



Testing Times: Yoshihiko Noda As Japan's New Prime Minister

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Another day, another prime minister for Japan. Yoshihiko Noda was elected despite little support according to opinion polls. Yet the low expectations for the country's sixth PM in almost as many years may be just the thing that holds him in power.

The revolving door of the Prime Minister's Office in Tokyo has pushed forward its latest prime minister, Yoshihiko Noda. How long he will be able to stay at his post is written in the stars. As the sixth prime minister in the five years since Junichiro Koizumi resigned, the odds are not high that Noda will last long in office. But the situation is better than it might look at first sight.

Just look at Noda's approval ratings. Koizumi was unusual because his public approval ratings in opinion polls were high throughout his five years as prime minister. For his successors Shinzo Abe, Yasuo Fukuda, Taro Aso, Yukio Hatoyama and Naoto Kan the situation turned out differently. They all polled well initially but ended with feeble support. Noda's position is the opposite. His starting point at inauguration as premier could hardly be worse. He took over a cabinet with disastrous support figures, and in a poll shortly before he was appointed premier his name was not among the six politicians mentioned as a potential successor to PM Naoto Kan. But with a single-digit support rating, the only way is up for Noda.

There has been a lot of talk about Japan's "lost decade" of the 1990s, after economic growth dropped when the economic "bubble" burst. Yet, Japan has in fact experienced two "lost" decades. Japan has simply not been able to shift up into the next gear and was thus unable to accelerate economic growth. This situation has persisted despite very large stimulus packages in the 1990s and a lot of good will and steaming rhetoric in the 2000s. Like his predecessor, Noda comes from the post of finance minister. Both have learnt the hard way just how precarious Japan's economic situation is and the unequivocal need for tax increases. The Japanese government simply cannot con-

tinue to finance up to 50% of its annual expenditures by borrowing. The practice made sense in the 90s but over the years the national debt has increased. Simply servicing the debt has become a real burden for the Japanese. A horror scenario for Japan is increasing interest rates.

So, after a few months as prime minister, Kan proposed a tax hike. Unfortunately for him and his party, he did this before the Upper House elections in 2010. To propose a tax hike was to prove a serious mistake for Kan. It resulted in the electoral defeat of the DPJ and cost the party its majority in the Upper House. Kan should have known better; others before him had put forward similar proposals and were quickly forced to resign. The Japanese electors do not like politicians who talk about raising taxes; voters are keen on pork barrel politics. They elect MPs who will bring goodies from Tokyo to their home constituencies. If an MP fails to do this, voters will elect another representative in the next election.

Noda Heals Party Rifts

A headache for Noda as a prime ministerial hopeful was to appease Ichiro Ozawa, the don of the DPJ, who has been robbed of his party membership as a result of standing trial for shady deals. However, Ozawa is still a formidable force in the party. So it should come as no surprise that Noda met Ozawa a few days before he was elected and told Ozawa: "I look to you for guidance" (Japan Times, Sep. 5, 2011). When the names of cabinet ministers and high-ranking party officials were announced, it was evident that Noda had made strenuous endeavors to heal the party's internal rifts. The cabinet lineup lacked lawmakers considered "anti-



Ozawa” and key posts were given to Kenji Yamaoka and Yasuo Ichikawa, two key Ozawa aides. Newspaper reports revealed that Ozawa had described Noda’s cabinet as “nicely organized.” A person close to Ozawa clarified that Ozawa took as a message of reconciliation that the former party secretary Katsuya Okada was not one of the new ministers; Okada had been instrumental in expelling Ozawa from the party (Japan Times, Sep. 3, 2011).

Why Not Seiji Maehara as PM?

A question that surfaced immediately after Noda’s election to the top post was why him and not former Foreign Minister Seiji Maehara? In fact, Noda’s election went against popular will as revealed in opinion polls. Before the party was to select its new chairman, various media polls consistently showed that the public clearly favored Maehara. In a Yomiuri poll from June 6, he was the clear favorite with 14%, ahead of two others with 9%. His support had increased to 28% in a Kyodo poll published on August 22 and he seemed a sure winner when he registered 40% in an Asahi poll on August 27; his two top contenders received a meager 5%. Remarkably, the winner in the final contest, Noda performed poorly in all polls with 4.8% support rate in the first and not figuring at all in the second. Noda was the party politicians’ choice, not the public’s choice.

There are good reasons for Maehara not to become prime minister – this time. A slightly irrational aspect, not to be overlooked, however, is that both he and Noda are graduates from the prestigious Matsushita Institute of Government and Management, and since Noda is Maehara’s senior, the pecking order is clear.

More relevant is that it is likely that Noda will stumble on some of the tremendous array of problems awaiting the new man at the top. The gauntlet is menacing – the aftermath of the triple disaster on March 11, a

dysfunctional political system, and a flaccid and faltering economy, just to mention a few of the worst headaches.

In the old days when the LDP ruled, the government’s popularity often decreased after some time with the same prime minister. The party’s quick fix was to replace the man at the helm when popularity reached dangerously low levels. Invariably it worked. It seems that old habits die hard; this old trick has worked again. In late August, Noda’s predecessor Kan received only 15.8% support in a Kyodo poll, while Noda’s support as new prime minister was as high as 62.8% in a similar poll. The sizeable jump upwards in popularity is reassuring for Noda. However, there are problems ahead. With the political opposition’s overriding ambition to make governing as difficult as possible for the DPJ-led government and, consequently, a unwieldy Diet not bent on seeing bills passed, Noda’s relations with the Diet will be rocky.

Roughly half way through the DPJ’s tenure as the ruling party, two years remain until the next general election. With the lackluster performance so far of the DPJ-led governments, the party cannot afford the luxury of sticking to its promises and policies. It has to compromise so that it can secure the political support in the Diet. But this will alienate the electorate and the party’s popularity risks sliding. If so, the DPJ can replace Noda with Maehara, the only “election face” that the DPJ has. As the election approaches, the time will come for the DPJ to throw its support behind the popular Maehara as new prime minister, hoping that he can become the party’s savior in the upcoming election.

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