made servants of the people, not the Emperor. The elevated position they were given by the Meiji Constitution had not evaporated, but bureaucratic rule was as ingrained as ever even after World War II, when the arch bureaucrat Yoshida Shigeru as prime minister presided over an invigoration of bureaucratic rule in the aftermath of the war when occupied Japan was reconstructed not only economically but also politically.

The onslaught on the bureaucracy that the new government coalition declared is indeed a task of historic dimensions. Whether the new government will succeed or not remains uncertain. It is hard to believe that bureaucrats will sit idly by and watch the stripping of their powers and prerogatives.

Also in foreign policy, changes were on the way with the new government although the problem of implementing the *yū'ai* philosophy proved more formidable on the diplomatic front than in domestic politics. It is

likely that the strains will be severe and MOFA bureaucrats will not hesitate to tell ministers what Watanabe Kōzō wrote recently in the *Yomiuri shimbun*. According to Watanabe, politicians “take office and participate in diplomatic negotiations, they cannot say that they have nothing to do with the former government because cabinets have changed. They must realize the significance of pledges between nation states.”<sup>69</sup> What was remarkable was that this view was offered by a politician who was the supreme adviser to the DPJ.

In foreign policy, one could sense a distancing from Japan’s position of subordination vis-à-vis the United States. In Yoshida’s view this had been a way of solving, for Japan, the perennial problems of states – security. The agreement that was reached with Moscow in 1956 by Hatoyama Ichirō was nullified when the U.S. government intervened. The U.S. stated that if the Japanese government upheld the agreement that it had concluded with the Soviet government, the occupation of the south island of Okinawa which was occupied by the American since the war would be permanent. This was effectively an ultimatum, and Hatoyama saw himself as having no choice but to abandon the agreement that he had concluded with the Soviets after long and arduous negotiations. Thus, it is less unlikely than before that the new government with Hatoyama as prime minister will opt for realizing his grandfather’s will regarding relations with Japan’s arch enemy of old, Russia.

### Political Flurry

The DPJ leadership is acutely aware that if the party takes the wrong decisions or turns out to be unable to implement its program, its period in government may be curtailed. At the outset, it seemed reasonable for the new government to begin the work to implement the change that voters had been promised in the Manifesto. With voters having clearly demonstrated that they were no longer prepared to accept continued LDP mismanagement but opted for change, the DPJ had to start to deliver. Remarkably, when asked before the election, respondents in a poll by *Asahi shimbun* did not believe that the DPJ – or the LDP for that matter – would implement the policies of

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<sup>69</sup> Watanabe Kōzō, “Continuity vital in international relations,” *Yomiuri shimbun*, November 27, 2009. <http://www.yomiuri.co.jp/dy/national/20091127TDY20004.htm>. Watanabe is a former MITI minister who has also held other posts in LDP-led cabinets.

its election platform. As many as eight out of ten (83%) thought it unlikely that the two leading parties would honor their campaign promises. One out of ten (8%) even thought that the promises given by the parties were unfeasible, in that the parties would be unable to finance their election promises.<sup>70</sup> Notwithstanding that voters thought the DPJ would not honor its election pledges, they did not hesitate to vote for the party. A reasonable interpretation of this expression of distrust in parties and politicians is that the DPJ was voted in as the electorate wanted to get rid of the LDP. It is equally reasonable to conclude that voters would allow a sizeable leeway for the new government to reconsider its announced priorities, if the scale of the problems faced by the country proved larger than expected when the new ministerial team sat down to govern the country. The message from voters seemed to suggest that if the DPJ would find it next to impossible to implement the policies contained in its Manifesto and was sincere about the reasons why they could not be honored, the voters would show lenience.

From Day 1 after its election victory, the DPJ leaders had their eyes fixed on the Upper House election in 2010. In order to secure a big enough victory in that election – important so that the party could implement its Manifesto promises – the party leadership drew up a two-pronged strategy. The party's election “magician,” Secretary-General Ozawa Ichirō, was to continue to travel the country, calling on voting groups and forging electoral alliances to build up support for the party. Prime Minister Hatoyama meanwhile was to manage the DPJ-led government. Not all in the party were happy with the dual leadership. It was generally recognized that the election victory was largely attributable to Ozawa's strategy which had won over many voters. Also his personal power as a vote-getter and kingmaker in the party was vastly strengthened by the election outcome. Several of the newly elected MPs had Ozawa to thank for their posts and which expanded the ranks of the *Ozawa gundan*, or “the Ozawa military battalion,” which was recognized to exist within the DPJ. With Ozawa seeing to it that Hatoyama was elected party leader and not Okada, who was popular with the rank and file, opponents in the party worried that the Hatoyama government's pledge to integrate the government's decision-making would be endangered.<sup>71</sup> History

<sup>70</sup> “Yoron chō sa – shitsumon to kaitō (8getsu 16 nichi jissshi)” [Opinion poll: questions and answers (taken August 16)], *Asahi shimbun*, August 17, 2009, [http://www.asahi.com/politics/update/0817/TKY200908170187\\_02.html](http://www.asahi.com/politics/update/0817/TKY200908170187_02.html)

<sup>71</sup> “DPJ AT THE HELM / Govt. ruling parties hold talks / Surprise conference defies

gave them reason for caution. Ozawa has been a central figure in Japanese politics since at least the end of the 1980s and, in previous political constellations, his forceful personality – his nickname “The Destroyer” is not for no reason – enabled him to accumulate decision-making powers around his persona.

Hatoyama’s leadership style gave room for his ministers to act right from the start without having to wait for the cabinet to take collective action. The need for a “flying start” was eagerly pursued by a number of ministers who came into the media limelight for bold and brash maneuvers. The new infrastructure minister, Maehara Seiichi, announced soon after having assumed the duties as minister that the Yamba Dam project in Gunma Prefecture had been cancelled.<sup>72</sup> This priority was fully in line with the DPJ Manifesto, but Maehara’s sharp tongue and the fact that it was an attack on the LDP’s long-enduring and well-tested pork-barrel policy, popular among bureaucrats and local politicians, raised the ire of proponents of the project. The governors of Gunma, Tochigi, Saitama, Ibaraki, and Chiba Prefectures as well as the Tokyo Metropolitan District visited the site of the Yamba Dam project, and demanded that the project be continued.<sup>73</sup> One case out of many that saw taxpayers’ money being spent on projects motivated solely for pork-barrel purposes, Maehara announced shortly afterwards plans to freeze no less than 48 of 56 dam projects.<sup>74</sup>

The next minister to produce a stir was Kamei Shizuka, the leader of the PNP and newly-appointed financial services and post office minister. He had at one time been a stalwart of the LDP serving as a high-ranking official as well as minister in a number of cabinets; but he was thrown out of the party in 2005 by Koizumi for opposing postal privatization. As a move to regain a place in the political limelight, Kamei and others who had also been kicked out of the LDP established the PNP in 2005, with Kamei in the same year being reelected to the Diet for the tenth time. In the 2007 Upper

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promise of Cabinet-based decision making,” *Yomiuri shimbun*, September 29, 2009, [http://article.wn.com/view/2009/09/29/DPJ\\_AT\\_THE\\_HELM\\_Govt\\_ruling\\_parties\\_hold\\_talks\\_Surprise\\_conf/](http://article.wn.com/view/2009/09/29/DPJ_AT_THE_HELM_Govt_ruling_parties_hold_talks_Surprise_conf/)

<sup>72</sup> Kyodo News, “DPJ win puts Yamba dam on ice,” *The Japan Times*, September 4, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090904a5.html>

<sup>73</sup> “Japan rethinks a dam,” *New York Times*, October 16, 2009.

<sup>74</sup> Kyodo News, “Maehara: 48 of 56 dam projects to be frozen: No land purchases, building this fiscal year,” *The Japan Times*, October 10, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20091010a1.html>

House election the party won four seats and three in the 2009 Lower House election. Despite the PNP's few seats, it was enough in conjunction with the other small party, the SDPJ, to help tip the balance in the Lower House to the advantage of the anti-LDP forces. This gave Kamei political leverage and as a newly-appointed minister he did not fail to use it on Prime Minister Hatoyama.

Kamei had been thrown out of the party by Koizumi for opposing postal privatization, but, after the 2009 election, he was back in political business having a bone to pick with the promoters of the policy. Hatoyama had pledged in a debate with Prime Minister Aso to see to it that Nishikawa Yoshifumi, the president of Japan Post, would resign if the DPJ formed the new government.<sup>75</sup> It was Kamei's job to effectuate the resignation of Nishikawa and he fulfilled this but in a way that was mind-boggling. He picked a man that made a mockery of the DPJ's commitment to strip the bureaucracy of its policymaking influence by naming Saitō Jirō as Nishikawa's replacement. Saitō had behind him a career as the top bureaucrat in the finance ministry and had been forced into early retirement by reports of his subordinates "wining and dining" at the expense of real estate speculators. To put an arch bureaucrat in charge of the privatized Japan Post meant to put a square peg in a round hole, in other words, it went contrary to the DPJ's promise to strip bureaucrats of their power.

Kamei's decision to appoint Saitō placed Hatoyama in an awkward position. During the election campaign, he stood squarely behind the DPJ call for a total ban on bureaucrats landing post-retirement jobs in the private sector or semi-governmental bodies. Now he told reporters that he "was surprised to hear of the appointment from Mr. Kamei. But I also thought it may be interesting to appoint such a powerful and capable man."<sup>76</sup> A reason for Kamei's optimism that the prime minister would not ask him for his resignation was his indispensability, in the sense that if he was asked to leave it would be proof that the idea to invite the PNP into the coalition government was ill-judged. This in turn would result in criticism of the prime minister

<sup>75</sup> "Hatoyama blasts Aso in debate," *Asahi shimbun*, June 18, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200906180034.html>

<sup>76</sup> "DPJ contradicts itself by appointing ex-top bureaucrat as postal firm boss," *The Mainichi Daily News*, October 22, 2009, <http://mdn.mainichi.jp/perspectives/column/archive/news/2009/10/20091022p2a00m0na003000c.html>

since he was the one who was responsible for putting together the cabinet, which he had inaugurated to much fanfare only shortly beforehand.

The DPJ's Secretary-General Ozawa Ichirō was not amused at Kamei's move, however, that threatened to destabilize the effort of Ozawa and his cohorts to derail the LDP-championed political machinery. A meeting with four independent members of the Upper House was arranged and he invited them to join the DPJ.<sup>77</sup> His strategy succeeded: twelve days later it was announced that the four independents had joined the DPJ. This made LDP's leader Tanigaki ring the warning bell for the consequences of a success for Ozawa's strategy to acquire a two-thirds majority for the DPJ in the Upper and Lower Houses.<sup>78</sup>

As expected, the experienced power player Kamei did not sit idly by as his political platform was undermined. In mid-November it was announced that Kamei's People's New Party was pondering forming a new party with former Economy, Trade, and Industry Minister Hiranuma Takeo, as well as with the telegenic Tanaka Yasuo, leader of the tiny New Party Nippon but influential as a darling of the media after his years as a reform-minded governor of Nagano. If formed, the new party would have more than ten seats in the Lower and Upper Houses. It would be a small party, but larger than Kamei's present party and would likely fare better in jockeying for power and influence.<sup>79</sup>

It was not only the experienced Kamei who maneuvered for power and position. With the DPJ as the giant in the coalition, the two smaller parties risked being subsumed. This realization also hit Fukushima Mizuho's Social Democratic Party, and it was argued within the party that Fukushima was not taking a tough enough stand against the plan to relocate the U.S. base Futenma in Okinawa. It was suggested that the party needed another more assertive leader who could speak up for the party more within the coalition

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<sup>77</sup> "Minshu-Ozawa shi, mushozoku giin yonin ni nyū tō yō sei" [DPJ's Mr. Ozawa of ers entrance in party to four independents], news 24, October 7, 2009, <http://www.news24.jp/articles/2009/10/07/04145242.html>

<sup>78</sup> "Mushozoku no san'in giin yonin, Minshutō ni nyū tō e" [Four independent Upper House members to enter the DPJ], news 24, October 19, 2009, <http://www.news24.jp/articles/2009/10/19/04146045.html>

<sup>79</sup> "Junior DPJ partner 'plans to launch new party'," *Yomiuri shimbun*, November 17, 2009, <http://www.yomiuri.co.jp/dy/national/20091117TDY02310.htm>

government.<sup>80</sup> She outmaneuvered her critics, however, effectively thwarting discussion among party members of replacement.<sup>81</sup>

### By-Elections October 25

A test of whether the new cabinet continued to be backed by voters came five weeks after its inauguration with two Upper House by-elections, for Shizuoka and Kanagawa prefectures, on October 25. The LDP attempted to persuade voters to vote for its candidate using the argument that Tsunoda Hiroko was (a) a woman, and (b) young.<sup>82</sup> It was a clear indication that the LDP wanted to show voters a fresh face. The importance of the election was shown through efforts by the new party leader, Tanigaki Sadakazu, and other party executives to demonstrate their resolve to rebuild the LDP. As pointed out by a member of the LDP executive, unless new candidates replaced party veterans, the party would suffer a humiliating setback in next year's election.<sup>83</sup> The attempt by the LDP to reclaim support from voters ended in failure and further desperation for the party, with the DPJ securing the two seats that were up for grabs. It was noticeable that the voter turnout was low: only 28.67 percent of voters cast a ballot in Kanagawa Prefecture and 35.64 percent in Shizuoka Prefecture.<sup>84</sup> Fielding a candidate with the argument that she was both young and female failed to touch upon the core concerns of voters, which included gloomy economic prospects, the pension scam, and unemployment. The outcome of the by-elections served to further boost the DPJ and the position of Hatoyama. Commenting on the outcome, Hatoyama attributed the election result to the voters' appreciation of the government's attitude.<sup>85</sup>

<sup>80</sup> "Shamint sh sen, Fukushima t sh ga shutsuba hy mei, tairitsuk h saguru ugoki mo" [Election of SDPJ leader, Party Leader Fukushima announces candidacy, moves also to search for opposing candidate], *Asahi shimbun*, December 2, 2009, <http://www.asahi.com/politics/update/1202/TKY200912020267.html>

<sup>81</sup> "Shamint : Fukushima t sh , mut hy ichigatsu t taikai" [JSDP: 4th election without voting, party congress in January], *Mainichi shimbun*, December 4, 2009, <http://mainichi.jp/select/sei/news/20091204k000e01012300c.html>

<sup>82</sup> "DPJ wins 2 upper house by-elections," *Yomiuri shimbun*, October 26, 2009, <http://www.yomiuri.co.jp/dy/national/20091026TDY01305.htm>

<sup>83</sup> Hajime Furukawa, Kenichi Aoyama and Shuhei Kuromi, "By-election results give DPJ a shot in arm," *Yomiuri Shimbun*, October 27, 2009, <http://www.yomiuri.co.jp/dy/national/20091027TDY03102.htm>

<sup>84</sup> "DPJ wins 2 upper house by-elections."

<sup>85</sup> "Naikaku no shisei o hy ka shite itadaita---Hatoyama shushu" [Appreciates party's

At the same time, all was not completely rosy for the DPJ, since its candidates had lost in several other local elections, including the Kawasaki mayoral election. Given the fact that the election results represent the public expectations of the party and, maybe, the evaluation of how the party had performed in power thus far, the results indicated that the verdict was somewhat mixed.<sup>86</sup> Given the fact that the DPJ had its sights on winning a single-party majority in next summer's Upper House election, what it could hope for was that the election result was a lone swallow. That such an ambition as demonstrated by the DPJ is paramount in a parliamentary system may seem a bit paradoxical. Decision-making in a parliamentary democracy with a multi-party system can be seen to be based on compromises among parties holding seats in the parliament in order for decision to be reached. The thing is different in two-party systems, but in Japan there are not only two parties in the Diet, but several. It may not be too farfetched to see this aim, now propounded by the DPJ and previously by the LDP, to hint at a certain immaturity that may stem from the fact that Japan's democratic system as it now is, has a history of only six decades.

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at itude--Prime Minister Hatoyama], news 24, October 26, 2009, <http://www.news24.jp/articles/2009/10/26/04146493.html>

<sup>86</sup> Hajime Furukawa, Kenichi Aoyama and Shuhei Kuromi, "By-election results give DPJ a shot in arm," *Yomiuri shimbun*, October 27, 2009, <http://www.yomiuri.co.jp/dy/national/20091027TDY03102.htm>

## The Diet at Work

On October 26, an extraordinary session of the Diet opened. Taking place one day after the by-elections, it represented an opportunity for the coalition government to parade proof that it enjoyed continued support from the electorate. With a new prime minister at the helm of a new cabinet with a number of ministerial rookies, excitement spread not only among MPs but also among those who had voted the new government into power. Was it time for an overhaul of ingrained policies? Or time for the power of bureaucrats to prevail over politicians in policy-formation? Was it time for the cronies and the crooks to finally depart the political scene? In order for the government to prevail and secure passage of key policies, the DPJ and its allies had restricted the number of bills they were to submit to the Diet session to just twelve. It was a tactic by the DPJ that had one overriding aim: that the cabinet would emerge safely from the Diet session so that the drawing up of the budget could be brought to a successful conclusion. Many stumbling blocks remained that could thwart the ambitions of the new cabinet with Hatoyama as its head. A skeleton in the prime minister's closet had already been dragged out into broad daylight, and there might be others. The implementation of policies with regards to some political issues was truly difficult requiring both guts and political *Fingerspitzengefühl* on the part of the prime minister. Despite Hatoyama's position as having been a leading politician over the last decade, many doubted that he really had what was required to steer the *Nippon maru* in what were rough seas.

### The Prime Minister's Policy Speech

Prime Minister Hatoyama's policy speech in the Diet on October 26 was a little unusual due to its sheer length. Running to 13,082 characters in its printed version, the speech was more than 4000 characters longer than most "long" policy speeches.<sup>87</sup> It took 52 minutes to present and was probably

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<sup>87</sup> Shush kantei, "Dai 173 kai Kokkai ni okeru Hatoyama naikaku s ridai in shoshin hy mei enzetsu" [Prime Minister Hatoyama's policy speech at the 173rd session of the Diet], October 26, 2009, <http://www.kantei.go.jp/jp/hatoyama/statement/200910/26syosin.html>

intended to be a “great speech,” as the *Sankei shimbun* characterized it in a report.<sup>88</sup> It was almost as long as the 13,711 character speech delivered by Prime Minister Hashimoto Ry tar in 1997 that was characterized as “extremely long” by the well-known specialist of political language Azuma Sh ji.<sup>89</sup> The length of his speech, however, was the least of Hatoyama’s concerns: “I don’t care about how many words are involved. The most important thing is for me to convey my feelings in a straightforward manner,” he told bureaucrats within the Prime Minister’s Office who had wanted him to trim the number of anecdotes in the speech, fearing it would be too long.<sup>90</sup>

The prime minister’s policy speech is a political declaration, dealing with the policies that are to be introduced by the government. Hatoyama went so far as to declare the advent of a new nation-building: “Japan is a country that 140 years ago achieved the drastic reforms of the Meiji Reformation. Now, the undertakings of the Hatoyama government are a ‘bloodless Heisei Reformation’, so to speak. The current Reformation restores sovereign power to the people, breaking from a system dependent on the bureaucracy. It is also an attempt to transform the very shape of our nation from a centralized state to one of regional and local sovereignty, and from an insular island to an open maritime state.”<sup>91</sup> Thus, the ambitions of the new government were bold, maybe even heroic, given the heritage of decades marked by entrenched policies à la LDP, formed in combination with big business and the central bureaucracy, which for very good reason is often said to form an “Iron Triangle.”

An indication of the prime minister’s awareness of the daunting task awaiting him and his team, however, was discernable. He continued: “We may stumble along the way. We may even hit our head against an obstacle. Nevertheless, I am resolved to create a strong government with lofty ideals, on which future historians will reflect as ‘having carried out, toward the end

<sup>88</sup> “Hatoyama enzetsu, puro no saiten” [The pro’s view of Hatoyama’s speech], *Sankei shimbun*, October 26, 2009, <http://headlines.yahoo.co.jp/hl?a=20091027-00000062-san-pol>

<sup>89</sup> Azuma Sh ji, *Rekidai shushō no gengoryoku o shindan suru* [Assessing the language faculty of successive prime ministers] (Tokyo: Kenkyūsha, 2006), p. 28

<sup>90</sup> Nobutaka Kuribayashi and Takashi Murao, “Hatoyama treads own path with speech,” *Daily Yomiuri online*, October 28, 2009, <http://www.yomiuri.co.jp/dy/national/20091028TDY03306.htm>

<sup>91</sup> Prime Minister of Japan and His Cabinet, “Policy Speech by Prime Minister Yukio Hatoyama at the 173rd Session of the Diet,” October 26, 2009, [http://www.kantei.go.jp/foreign/hatoyama/statement/200910/26syosin\\_e.html](http://www.kantei.go.jp/foreign/hatoyama/statement/200910/26syosin_e.html)

of the first decade of the 21st century, reforms which looked ahead at the Japan of 30 to 50 years into the future.”

The prime minister’s speech was received enthusiastically by DPJ MPs and he was interrupted on many occasions by applause. While this was no doubt pleasing to Hatoyama, others were more bemused. A comment made by the LDP’s new party leader Tanigaki Sadakazu verged on the insulting. Tanigaki quipped: “I got the impression that the atmosphere in the Diet was similar to the Hitler Jugend agreeing to a speech by Hitler,” he told reporters after the speech.<sup>92</sup> Tanigaki’s remark was biting but was in reality a sign that the new opposition party was deeply frustrated and had not yet come to grips with the reality that it had lost the recent election by a large margin. Tanigaki should, nonetheless, have been more cautious in his remark as it brought back memories of the ill-feelings created by Asō’s blunt remark as LDP secretary-general, when in talking about the DPJ he had made reference to the Nazi Party. A political gaffe, Asō had had a hard time explaining it away, later claiming that it is “important to deliberate matters seriously in the upper house. I do not mean the DPJ are Nazis.”<sup>93</sup> Ill-conceived blunders such as this was one important factor behind the loss of support for the LDP in the first place.

The comment made by Tanigaki was an indication that the LDP was in shock over the election result – or, at least, its leader was. The role of an opposition party is opposition, and Tanigaki adopted this stance in earnest when meeting the prime minister in a parliamentary debate two days later. The problem for Tanigaki was that whatever issue he brought up, accusing the government of failures or mistakes, Hatoyama countered by pointing to a simple fact – what his government wanted to put right was the legacy of errors stemming from the LDP era.<sup>94</sup> For instance, Tanigaki criticized the cabinet’s endeavor to cut down on expenditure while debts kept rising; Hatoyama responded by asking: “who is responsible for having created this fiscal mess?” Tanigaki had a hard time in countering the new government.

<sup>92</sup> “Jimin-Tanigaki shi ‘Minshu giin wa maru de Hitora-j gento’” [LDP’s Tanigaki: “DPJ MPs are like Hitler Jugend”], *Sankei shimbun*, October 26, 2009 <http://www.iza.ne.jp/news/newsarticle/politics/politicsit/317221/>

<sup>93</sup> Quoted in Edström, *Problems and Perils of a Prime Minister*, pp. 70f.

<sup>94</sup> “Daihyō shitsumon shushū, Jimintō seiken to no hikaku medatsu” [Questions in the Diet, Premier’s striking comparison with the LDP regime], news 24, October 28, 2009, <http://www.news24.jp/articles/2009/10/28/04146713.html>

He did not have the arrogance of Asō Tarō, the unquestioned competence of Fukuda Yasuo, or the rhetorical mastery of Koizumi Jun'ichirō to prevail in the political battle. In the election, the people's verdict had been very clear: voters wanted change, and Tanigaki's dilemma was painfully obvious when he tried to attack the new government. He was nonplussed when Hatoyama simply pointed out that the new government wanted to implement its Manifesto, which had been approved by voters in the election. The DPJ and its partners offered new ideas on how to tackle the problems that Japan faced, while the LDP and its leader Tanigaki had failed to come up with any new ideas. For the LDP, fifteen years in power had produced ingrained SOPs that would not be easy to discard. The relentless criticism Tanigaki spearheaded at the new government and its policies served mostly one purpose, to remind the public of the abysmal policies of the LDP and its past failures to come to grips with reality. As the *Asahi shimbun* concluded in an editorial after the leaders' encounter in the Diet: "It is clear there is no way out for the LDP if it goes back to old politics."<sup>95</sup>

With Tanigaki at a loss on how to perform his role in opposition and instead displaying nostalgic tendencies for the past, parallels could be drawn to his predecessors such as Abe Shinzō and Asō Tarō who had spoken for a return to old policies and bygone days. Tanigaki was the oldest of the three candidates to replace the hapless Asō, and it appeared that the party had, once again, failed to adapt to the prevailing political climate in picking a leader.

Tanigaki took a shot at Hatoyama again on November 3, but the attempt by the opposition leader to land a blow failed. Unsurprisingly, Tanigaki focused on the divided opinion within the coalition government for his attack. Hatoyama has made it part of his leadership style to give ample room for ministers to act and make statements on their own and, consequently, ministers have been on record as displaying diverging opinions on some of the more politically tricky questions that the government has to handle. To voters, this gave the impression that Japan was, once again, under the leadership of a vacillating prime minister. As a consequence, Hatoyama's leadership began to be questioned.

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<sup>95</sup> "LDP as opposition party," *Asahi shimbun*, October 30, 2009 (editorial), <http://www.asahi.com/english/Herald-asahi/TKY200910300121.html>

## Extended Diet Session

The extraordinary Diet session was due to wind up on November 30, but with no less than twelve government-sponsored bills pending, leading officials of the governing parties met on November 24 and agreed to prolong the session.<sup>96</sup> The Hatoyama government was not keen on extending the session beyond early December because of the need to work on the fiscal 2010 budget. To get going, the government pushed through a bill for delaying loan repayment in the Lower House on November 19. This was passed by the Lower House Financial Affairs Committee and was moved to the plenary session of the Lower House. The committee chairman said the decision to push the bill through was “unavoidable, considering the lack of time.” He also clarified that the government was determined to see to it that the bill passed by November 30, when the extraordinary session of the Diet ended. Both the LDP and the New Komeito showed their displeasure by playing up the threat of a boycott.<sup>97</sup> The problem for the opposition parties was that the LDP’s tactic to abstain from participating in parliamentary work was a double-edged sword. This was because it robbed the party of the chance to grill the government over its policies and, thus, gave the public the impression that the former ruling party had still not yet overcome its defeat. This in turn led to questions over whether the LDP could provide effective opposition policies. Its low approval rate, despite the sharp drop in support for the DPJ-led government, was a clear indication that this was not the case. The LDP showed no signs that it had recovered after its historic defeat in the election and the perception was that it indulged in protest for the sake of protesting. It was a risky strategy since it could solidify the distrust in the party demonstrated by the electorate both in the Lower House election and in subsequent by-elections.

On the part of the new government, and in copying the way LDP-led cabinets had acted in recent years, it made sure that bills were voted on even though the opposition abstained from voting as a protest against the government. In this case, the LDP protested against Prime Minister Hatoyama’s widely publicized political funds scandal, which refused to die down and

<sup>96</sup> “Ruling parties agree to extend Diet,” *Asahi shimbun*, November 25, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200911250138.html>

<sup>97</sup> Alex Martin, “DPJ rams debt relief bill through committee,” *The Japan Times*, November 20, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20091120a8.html>

continued to haunt the prime minister. It was a safe bet that the issue would hurt the prime minister's ability to exert leadership which was a must given that three parties collaborated in the cabinet. While the DPJ was preponderant in terms of sheer size, the two smaller parties could not be ignored by the DPJ and the prime minister. However small these parties are they gave the government its majority in the Upper House. With the former opposition now in power, the same script was played out again in the Diet. Important policies foundered and parliamentary proceedings stuttered. Senior figures in the LDP, who were used to being able to obtain parliamentary acceptance of their policies, showed little enthusiasm for adjusting to the political situation by reaching compromises with the new coalition government.<sup>98</sup>

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<sup>98</sup> Edström, *Problems and Perils of a Prime Minister*, p. 5.

## Budget Process as an Issue in Focus

A tricky question left over from the Asō cabinet was the compilation of the budget for 2010. To compile the budget was a test of the capacity of the new government, particularly as there were questions over many cabinet ministers' experience. Fortunately, Finance Minister Fujii Hirohisa's CV contained a previous stint as finance minister. While he was the oldest member of the Hatoyama cabinet at 77, he would play a central role in compiling the budget. His experience was indispensable, both in fielding tough budget-related questions from opposition forces and composing a budget for the Hatoyama team which put priority on stabilizing the economy. The new government was squeezed between decreasing tax revenues because of the economic downturn, and increasing expectations among voters because of the promises made by the DPJ during the election campaign. The DPJ had pledged to reduce wasteful spending and use the money to finance its proposals. Now the time had come for the DPJ to deliver.

In a remarkable move the Hatoyama government opened the budget process to the public. Previously, the process had been monopolized by the finance ministry, among other ministries and agencies, and pursued behind closed doors. The reasoning behind this move by the new government was fairly easy to understand. By making the budget process open and public, it would be possible to abolish certain projects if the attempt to gain public understanding for the project failed. It would also be a step towards realizing the goal of the new government to put the budget process in control of the lawmakers, not bureaucrats. Now, bureaucrats in charge of each program had to answer questions posed by reviewers, who would report to the government whether the project was suitable, should be revised or scrapped, or should be transferred to local governments.

The DPJ Manifesto presented the policies and proposals to be pursued if the party came into government. Some of the proposals would require substantial financial resources to be implemented, but the Hatoyama cabinet had reasons to be optimistic. When in opposition, the DPJ had conducted a screening of part of the fiscal 2009 budget compiled by the Asō government. This had convinced the leaders of the DPJ that about seven trillion

yen in spending could be cut from the fiscal 2010 budget proposed by the As cabinet.<sup>99</sup>

One of the first tasks for the new cabinet was find the means and ways to work out a budget that would enable the party to turn the Manifesto into reality. One of the leftovers of the As government was a proposal for the 2010 budget. One way for the new government to proceed would have been to adopt this budget proposal, after it had been modified. However, the Hatoyama cabinet issued a statement to the effect that it would scrap the As budget and work on a new proposal instead. The different ministries were asked to take a new look at the old budget and see what could be deleted. The weeks that followed demonstrated that it was easier said than done for the bureaucrats in the ministries to come up with the savings that the new government had asked for. While it wanted to cut what it considered to be “wasteful spending of taxpayers’ money,” the ministries and agencies reporting back to the government failed to find solutions to cut spending so that it would release additional funds necessary to implement the new government’s key policies.

On the contrary, the budgetary requests increased substantially with ministries and agencies failing to offset the additional funds needed by cutting into the existing budget.<sup>100</sup> The total amount of budgetary requests for 2010 resubmitted in mid-October reached an all-time high of 95.38 trillion yen (an increase of 7.3 percent on the 2009 budget) according to an announcement by the finance ministry. An increase was seen as inevitable because of the increase in the cost of interest payments on government bonds as well as the cost of implementing Manifesto policies, such as child care allowances and free public high school education.

This figure was staggering nevertheless; it showed that the problems inherent in budgetary processes that have characterized the governing of Japan for many years were more rampant than ever. With economic activities down due to the ongoing economic crisis, the gap between expenditure and income threatened to become far greater than had previously been

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<sup>99</sup> Motoki Matsubara and Koichiro Ashikaga, “Govt Revitalization Unit ‘falls short’,” *Yomiuri shimbun*, November 29, 2009, <http://www.yomiuri.co.jp/dy/national/20091129TDY02306.htm>

<sup>100</sup> Takeshi Yonekawa, Shinya Yamada and Takeshi Kurihara, “Emphasizing poll pledges swells budgets,” *Yomiuri shimbun*, October 17, 2009, <http://www.yomiuri.co.jp/dy/national/20091017TDY03104.htm>

seen. It was easy to understand the concern that spread in mid-October when Deputy Finance Minister Noda Yoshihiko reported that tax revenues were likely to dip below 40 trillion yen. He stated that as a consequence, the government “would not be able to avoid issuing additional government bonds to supplement the decline of tax revenues.”<sup>101</sup> Issuing bonds to cover the gap between income and expenditure year after year had resulted in Japan having the largest national debt in the world. Capital repayments and interest payments for FY 2009 stood at 21.89 trillion yen, so one quarter of funds available to the government were needed just to service the national debt. Since tax revenues would dip at the same time as expenditure threatened to skyrocket, government bond issuance would increase dramatically, making the government’s finances deteriorate. The Hatoyama cabinet was, thus, caught in a nightmare scenario with revenues down and expenditure up.

The compilation of the budget was a towering problem for the Hatoyama cabinet. The prime minister told journalists that “we must cap the budget as much as we can,” and “we’d like to make a greater effort to reduce it.”<sup>102</sup> But was it really enough? The government’s ambition was to keep the amount of government bonds to be issued in FY 2010 to 44 trillion yen, which, in fact, was larger than the amount of tax revenues that was expected. Thus, expenditures would have to be financed by increasing the bonds issued. For the government, it was a case of just keeping its fingers crossed; Sengoku’s lapidary comment was simply that “If we coordinate well, they shouldn’t need very much.”

### The Budget Screening Process

The deliberation of the budget screening group took place at the National Printing Bureau’s gym in Ichigaya, Tokyo, and was made open to the public. About 20,000 people visited the site during the sessions of the working group. Reports from the budget screening process, which was broadcast

<sup>101</sup> “FY10 budget requests top record 95 trillion yen,” *Yomiuri shimbun*, October 17, 2009, <http://www.yomiuri.co.jp/dy/national/20091017TDY01304.htm>

<sup>102</sup> “Sengoku eyes 92 tril. yen FY10 budget cap / Govt to aim at 44 tril. yen bond issuance limit,” *Yomiuri shimbun*, October 19, 2009, <http://www.yomiuri.co.jp/dy/national/20091019TDY01303.htm>

live via media outlets, had given an insight into the government's budgeting procedures and the sometimes grossly wasteful uses of taxpayers' money.

In what was probably thought to be a clever move, Sengoku stated that the government planned to publicly examine the necessity of about ten percent of all projects for which budget requests had been submitted. This was part of the new government's efforts to eliminate wasteful spending and was implemented by appointing a special group, which would review 447 projects that had been selected for scrutiny.

On November 2, the Administrative Reform Council presented a list of 100 projects to be reviewed as part of a first step to slash more than three trillion yen from budget requests. The list comprised projects that overlapped between ministries and local governments; experimental model projects; publicity events; procurement of items of information technology; money going to independent administrative agencies and public-interest corporations; and projects paid for through special accounts. The goal was in the end to come up with 200 such projects that could be considered for elimination, review, transfer to local governments, or to be continued. The screening would be arduous. The initial list of one hundred projects would cut only some hundreds of billions of yen from the record list of budget requests amounting to 95 trillion yen.<sup>103</sup> When the Council presented its final list of projects, 447 projects came up for review, and fingers were crossed that the aim of slashing three trillion yen could be achieved. If not, the view was that funding for projects pledged in the DPJ's campaign manifesto would be in peril.<sup>104</sup> A seemingly sensible question not asked was whether the government's need to issue a trillion yen in bonds actually made that big a difference, when the total amount was equal to 50 percent of government expenditure. Maybe it was the ambition rather than the result that met approval.

On November 27, the first of three budget review periods was brought to an end after nine days of arduous work, examining a total of 449 projects, including two that had later been added to the initial schedule.<sup>105</sup> In this round of the budget screening, it was made abundantly clear that min-

<sup>103</sup> "Council chooses first 100 budget items for review," *Asahi shinbun*, November 4, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200911040083.html>

<sup>104</sup> "Tough decisions expected as council lists 447 projects up for review," *Asahi shinbun*, November 11, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200911100286.html>

<sup>105</sup> Matsubara and Ashikaga, "Govt Revitalization Unit 'falls short'."

istries and agencies objected to the recommendation that costs should be cut and put up stiff resistance. They were to dispute the findings of the budget screening group; after all, the group was to issue only recommendations, not orders. Decisions were to be taken by the government and political consideration would enter into the decision process. The gloomy news was announced by Administrative Reform Minister Sengoku Yoshito, who stated that the government's tax income would not be 46 trillion yen as predicted but 37 or 38 trillion yen; eight or nine trillion less than expected.<sup>106</sup> The consequence was that the government would have to borrow not 44 but 53 or 54 trillion yen, 1.4 times that of the previous record from 1999, when the then Prime Minister Obuchi Keizō self-deprecatingly referred to himself as “the biggest borrower in the world.”<sup>107</sup> Sengoku's statement represented a real threat to the efforts of the government to cap the expenditures in the budget. To make prospects worse, it was also reported that the GDP growth rate for 2010 would be meager, according to estimates presented by twelve private think tanks. Averaging 1.1 percent, estimates varied from -0.1 percent (The Japan Research Institute) to 1.4 percent (Daiwa Institute of Research, and two others). It was also predicted that stagnation of the Japanese economy would deepen through the first quarter of 2010.<sup>108</sup>

As could be expected, the bureaucrats voiced their objections over the fact that what they saw as laymen having a say on budgetary issues, arguing that they were not capable of making judgments about specialized projects. The protests from bureaucrats were understandable as the group screening budget items proposed by ministries and agencies posed an acute threat to the bureaucrats. Akamatsu Hirotaka, head of the Agriculture, Forestry, and Fisheries Ministry, argued that private citizens had no right to slash the national budget.<sup>109</sup>

<sup>106</sup> “Ōnendo shōzei 37 chūni tōshō mitshī kara 9 oku en gen” [2009 tax income 37 trillion yen, 9 trillion less than first forecast], *Asahi shimbun*, November 30, 2009.

<sup>107</sup> Toshihiro Ihori, *International Cooperation Behind National Borders: Country Case Study of Japan* (New York: Office of Development Studies, United Nations Development Programme, 2005), p. 9.

<sup>108</sup> “Seichūritsu yosoku 1.1%, rainendo, minkan 12 sha heikin” [12 private companies average growth rate forecast 1.1% next year], *Asahi shimbun*, November 30, 2009.

<sup>109</sup> “Kuruzuappu 2009 Sōkatsu-jigyū shiwake (sono 1) zeino tsukaimichi, takai kanshin” [Closing up 2009 Summarizing the budget review (Part 1), Big interest in the use of taxes], *Mainichi shimbun*, November 28, 2009, <http://mainichi.jp/select/sei/i/archive/news/2009/11/28/20091128ddm003010134000c.html>

Despite that the budget screening group recommended that many of the projects should be abolished or downsized, it was evident that it would not be easy to reach the goal of slashing expenditure by three trillion yen that the government had set. When the recommendations to the government were made public and summarized, it was found that the first round of budget scrutiny by the working group had resulted in saving just 1.6 trillion. It was disappointing for the DPJ-led government. Nevertheless, Prime Minister Hatoyama announced his satisfaction: "The working group made a great achievement in that it made the details of the budget visible to the public. We want to draft a budget that will make good use of the country's precious assets." The government immediately made it known that it intended to apply the standards that had been used by the working group to examine other projects that had not yet been subject to review, in order to enable further spending cuts.<sup>110</sup>

With the drastic reduction of the government's tax income for 2010, equally unavoidable was the retreat from the promises given by the DPJ in its Manifesto. In a speech on November 29, the DPJ's strongman Ozawa Ichirō explained that the promises given should be kept but since they were only human, the expected results might be found wanting with some of the policies not being realized; he avoided, however, touching upon which policies would likely be affected.<sup>111</sup>

As could perhaps be expected, the idea of raising the tobacco tax was mooted, with Prime Minister Hatoyama jumping immediately on the bandwagon declaring that an increase in the tobacco tax would be a focal point of tax reforms in fiscal 2010. In a tax-weary country such as Japan, raising tax on tobacco and liquor was an SOP when the government was in need of funds and, as had been demonstrated time and again, it was futile to prevent the tax hike. The usual argument of the serious impact of tobacco on health was utilized once more, when Hatoyama's health minister, Nagatsuma Akira, spoke up for the need for raising the tobacco tax. He argued

<sup>110</sup> "Jigyū shiwake: 1.95 trillion en hineridashi shiryō 449 jigyō o kent" [Budget review: Ending at 1.95 trillion yen, 449 projects scrutinized], *Mainichi shimbun*, November 28, 2009, <http://mainichi.jp/select/photo/news/20091128k000m010106000c.html>

<sup>111</sup> "Ozawa shi 'ningen da kara, kekka dasenu koto mo' k yaku no ichibu mi isshi 'yamanashi' no kangae" [Mr Ozawa: "We are just humans so there are also cases when there's no result" thinks that part of promises not realized "cannot be avoided"], *Asahi shimbun*, November 30, 2009.

that: “A pack of cigarettes should be priced in the same range as in European countries, partly because of health problems.”<sup>112</sup>

One of the headaches of the new government was to live up to the DPJ’s promise in its Manifesto to abolish the “temporary” gasoline tax by April 2010. One seemingly solid argument was that it was close to absurd that this tax could be termed as temporary since it had been a permanent fixture for decades. Complicating matters was that it was fresh in people’s memory that the DPJ leadership had very recently selected the gasoline tax as an issue in its confrontation with the then ruling LDP-New Komeito coalition. Nearly two years previously, parliamentary work during the 169th session of the Lower House, which commenced on January 18, 2008, had subsequently been nicknamed “the Gasoline Diet,” since it had been consummated by a debate on the gasoline tax.<sup>113</sup>

Scrapping the gasoline tax would reduce the tax income by an estimated 2.5 trillion yen, which paradoxically was contrary to the government’s wish to reduce the budget deficit. To compensate for the diminished income, the government considered a surcharge on the use of all fossil fuels amounting to 20 yen per liter of gasoline, which was estimated to bring in around two trillion yen. This “environment tax” was proposed on November 11, when Environment Minister Ozawa Sakihito announced that his ministry would push for a levy on fossil fuels to take effect with the start of the new fiscal year on April 1, 2010.<sup>114</sup> Given the fact that climate change was high up on both the national and international political agendas, Japan had announced its ambition to exert leadership on the issue. This had been a key announcement made by Prime Minister Fukuda Yasuo during the Toyako G-8 Summit in 2008, and had been reiterated by Prime Minister Aso Tarō although he was less forthcoming. But, first and foremost, it was in line with Prime Minister Hatoyama Yukio’s vow to reduce Japan’s emissions by 2020 by 25 percent from 1990 levels.<sup>115</sup>

<sup>112</sup> “Tobacco tax hike in 2010 in cards,” *Asahi shimbun*, November 2, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200911020076.html>

<sup>113</sup> Edström, *Struggle, Strife, and Stalemate*, p. 76.

<sup>114</sup> Takuya Kitazawa and Yukio Hashimoto, “‘Green tax’ may replace gasoline levy in FY 2010,” *Asahi shimbun*, November 24, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200911240074.html>

<sup>115</sup> “Japan vows big climate cut,” BBC News, September 7, 2009, <http://news.bbc.co.uk/2/hi/8241016.stm>

The proposed scrapping of the “temporary” gasoline tax would result in increased consumption which was contrary to what was seen as sensible policy. Deputy Prime Minister Kan Naoto made a statement on November 23 “While we will lower the temporary gasoline tax rates, we could also tack on an additional 20 yen per liter of gasoline as a new environment tax.”<sup>116</sup> This proposed new tax would make it easier for the Japanese government to bring about a reduction of the nation’s greenhouse gas emissions, which would be in line with the policy announced by the Japanese government. While the proposal could be seen as an attempt to kill two birds with one stone, cynics maintained that the new tax was an attempt to replace the outgoing tax.

### **A Political Nuisance: The Supplementary Budget**

The question of a second supplementary budget for 2009 arose at the end of November. The first supplementary budget which amounted to a staggering 14 trillion yen had been presented to the Diet by the Aso cabinet in April, and had been passed at the end of May. If the new supplementary budget were to be issued before the 2010 budget was finalized, time was running out for the government. Judging from what was to come, the supplementary budget does not seem to have been considered relevant for the work on the 2010 budget. Deputy Prime Minister Kan Naoto indicated on November 30 that he was considering an additional budget of more than 2.7 trillion yen. Wasting no time, he was taken to task by the leaders of the DPJ’s coalition partners, Minister of State for Consumer Affairs and Food Safety, Social Affairs, and Gender Equality Fukushima Mizuho of the Social Democratic Party, who told that “I’m thinking of five to six trillion,” and Minister of State for Financial Services and for Postal Reform Kamei Shizuka of the People’s New Party, who found no reason to fall behind and proposed a massive 11 trillion.<sup>117</sup> What Kamei proposed would equal almost 30 percent of the government’s estimated income from taxes; so his idea was bold to say the least. Was it not too bold? Maybe not in the eyes of the cabinet. The next day it was announced that the government was considering a supplementary budget

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<sup>116</sup> Kitazawa and Hashimoto, “‘Green tax’ may replace gasoline levy in FY 2010”

<sup>117</sup> “Hosei 2.7 chūen o gōi” [Agreement on a more than 2.7 trillion yen supplementary budget], *Asahi shimbun*, December 1, 2009.

amounting to seven trillion.<sup>118</sup> Considering the convulsions caused by the work on the 2010 budget, the way the decision on the size of the supplementary budget was taken is food for thought. Was it a coincidence that the amount was roughly the same as that proposed by Fukushima? Was this a reflection of the prime minister's agony over Fukushima's open questioning of whether her party should remain in the coalition government or not? Small as her party was, its support was considered crucial since it gave the DPJ-led government a majority in the Upper House. This was admitted by Prime Minister Hatoyama in a comment: "I do feel that we need this to be as thorough as possible since this is a coalition government. [...] We cannot break up the coalition."<sup>119</sup>

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<sup>118</sup> "Hosei, 7 ch en kib ni" [Supplementary budget, towards 7 trillion yen], *Asahi shimbun*, December 2, 2009

<sup>119</sup> "Japan cabinet at loggerheads over fresh stimulus," Reuters, December 4, 2009, <http://www.reuters.com/article/idUSBNG46079820091204>

## Inter-Governmental Power Game

An immediate effect of Fukushima's quagmire was seen. The government was reported to have decided to postpone its decision on the relocation of U.S. Marine Corps Air Station Futenma until 2010. The Futenma issue had been a nuisance for the government right from the start. To postpone the decision was one way of not risking a breakdown of the coalition government. It was, as the *Mainichi shimbun* wrote, "a quick-fix response to a political situation."<sup>120</sup> Haggling was to continue until December 15, when Foreign Minister Okada informed U.S. Ambassador John Roos that the government had postponed the decision on the relocation site until next year.<sup>121</sup>

Maybe the stance on the supplementary budget taken by the government could be explained by Kamei Shizuka's actions that saw him take on the role of a maverick. The widely divergent views aired by the three parties in the coalition government demonstrated that the coalition had problems staying united. As a consequence of their disagreement, the decision on the size of the supplementary budget was postponed on December 4. This was because Kamei had been angered over the amount that the government had decided to allocate to projects in the second supplementary budget. The 7.1 trillion proposed was far from sufficient he argued, and announced that he would vote against the supplementary budget if it was not big enough. Much more than had been planned was going to be injected into the regional economy, he said, and his party forwarded a proposal of an extra 0.9 trillion, and a budget totaling 8 trillion yen.<sup>122</sup>

Facing Kamei's rejection of the supplementary budget proposal even when it had been increased at one stage to four trillion yen, Prime Minister Hatoyama decided to postpone the decision: "We cannot destroy the

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<sup>120</sup> "Hatoyama digging himself a deep hole through procrastination on Futenma," *Mainichi shimbun*, December 4, 2009, <http://mdn.mainichi.jp/perspectives/news/20091204p2a00m0na010000c.html>

<sup>121</sup> "Futenma decision shelved until next year," *Asahi shimbun*, December 16, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200912160143.html>

<sup>122</sup> "Kamei shi, '7.1 chū en de wa dame da' hōsei zō gaku o aratamete shuchū" [Mr. Kamei: "7.1 trillion yen is bad." Insists again on increased supplementary budget], *Asahi shimbun*, December 6, 2009, <http://www.asahi.com/politics/update/1206/TKY200912060231.html>

coalition,” he told reporters in Tokyo. “However, there’s an issue of fiscal restraint, making it hard to increase the package.”<sup>123</sup> Not least adding to arguments for why substantial inputs into the economy were necessary were unemployment figures. While the unemployment rate had improved a bit, economic support for those unemployed had increased massively. In October, 855,000 people received unemployment benefits, an increase by 40 percent compared to the previous year. The amount of economic support paid out had doubled in 2009. In its Manifesto, the DPJ had proposed an increase of the government’s share in benefits paid out from 13.7 to 25 percent, which, if realized, would increase the burden on the central government considerably.<sup>124</sup> Delivering these fiscal policies was easier said than done. However, early implementation was crucial in view of the upcoming Upper House election. If the budget was delayed there would be little time for deliberations on the important policies that the DPJ launched in its Manifesto, such as child allowance.<sup>125</sup>

Kamei took a tough line. His head of policy research told reporters that unless the supplementary budget was around 8 trillion yen, the economy would not respond, so the DPJ “has no choice but to bow down.”<sup>126</sup> Shortly afterwards, press reports, citing unnamed officials, were issued informing readers that “Japan plans a huge stimulus package next week,” and it was disclosed on December 4 that the figure was to amount to 7.1 trillion yen.<sup>127</sup> After the weekend recess, reporters were back with information that the cabinet had agreed on a 7.2 trillion yen stimulus package. Economists argued that a budgetary injection into the economy of this size would not have much effect, however. It was equal to ca 1.5 percent of gross domestic output and would not provide a significant lifeline to the economy which

<sup>123</sup> “Hatoyama Delays Stimulus Package Amid Coalition Rift,” Bloomberg, December 4, 2009, <http://www.bloomberg.com/apps/news?pid=20601087&sid=aTm4wETWapYI>

<sup>124</sup> “Shitsugyoteate no jukyushakyō zensensoku entsuika tōnyū hōshin hōsei yōsan” [Supplementary budget: Sharp increase in unemployment subsidies, policy of increasing 300 billion yen], *Asahi shinbun*, December 3, 2009, 2009, <http://www.asahi.com/politics/update/1203/TKY200912020475.html>

<sup>125</sup> “Tōkyō kokkai no sōkōshōshō ni kabe...hōsei yōsan ya kenkingiwaku” [Obstacle to an early assembling of the ordinary Diet session...supplementary budget and money suspicions], *Yomiuri shinbun*, December 6, 2009, <http://www.yomiuri.co.jp/politics/news/20091206-OYT1T00451.htm>

<sup>126</sup> “Hatoyama Delays Stimulus Package Amid Coalition Rift.”

<sup>127</sup> “Japan plans huge stimulus package next week,” AFP, December 4, 2009, <http://www.asiaone.com/News/Latest+News/Business/Story/A1Story20091204-184014.html>

was heavily dependent on overseas demand for machinery, electronics, and cars.<sup>128</sup> With this assessment in mind, it seems Kamei tried to put up a show to force the DPJ and the prime minister to take a decision that he knew would be ineffectual, only for the sake of driving home that the presence in the coalition government of his party, that is his own presence, was vital. Given the outcome, with the prime minister yielding, Kamei seems to have succeeded in driving home his point. The price Hatoyama had to pay was the negative impact this had, not only on the economy but also on the impression it gave of his leadership.

### **Record Budget**

On December 25, the Hatoyama cabinet completed the budget process and approved a 92.3 trillion yen budget. With tax revenues down to 37.4 trillion yen, a record low since 1984, and bond issuance 44.3 trillion yen, roughly the level promised beforehand of the Hatoyama government, the increase of the budget was one third compared to the previous year. Considering the unprecedented fall in tax revenue, it was a success that the government had been able to keep new bond issuance at 44 trillion yen. The trick that the cabinet drew from up its sleeve was to secure a record 10.6 trillion yen from nontax receipts, including tapping into reserves and retained earnings in special accounts. The problem for the government was that these reserve funds can only be used once.

The prime minister's vow during the election campaign was to allocate government resources "from concrete to the people," that is, shifting expenditure from construction projects to welfare expenses and allocations to improve the lives of people. This resulted in a decrease in allocation to public works. It must have been a relief for the DPJ that it had been able to present a budget keeping its promise to provide a monthly allowance for each child of junior high school age or younger and to introduce free high school education. Social welfare costs would grow 9.8 percent to 27.27 trillion yen, while the LDP's forte in the eyes of its leadership, spending on public works projects, was down a record 18.3 percent to 5.77 trillion yen. The debt-servicing costs totaled a hefty 20.65 trillion yen. The only consolation was that

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<sup>128</sup> Tetsushi Kajimoto, "Japan unveils \$81 billion economic stimulus," Reuters, December 8, 2009, [http://news.yahoo.com/s/nm/20091208/bs\\_nm/us\\_japan\\_economy\\_1](http://news.yahoo.com/s/nm/20091208/bs_nm/us_japan_economy_1)

this cost was down one trillion compared to what the finance ministry had estimated. But the figure was shaky and built on expectations that interest rates would remain comparatively low.<sup>129</sup>

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<sup>129</sup> “Cabinet approves record ¥92 trillion budget. Debt issuance exceeds tax revenues for first time in postwar period,” *The Japan Times*, December 26, 2009, <http://search.japantimes.co.jp/cgi-bin/nb20091226a1.html>

## Foreign Policy as a Chore

The focus of this paper is on domestic politics, but foreign policy should be mentioned at least in passing, as issues of foreign policy loomed large throughout 2009 and added to the political heat. With Ozawa Ichirō having been the key political actor in the political opposition and, after the shift of government, the key politician in the ruling camp, conflicts were bound to arise for the simple reason that Ozawa is a politician with strong views on foreign policy and Japan's place and role in the world, manifested not least in his best selling *Nihon kaizō keikaku* (1993), translated into American as *Blueprint for a New Japan: The Rethinking of a Nation* (1994). With him at the center of political developments, frictions and, sometimes, clashes over foreign policy were bound to occur, especially since he has long advocated changes to the foreign policy pursued by the LDP.

One such incident resembled an occasion the previous year when Ozawa had initially refused to meet the U.S. ambassador to Japan. When asked to meet with U.S. Secretary of State Hillary Clinton, who was on a tour of Asia in February 2009 including a visit to Japan, Ozawa's response was that he would give his reply by first taking into account the current Diet situation.<sup>130</sup> His stance was a sophisticated insult and not what the Americans had expected. They were used to subservient Japanese politicians running to them, especially for meetings with high-ranking U.S. officials. After having demonstrated his determination not to kowtow to the Americans, Ozawa subsequently agreed to meet with Clinton. A reason for Ozawa's deliberation can probably be traced to the fact that Washington had ignored him for many years, instead fraternizing only with the LDP and disregarding politicians from other Japanese political parties.

During her visit to Japan, Clinton and her Japanese counterpart Nakasone Hirofumi signed the Agreement Concerning the Relocation of Marine Force Personnel from Okinawa to Guam. It was a political hot potato that had been up for discussion for several years. Due to complaints from Okinawans over the problems created by the large U.S. military installations,

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<sup>130</sup> "Clinton asks for meeting with Ozawa," *The Japan Times*, February 12, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090212a4.html>

there was a pressing need to do something and the agreement intended to come up with a solution. It stipulated “the actions by both Japan and the U.S., including the funding for the relocation of the U.S. Marines in Okinawa to Guam, which the two countries will jointly carry out. The Agreement also stipulates the United States’ appropriate management of the funds provided by Japan and equal treatment for all of those who will be involved in the relocation project.”<sup>131</sup> Obviously aware of the LDP’s imminent loss of power, Secretary Clinton stressed at the ceremony that the agreement was “on behalf of our two nations.”<sup>132</sup> She is also on record stating that: “I think that a responsible nation follows the agreements that have been entered into, and the agreement that I signed today with Foreign Minister Nakasone is one between our two nations, regardless of who’s in power.”<sup>133</sup> The information in the statements served to imprint the increasing awareness on the part of the U.S. government that the ever-loyal LDP was probably on its way out, and that it would be replaced by a government headed by a man who had demonstrated his unwillingness to bend unquestioningly to U.S. will. In Ozawa’s meeting with Clinton, he made a point of stressing the need for equality in the Japanese–U.S. relationship: “A relationship in which one side is a subordinate of the other is not good. I told her [Clinton] that it will only become an alliance with an equal partnership.”<sup>134</sup>

Whatever these high-ranking representatives of the two governments thought, the issue was not shelved with the February 17 agreement. The conflict had taken on a life of its own and continued to cause frictions in Japan–U.S. relations and among the two political camps in Japanese politics. The fact that Japan’s likely new prime minister had made the plea for equality his key message to the secretary of state would seem to have been a bit superfluous given the announcement of the “U.S.–Japan equal partnership”

<sup>131</sup> Ministry of Foreign Affairs of Japan, “Signing of the Agreement between the Government of Japan and the Government of the United States of America concerning the Implementation of the Relocation of the III Marine Expeditionary Force Personnel and Their Dependents from Okinawa to Guam,” February 17, 2009, [http://www.mofa.go.jp/announce/announce/2009/2/1188058\\_1128.html](http://www.mofa.go.jp/announce/announce/2009/2/1188058_1128.html)

<sup>132</sup> Hillary Rodham Clinton, “Remarks With Japanese Foreign Minister Hirofumi Nakasone,” Tokyo, Japan, U.S. Department of State, February 17, 2009, <http://www.state.gov/secretary/rm/2009a/02/117465.htm>

<sup>133</sup> “Clinton praises strong U.S.-Japan Ties,” *Yomiuri shimbun*, February 18, 2009.

<sup>134</sup> “Japan opposition tells Clinton partnership equal,” Reuters, February 17, 2009, <http://www.reuters.com/article/idUSTRE51G3GV20090217>

at a summit meeting as far back as 1960 between Prime Minister Ikeda and President Kennedy.<sup>135</sup>

A few days later, Prime Minister Aso went to Washington and became the first foreign dignitary to meet President Obama. It was a meeting that was remarkable only in its lack of result, and Ozawa again reiterated that a DPJ government would strive to build an equal partnership with the United States. He proceeded to specify practicalities in a way that was sure to court controversy. Advocating an equal relationship with the United States, he said that the U.S. military presence in Japan should be reduced to all but the U.S. 7th Fleet, based in Yokosuka, which also meant that Japan would take greater responsibility for its own defense.<sup>136</sup>

The DPJ leader's demand for equality must have been unusual to listen to for U.S. representatives at any level. It entailed likely frictions and a Japan that was not going to simply foot the bill presented by the U.S. in the way the LDP-led government had done. One move to soothe Japanese feelings was seen in President Obama's visit to Japan on November 13, 2009. His rhetoric seemed to match Ozawa's in the commitment to an equal Japan-U.S. relationship. Commenting on a question to Hatoyama during the press conference, Obama said: "Let me, first of all, insist that the United States and Japan are equal partners. We have been and we will continue to be. Each country brings specific assets and strengths to the relationship, but we proceed based on mutual interest and mutual respect, and that will continue."<sup>137</sup>

The problem was only that Obama's defense minister, Robert Gates, had clarified the U.S. stance on the Futenma base issue – the hottest political potato in Japan-U.S. relations in 2009 – stating that the U.S. was not interested in discussing the matter further. Gates had also served as defense minister under George W. Bush, and was not one for small talk when it came to what the Americans perceived as Japanese intransigence. On a visit to Tokyo, he said it was important that the new administration, led by the

<sup>135</sup> Yoshimura Katsumi, *Ikeda seiken-1575 nichi* [The 1575 days of the Ikeda government] (Tokyo: Gyosei mondai kenkyūsho, 1985), pp. 119-30

<sup>136</sup> Weston S. Konishi, "The Democratic Party of Japan: Its Foreign Policy Position and Implications for U.S. Interests," *CRS Report for Congress*, 7-5700, August 12, 2009, p. 5.

<sup>137</sup> Prime Minister of Japan and his Cabinet, "Joint Press Conference by Prime Minister Yukio Hatoyama of Japan and President Barack Obama of the United States of America," November 13, 2009, [http://www.kantei.go.jp/foreign/hatoyama/statement/200911/13usa\\_kaiken\\_e.html](http://www.kantei.go.jp/foreign/hatoyama/statement/200911/13usa_kaiken_e.html)

DPJ, delivered on the promises made by previous administrations. Gates stated that the arrangement agreed upon with the LDP-led government was “the only feasible measure.”<sup>138</sup> The *Washington Post* reported that “U.S. discomfort was on display Wednesday in Tokyo as Gates pressured the government, after meetings with Prime Minister Yukio Hatoyama, to keep its commitment to the military agreement. ‘It is time to move on,’ Gates said, warning that if Japan pulls apart the troop ‘realignment road map,’ it would be ‘immensely complicated and counterproductive.’” The newspaper also reported that Gates “insulted his Japanese hosts, refusing to attend a welcoming ceremony at the Defense Ministry or to dine with senior Japanese Defense officials.”<sup>139</sup>

The pressure on Japan’s new government from the White House, the Pentagon, the U.S. Department of Defense, and other agencies and interests continued to mount.<sup>140</sup> In mid-December it reached a crescendo with the U.S. applying heavy-handed tactics. This coupled with the shrill rhetoric coming from Washington forms a picture of the U.S. treating Japan more as an enemy than an ally. Most observers had probably expected that the Japanese government would give up its resistance. High-ranking U.S. officials made last-ditch efforts to make the Japanese government accept the U.S. prerogative. The Japanese government did not yield, however, and on December 15 Japan’s foreign minister informed the U.S. ambassador to Japan that the decision on Futenma had been postponed until May 2010.

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<sup>138</sup> Jun Hongo, “Gates: Japan must stick to Futenma deal,” *The Japan Times*, October 21, 2009, <http://search.japantimes.co.jp/cgi-bin/tn20091021a1.html>

<sup>139</sup> John Pomfret and Blaine Harden, “U.S. pressures Japan on military package,” *Washington Post*, October 22, 2009, <http://www.washingtonpost.com/wp-dyn/content/article/2009/10/21/AR2009102100746.html?nav=emailpage>

<sup>140</sup> Gavan McCormack, “The Battle of Okinawa 2009: Obama vs Hatoyama,” *The Asia-Pacific Journal*, 46-1-09, November 16, 2009, <http://japanfocus.org/-Gavan-McCormack/3250>

## Two Parties and One Government in Crisis

In December 2009, both the DPJ and the LDP were facing crises. The crisis for the DPJ resulted from the inability of the DPJ-led government to come up with functioning policies. Instead of taking decisions on several vital issues the Hatoyama cabinet vacillated or merely postponed them. Fighting to realize its Manifesto promises, despite a drastically worsening economic situation, was understandable considering that the party wanted to demonstrate its capacity to govern, but it did not garner much support. It encountered structures and institutions with roots back in the Meiji era, which were stubbornly enduring and rigid. The party had to draw the bitter lesson that its ambition to institute “real reforms” was an evasive goal. The traditional ruling machinery of the LDP, an alliance of big business and bureaucracy, had been in place throughout the postwar period and proved difficult to dismantle for the new government.

The increasing budget deficit demonstrated that the DPJ's promise to stop the waste of taxpayer's money was proving difficult. When the innovative budget screening process was initiated, the party had hoped that the ensuing transparency and openness would weed out malpractice and politician-bureaucrat collusion. This in turn, they hoped, would free money to be used to implement the DPJ's political promises; but the resources available were far less than the party had hoped for.

The convulsions in the coalition government impacted public opinion which was reflected in the polls. The *Yomiuri shimbun* presented an opinion poll taken on December 4–5, when the Diet session had ended. It showed that support of the government had continued to slide downwards, down 16 percentage points compared to the election result, while the non-support rate stood at 29 percent, continuing to show an upwards trend.<sup>141</sup>

It was the third consecutive poll with the support rate being less than the election result. One of the few positive results for the DPJ, from the *Yomiuri* poll, was that support for the LDP had not increased but remained at 19 percent. The negative currents in opinion for the DPJ-led government

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<sup>141</sup> To be noted is that since the Hatoyama cabinet did not take over until September 16, there could be no popularity figure for the government before that date.

cannot be attributable to the performance by the leading opposition party. When questioned about the reasons for not supporting the government, the respondents replied that the prime minister lacked leadership; indeed, a steep increase in distrust towards the prime minister seemed to be the reason behind the increasing lack of support of the government, from 13 to 27 percent. The main factor behind this skepticism was said to be that the Hatoyama government had postponed the decision to be taken on the Futenma base issue.<sup>142</sup> It can be hypothesized that the government's handling of the supplementary budget also contributed to question marks being raised against the government's ability to govern. In a sense this was strange because the government had demonstrated its ability to govern in that it obtained parliamentary approval of its bill; no less than ten out of twelve government-sponsored bills had passed the Diet.

Worse was to come. Polls taken two weeks later showed a significant fall of support for the Hatoyama cabinet. The *Asahi shimbun* reported a fall to 48 percent, compared to 62 percent the previous month, and an increase of non-support by 13 percent to 34 percent. As with the *Yomiuri shimbun* poll, respondents singled out Hatoyama's lack of leadership as a primary cause for discontent; 74 percent were of the opinion that his leadership was not visible. There was a noticeable rejection of how the government had handled important issues: a satisfactory handling of the Futenma issue accounted for only 30 percent of those polled (60 percent disagreed). The government's struggle to keep its promises in the DPJ Manifesto was approved by only 50 percent; 43 percent disapproved of it.<sup>143</sup> A *Kyodo* poll showed a 16.5-point fall to 47.2 percent for the government and non-support up 13 points to 38.1 percent. A cross-party support poll showed that support for the ruling DPJ was down 8.9 percent to 36.1 percent, while the LDP enjoyed a 7.5 point increase to 23.7 percent.<sup>144</sup>

<sup>142</sup> "Naikaku shi i zokuraku 59%, 'shush shid ryoku nai' ky z " [Continued steep fall in government support to 59%, rapid increase of "prime minister lacking leadership"], *Yomiuri shimbun*, December 7, 2009, <http://www.yomiuri.co.jp/feature/20080116-907457/news/20091206-OYT1T01071.htm>

<sup>143</sup> "Hatoyama naikaku shi i ky raku 48% 'Shid ryoku hakkisezu' 74%" [Drastic fall to 48% in the support rate of the Hatoyama cabinet, "no leadership shown" 74%], *Asahi shimbun*, December 21, 2009.

<sup>144</sup> *Kyodo News*, "Cabinet's support rate drops 16.5 points: poll," *The Japan Times*, December 27, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20091227a1.html>

The increasing support for the LDP should not be interpreted more deeply. The continuing pervasive mistrust of the party was shown by the fact that as many as 64.3 percent in the *Kyodo* poll wanted Prime Minister Hatoyama to remain in office. This was despite the fact that more than three quarters of respondents (76.1 percent) were not convinced by Hatoyama's account of the irregularities that his political fund management group was allegedly involved in. To be a politician in Japan requires substantial financial resources and there is fierce competition to acquire such resources; few politicians have the personal fortune needed to be a politician.<sup>145</sup> One such politician is Hatoyama Yukio, however. Throughout his short tenure as prime minister so far, he has continued to be haunted by rumors of economic irregularities in acquiring funds and in his account management. When two of his former secretaries were indicted, Hatoyama hastily convened a press conference and claimed that he had known nothing about the falsifications; thus, in fact, blaming his aides for the irregularities.

Distrust of the prime minister as to his alleged involvement had provided the LDP with ammunition for an attack on the premier. But it was embarrassing for the LDP leadership that two of its most senior representatives, Nikai Toshihiro and Hatoyama Kunio, were also heavily smeared by the political fund scandal. While Nikai continued to cling to his position, Hatoyama Kunio saw it necessary to step down from all his political posts in the LDP.<sup>146</sup> Accordingly, this took the sting out of any attack that the LDP could launch on the new government.

### To Break Promises or Not, That's the Question

After the excruciating budget screening process, it was clear that it was virtually impossible for the Hatoyama cabinet to implement all the promises in the DPJ Manifesto. To keep these promises would seriously undermine

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<sup>145</sup> For basic reading on Japan's "money-power politics," see Chalmers Johnson, "Tanaka Kakuei, Structural Corruption, and the Advent of Machine Politics in Japan," in his *Japan: Who Governs? The Rise of the Developmental State* (New York and London: W.W. Norton, 1995), pp. 183-211; and Hitoshi Abe, Muneyuki Shindō, and Sadafumi Kawato, *The Government and Politics in Japan* (Tokyo: University of Tokyo Press, 1994), ch. 16 "The Kenkai," pp. 172-81. Based on data collected by Professor Sone Yasunori, Keio University, the latter give reliable estimates of the large sums of money that even an ordinary MP needs for political activities.

<sup>146</sup> *Kyodo News*, "LDP's Hatoyama to quit party posts," *The Japan Times*, December 12, 2009, <http://search.japantimes.co.jp/cgi-bin/nr20091212a4.html>

the government's ambition to present a budget proposal that by necessity capped expenditures. As an afterthought, one has to agree that Hatoyama tried his utmost to keep bond issuance to 44 trillion yen. With the disappointing results of the budget screening group, it looked next to impossible for the government to live up to the DPJ promise.

When the final decisions were to be taken by the government, it received a helping hand and, maybe not unexpectedly, it was DPJ Secretary-General Ozawa Ichirō who came to the rescue. On December 16, he paid a visit to the prime minister and said that since sufficient revenue sources could not be secured to fulfill the party's vows, some of the pledges made by the DPJ to voters had to be reconsidered. He called for continuing auto-related taxes and introducing an income cap into the plan so as to give cash allowances to households with young children – two ideas that ran counter to the DPJ Manifesto.<sup>147</sup> The fact that the government reneged on its promise to eliminate the gas tax days after the Ozawa visit gave the impression that the prime minister was under the thumb of the DPJ secretary-general. As a whole, the government's backpedaling was modest given the drastic decrease of tax income. But it came at a price; reserves were severely depleted and would not be available next time.

Hatoyama fought hard not to have to renege on his party's commitments and promises to voters. Japan's modern political history was a reminder of the consequences of not keeping political promises. In 1994, Prime Minister Murayama Tomiichi of the SDPJ, who had headed a previously unthinkable coalition government formed by his party and its erstwhile arch enemy LDP, undertook an action as prime minister that proved costly to his party. Committing a u-turn in SDPJ policies and adopting LDP policy without consulting his party, he renounced the key ideas of his party that constituted its very *raison d'être* in Japanese politics. This was a gross miscalculation as it blew away support for the party that had been built up over decades.<sup>148</sup>

When Murayama was questioned in the Diet how he could renege on his party's ideological pillars, he replied that as prime minister he was

<sup>147</sup> Hajime Furukawa and Shuhei Kuromi, "DPJ reneging on election manifesto pledges," *The Daily Yomiuri*, December 17, 2009, [www.yomiuri.co.jp/dy/national/20091218TDY03104.htm](http://www.yomiuri.co.jp/dy/national/20091218TDY03104.htm)

<sup>148</sup> Hideo Iwatake, "Political Mistrust and Party Realignment in Japan", in Susan J. Pharr and Robert D. Putnam, eds, *Disaffected Democracies: What's Troubling the Trilateral Countries?* (Princeton, NJ: Princeton University Press, 2000), pp. 291–310.

compelled to adhere to the opinion of the Cabinet Legislation Bureau.<sup>149</sup> According to its head, Nakamura Akira, “Cabinets may change, but there is not much room for new interpretations of the Constitution. [...] If the interpretation of the Constitution changed every time the government changes, the Bureau would lose trust as an organization.”<sup>150</sup> Deputy Chief Cabinet Secretary Ishihara Nobuo, whom Murayama kept from the previous government, argued that Murayama as premier could not put forward the leftist opinions that he used to express in his capacity as chairman of the SDPJ.<sup>151</sup> In an interview Murayama tried to explain his action by arguing that the emerging reality, after the Cold War and “popular will” (*kokumin taishū no ishi*), made it necessary to show resolve and to pursue a flexible policy. This meant that “matters that had been dire to his party until now had to be thrown away.”<sup>152</sup>

Fifteen years later, the above may have weighed upon Ozawa Ichirō's mind when he stated that he was going to stop the Cabinet Legislation Bureau's director general from replying to questions posed in the Diet.<sup>153</sup> It was only part of the reform of parliamentary work, but it was nonetheless significant. The Diet Law opened for the possibility that the director general could attend Diet deliberations as a special assistant to the government on approval by chairmen of both houses of the Diet; this had become the standard way of handling many issues. At a press conference, Ozawa said that bureaucrats should not take part in Diet deliberations: “It goes without saying that both interpellations and replies should be presented only by lawmakers. With this measure, we aim at properly realizing parliamen-

<sup>149</sup> See Nakamura Akira, *Sengo seiji ni yureta kempō kyūjō: Naikaku hōseikyoku no jishin to tsuyosa* [Article Nine of the Constitution that shook post war politics: The confidence and strength of the Cabinet Legislation Bureau] (Tokyo: Chōkeizai-sha, 1996), p. 3

<sup>150</sup> See *ibid.*

<sup>151</sup> See *Shushō kantei no ketsudan: Naikaku kambō fukuchōkan Ishihara Nobuo no 2600 nichi* [Decisions at the Prime Minister's residence: 2,600 days of Deputy Chief Cabinet Secretary Nobuo Ishihara], interviews by Mikuriya Takashi and Watanabe Akio (Tokyo: Chōkron-sha, 1997), pp. 175f.

<sup>152</sup> Okano Kaoru, “Murayama Tomiichi kō: Shakaitō shushōron no ochi to shiketsu” [Thoughts on Tomiichi Murayama: Errors and haemostasis of the discussion on the JSP premier], in Okano Kaoru and Fujimoto Kazumi, eds, *Murayama seiken to demokurashī no kiki: Rinshō seijigakuteki bunseki* [The Murayama government and the crisis of democracy: A clinical political analysis] (Tokyo: Tōshindō, 2000), p. 13

<sup>153</sup> “Cabinet legal adviser to cease speaking in Diet,” *The Daily Yomiuri*, October 10, 2009, <http://two-plus-two.blogspot.com/2009/10/cabinet-legal-adviser-to-cease-speaking.html>

tary democracy." Ozawa's ambition was greater, however. He maintained that the government's interpretation of the constitution should be made by members of the government, not by bureaucrats. According to him, the Cabinet Legislative Bureau should be scrapped, and he argued that the legislative offices serving the Diet would suffice.<sup>154</sup>

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<sup>154</sup> Ibid.

## The Leadership Issue

In a castling move, Hatoyama Yukio replaced Ozawa Ichirō as DPJ party leader at the same time as the latter took over the post of secretary-general from Hatoyama. As leaders they are almost polar opposites. While Ozawa is seen as a strong and autocratic leader, Hatoyama has the reputation of being weak as a leader; it was openly questioned how long he would remain in the post. For the party, a tandem leadership was created when Hatoyama as new party leader asked Ozawa to assume the all-important post as the highest-ranking official of the party. There was an obvious reason for their division of labor, with Hatoyama heading the cabinet and Ozawa managing the party. Ozawa has a proven track record of masterminding election strategies. It would be a waste of talent if he were to be assuming a ministerial portfolio instead of working to broaden voter confidence in the party. This division of labor also neutralized the fact that the two leaders exhibited differing leadership styles and philosophies. (It was also claimed that Ozawa was not included in the cabinet due to his possible involvement in questionable dealings.)

Despite his long political career, in the LDP, the New Party Sakigake, and the DPJ, Hatoyama Yukio became the leader of the DPJ more or less by default when Ozawa threw in the towel. Ozawa had eventually stepped down as party leader as his reputation had been tarnished by accusations of being involved in a money scandal. This threatened to derail the DPJ's election campaign. It was ironic, then, that his successor would also come to be heavily embroiled in shady political funding.

At the time of his elevation to prime minister, Hatoyama's role as leader was questioned and many doubted that he had the requisite stamina for the post. Commentators and analysts did not tire of pointing to the fact that he belonged to a "political family," with a father who had been foreign minister and a grandfather who was one of the founding fathers of the LDP and a former prime minister. Interestingly, Hatoyama looks upon his leadership very much in the same way as Abe Shinzō did; in other words, as "that of the conductor of an orchestra [...] the most important thing is that members

of [the] Cabinet team play in harmony.”<sup>155</sup> Abe, too, had expressed the view that rather than bulldozing his way forward and bullying the opposition in the party, his ideal was to be a leader acting like a conductor of an orchestra.<sup>156</sup> The contrast to Ozawa Ichirō could not be greater, therefore, since he is well-known for his autocratic, top-down leadership style.

As prime minister, Hatoyama was to find out the hard way that being the conductor of the governmental orchestra is not easy. As members of the coalition government, the minor parties have had a say on vital matters. The threat of leaving the coalition was an effective instrument employed by the DPJ’s junior partners to ensure that they were listened to and not bulldozed over. Indeed, Kamei’s success in increasing the size of the supplementary budget highlighted the power he and his party enjoyed. Fukushima also did not hesitate to use her party’s position to push for the party’s interests. In both cases, the prime minister gave in after much haggling, which further conveyed the impression of weak and indecisive leadership.

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<sup>155</sup> “Can Hatoyama make ‘orchestra’ play in tune?” *Asahi shimbun*, November 28, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200910280131.html>

<sup>156</sup> Shiota Ushio, *Abe Shinzō no rikiryō* [Abe Shinzō’s abilities] (Tokyo: Heibonsha, 2006), p. 18.

## Hatoyama and Politics as Performance

Maybe it was a move that showed that the DPJ had learnt from Koizumi's famous performance politics? On October 15, it was announced that the dramatist Hirata Oriza had been appointed counselor at the prime minister's secretariat in charge of cultural, education, and international affairs. Chief Cabinet Secretary Hirano Hirofumi said that Hirata's task would be to give information and advice to the prime minister on international strategy in the field of culture.<sup>157</sup> It subsequently surfaced that Hirata had advised the prime minister on his policy speech in the Diet. Summoned to the Prime Minister's Office, Hirata had recommended that Hatoyama "be himself" in delivering the speech, to which the latter had responded that it was easier said than done. But after the speech the prime minister revealed that the applause he received during his speech had made him able to enjoy delivering his speech.<sup>158</sup>

Hatoyama has continued the practice of previous prime ministers to involve in *burasagari*, a kind of "dangling interview," with the prime minister answering questions while walking between appointments, with journalists scribbling down memos based on the prime minister's responses. Taking place on an almost daily basis, his Q & A sessions with journalists are a PR performance, conveying to TV audiences an impression of the new government that could prove a double-edged sword. It was striking that the prime minister practiced "safe driving," as one newspaper characterized his performances during the first month as prime minister.<sup>159</sup> Hatoyama was quoted as saying that he wanted to convey his own views to the Japanese people and was striving as much as possible not to commit any gaffes. In

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<sup>157</sup> "Naikaku kamban san'yo: Hirata Oriza shi o ninmei...Bunka-kokusai karyu [Mr. Hirata Oriza responsible for culture and international exchange: Chief Cabinet Secretariat], *Mainichi shimbun*, October 15, 2009, <http://mainichi.jp/select/sei/news/20091016k0000m010104000c.html>

<sup>158</sup> Nobutaka Kuribayashi and Takashi Murao, "Hatoyama treads own path with speech," *Yomiuri shimbun*, October 28, 2009, <http://www.yomiuri.co.jp/dy/national/20091028TDY03306.htm>

<sup>159</sup> "Ryutegumi teinei ni yaritori Hatoyama shushin burasagari kaiken ikkagetsu" [One month of Prime Minister Hatoyama's *burasagari*: Friendly with both hands folded], *Asahi shimbun*, October 26, 2009, 19.45, <http://www.asahi.com/politics/update/1016/TKY200910160376.html>

this respect, he had good reason to learn from his predecessor, Asō Tarō, whose behavior and statements during the *burasagari* had embarrassed both himself and his party.<sup>160</sup> Despite Hatoyama's hectic schedule as prime minister, he has nevertheless devoted ample time to fielding questions from journalists, probably well aware of the bad blood created by Asō having sometimes walked away from questions. Furthermore, Hatoyama's stiff demeanor indicates that he is well aware that his answers will be carefully scrutinized. Not possessing the same easy-going ability as former Prime Minister Koizumi Jun'ichirō in "taming" reporters with catchy one-liners, he has instead employed longer statements to convey his views; a tendency that increases the risk of Hatoyama making ill-advised statements.

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<sup>160</sup> Edström, *Problems and Perils of a Prime Minister*, pp. 70–75.

## Concluding Remarks

It became increasingly clear to the new government upon assuming power that to implement its election promises would be a tough task. The long and short-term ambitions of the Hatoyama government clashed not only with the SOPs of the previous regime, but also included making changes to the bureaucratic rule which was part of the Meiji legacy. The “Heisei turn around” of the Japanese system that the new men at the helm want to accomplish is a monumental undertaking. As the prime minister alluded to in his first policy speech in the Diet, the ambition of his party is to bring about an overhaul of Japanese politics, a grand attempt to modify in important respects the way Japanese politics functions, by altering a system ingrained in Japan’s body politic. To take on such a Herculean task is a mission of truly historic magnitude. Added to this was the question of compiling the budget in view of the party’s election promises. To give up on its election pledges or not: it was an excruciating choice.

Hatoyama knows that if he does not deliver and the DPJ reneges on its commitments to voters, the outcome might be a substantial loss of votes in the next election. The party aims at securing a majority of seats in the Upper House in the election in 2010, but if too many promises are broken by the party, the outcome is likely to be quite different. Furthermore, some of Japan’s present-day leading politicians were also active at the beginning of the 1990s, and they are acutely aware of the lesson taught by events taking place then. Those who are now political opponents, or even enemies, to Hatoyama and the DPJ will look for opportunities to exploit these fears.

In all likelihood he will keep in mind the lesson of Murayama from fifteen years ago, which graphically demonstrated what can happen if a party diverges from its promises to voters. One difference between 1994 and 2009 is the personal and political background of the prime ministers. When Murayama became prime minister, he had been chairman of the SDPJ for only a short period. Not hardened by decades of wheeling and dealing in national politics at the highest level, Murayama was at a loss when dealing with high-ranking bureaucrats having effectively run the country since the Meiji era. His mistake was to not see it as his role to implement his party’s policies and instead give in to the bureaucrats, despite the fact that

he had been elected, presumably, by voters who wanted him to do precisely that. He had his head turned by the sweet talk of high-ranking bureaucrats and abdicated from what should have been his duty in the parliamentary democracy that Japan is.

For the Hatoyama cabinet, the problems mounted after winning the general election in August. Voted into power by an electorate tired of the impotence of LDP rule, it had the daunting task of clearing up the putrefied mess that Japan's political system had become.

The LDP's frantic attempts to withstand the political headwind had been in vain. Replacing the popular Koizumi Jun'ichirō with another popular face, Abe Shinzō, just because of his popularity, showed itself to be a disastrous decision in the sense that his period in power further solidified the party's decay. Trying to save the situation by appointing the uncharismatic but competent Fukuda Yasuo didn't work either. As Tarō further confirmed the opinion that the LDP was out of touch. Lacking fresh faces, among its representatives in the Diet were too many who had inherited their seats in the Diet. As Professor Okazawa Norio pointed out in an interview in March 2007, if aspiring and talented persons wanted to enter politics, there was no longer any room in the LDP; seats in the Diet were already subscribed to, so they would have to approach the DPJ instead.<sup>161</sup>

The general election in August 2009 proved that Okazawa was right and also proved right his prediction that the DPJ would take over. The three LDP prime ministers who had replaced each other in rapid succession had all a father or a grandfather who had been prime minister, and the cabinet lineups they presented were stacked with faces which in most cases had been seen before, not once, but in many cases, a number of times. Despite the experience and competence they were thought to excel in, the LDP-led governments since the early 1990s were not able to drag Japan out of the economic doldrums. The stagnation continued and Japan slipped further backwards. Until the election in August 2009, it was the Buddhist sect of Soka Gakkai's political branch, the New Komeito, that had effectively saved the situation for the LDP by entering into a coalition government, thus giving the LDP a working majority in the Diet. This came to an end, however,

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<sup>161</sup> Interview of Okazawa Norio, professor of political science, Waseda University, about the Japanese political situation, Tokyo, March 14, 2007.

with the change of government, which also proved disastrous for the New Komeito.

After the change of government, there was discussion in Japan on whether the change of government was in reality a sign of change or not. Only time can tell. The LDP should not be discounted, either. It has as recently as 2005 crushed the DPJ in the Lower House election, and while LDP has probably not the stamina and ability to recuperate so quickly, history tells that at unexpected moments the Phoenix can suddenly rise from the ashes.

Other political parties may also have reasons to look towards the future with apprehension. At the 2009 general election, the contours of an emerging two-party system was quite evident. Compared to the DPJ and the LDP who secured the overwhelming number of seats in the Lower House, 308 and 119 respectively, the New Komeito got only 21, the Japanese Communist Party nine, the Social Democratic Party seven, Your Party five, and the People's New Party three. A poll taken at the end of December further confirmed the trend of decreasing support for parties other than the DPJ and LDP. The New Komeito was supported by only 1.9 percent of respondents, the Japanese Communist Party 1.3 percent, the SDPJ 1.8 percent, Your Party 1.7 percent, and the People's New Party 1.1 percent.<sup>162</sup>

When the Hatoyama cabinet scrapped the budget proposal that had been worked out by the previous government, it was probably not aware of the Herculean task that awaited it. Despite the serious effort to eliminate waste, the Hatoyama cabinet struggled with budget revision; the more effort that was put in, the more meager the result seemed. The budget process in fact began to resemble the famous final ending of Per-Olof Sundman's *The Flight of the Eagle* (1967), that of the bold adventurers in a balloon over the North Polar ice having to make an emergency landing and drifting southwards on an ice floe to reach salvation. But the ice was drifting in the other direction; the more they walked the more distant from salvation they were.

Every year on December 1, a list of the ten buzzwords of the year is published, a tradition that can be traced back to 1984.<sup>163</sup> The new prime minister and the reform policies of his government had come up with three of them.

<sup>162</sup> Kyodo News, "Cabinet's support rate drops 16.5 points: poll," *The Japan Times*, December 27, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20091227a1.html>

<sup>163</sup> "Y kyan shingo ry k go daish happy" [The announcement of U Can neologisms and popular words big prize], <http://singo.jiyu.co.jp> (accessed December 1, 2009).

*Seiken kōtai*, “regime change,” was credited to the prime minister himself, *jigyō shiwake*, “budget screening,” was linked to the Government Revitalization Unit and the budget screening group, and *datsukanryō*, “away from the bureaucratic-led politics,” was attributed to Watanabe Yoshimi, but can more reasonably be credited to the DPJ as part of its catchphrase *datsukanryō izon*, “away from the dependence on bureaucrats.” *Kojin kenkin*, “donations from deceased donors,” and *baramaki*, “pork-barrel spending” were also among the buzzwords.

The list may have been a little premature, however. The rigidities and restrictions the new government is encountering are formidable and the prospects of success are unsure, notwithstanding that the mandate handed to the new government is strong. Whether the new government will prove a success story or a dismal failure depends on the political skill and *Fingerspitzengefühl* commanded by the Hatoyama team. The situation is one of genuine uncertainty. As shown in the above discussion of political developments, the processes that these buzzwords are linked have shown clear signs of eroding. While the Lower House election was indeed a landslide for the DPJ and its coalition partners, if and how long the promises contained in the seeds of this victory will continue to slide toward progress in reforming Japanese politics is anybody's guess. Fairly soon the buzzwords might be very different to those published and sensationalized on December 1.

## About the Author

Bert Edström has a Ph.D. in Japanese Studies from Stockholm University (1988), and an M.S.Sc (1974) and B.A. (1971) from the same university. His ISDP publications include *Japan and the Challenge of Human Security: The Founding of a New Policy 1995–2003* (2008), *Security and Development in Asia: New Threats and Challenges in the Post-Postwar Era* (editor, 2009) as well as *Japan and the Myanmar Conundrum* (October 2009). This report is a sequel to previous reports on the development of Japanese domestic politics, viz. *The Success of a Successor: Abe Shinzo and Japan's Foreign Policy* (May 2007), *Japan's Upper House Election, July 29: Down or Dawn for Prime Minister Shinzō Abe?* (July 2007), *Farewell to Beautiful Japan: The Demise of Shinzō Abe* (September 2007), *Struggle, Strife, and Stalemate: Yasuo Fukuda and Present-day Japanese Politics* (March 2008), and *Problems and Perils of a Prime Minister: Asō Tarō and Japan's Political Autumn* (February 2009).