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## HOW WILL THE DPJ CHANGE JAPAN?

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*Tobias Harris*

**B**y any measure, the Democratic Party of Japan (DPJ) won the 2009 general election in a historic landslide. The Liberal Democratic Party's (LDP's) seat totals fell from 219 single-member districts to sixty-four, and seventy-seven proportional-representation seats to fifty-five. Komeito, the LDP's coalition partner, lost ten seats, including all eight of the single-member districts it had won in 2005.<sup>1</sup> The DPJ's likely coalition partners, the Social Democratic Party of Japan and People's New Party, basically stayed put: the former returned with the same number of seats, while the latter fell one seat, to three.

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### THE 2009 GENERAL ELECTION

The DPJ's victory was not necessarily a surprise—surveys of the three hundred single-member districts by major daily newspapers conducted prior to the general election had predicted that the DPJ would likely receive over three hundred seats—but it is impressive nonetheless. But what explains it? How was the DPJ able to go from a party crisis after the 2005 general election to winning the largest majority won by a party in the postwar era? After all, not only did the DPJ suffer a blow in 2005 when it managed to win only 113 seats, but within months of the election Seiji Maehara, the young party leader who took over for Katsuya Okada after the party's defeat, was forced to resign after he tried to use a fraudulent e-mail connected to the 2005 candidacy of Takefumi Horie, the

now-disgraced executive of the company Livedoor, to attack the Koizumi government. The e-mail scandal raised serious questions about the political abilities of DPJ politicians and brought the party to the brink of destruction.<sup>2</sup>

Naturally, the decay of the LDP is a major factor in explaining that party's 2009 defeat. Former prime minister (2001–2006) Junichiro Koizumi, the major factor in the LDP's 2005 victory, was out of office a year after that general election, and he was followed in the succeeding three years by three prime ministers who were notoriously unable to deliver on the party's 2005 manifesto. As the Twenty-first Century Rincho, a group of nine private-sector think tanks, industrial organizations, and labor unions, concluded, the LDP had largely failed at implementing its 2005 agenda; the group noted that in the four years since the last general election, the Japanese had become more impoverished and the government had done nothing to address widening inequalities. The government of Prime Minister Taro Aso, who had been prime minister since 2008, was criticized in particular for its economic stimulus program, which pushed back the day when the government might be able to achieve a balanced budget, without providing much help for the Japanese economy.<sup>3</sup>

This criticism gets to the heart of the Liberal Democratic Party's decline. While corruption scandals and a string of embarrassing gaffes by prime ministers and cabinet ministers undoubtedly damaged its reputation, the Japanese people deserted the LDP because of the sense that it had failed at addressing the marked decline in the quality of life of the Japanese people over the past two decades, especially the past decade. One measure of this decline is Japan's ranking in per capita gross domestic product (GDP), which was third in the world as recently as 2000 but as of 2007 was nineteenth. Despite Japan's having experienced between 2000 and 2007 its longest period of growth since the end of World War II, few Japanese benefited from the export-led boom, which constituted what Kohei Ootsuka, a DPJ member of the upper house and vice minister of the cabinet office in the Hatoyama government who had worked at the Bank of Japan before entering politics, has called an "illusory recovery."<sup>4</sup> Indeed, even as Japan's economy grew, Japan rose to second in the world in its poverty rate, which measures the number of people who earn less than half the median income.<sup>5</sup> During the same decade, the number of nonregular employees rose to more than a third of the Japanese labor force. Japanese, long accustomed to thinking of their society as uniformly middle class, were forced to confront serious inequalities, and they felt increasingly insecure about the future as Japanese society continued to age and shrink and as the future of the government services grew more doubtful, especially after the 2007 pensions scandal.

But many of these trends were apparent before the 2005 general election, meaning that the LDP's 2005 victory was anomalous. Arguably, independents in

particular turned to the LDP in 2005 not because of the particulars of the LDP agenda—it is unclear that voters in 2005 cared about postal privatization, despite Koizumi's making the election "about" postal privatization—but because Koizumi signified a new type of politics in which the LDP's traditionally "immobilist" politics would give way to more dynamic, top-down leadership. Many of the same independent, "floating" voters concluded this year that after three years during which the LDP reverted to its pre-Koizumi ways (symbolized by the readmission less than three months after Koizumi left the premiership of the "rebels" he had ousted) the DPJ was a better choice than the LDP. In both the 2007 upper-house election and this year's general election, the DPJ has, according to exit polls, been supported by a majority of independent voters.<sup>6</sup> In this year's general election, the trend penetrated even LDP supporters, nearly 30 percent of whom supported the DPJ. Not only had the LDP lost the ability to appeal to independents—its support among independents fell from roughly 32 percent in 2005 to 15 percent in 2009—but it could not even unify its own base.

Still, the LDP's collapse is only part of the story: after all, voters did not have to turn out and vote for the Democratic Party of Japan. They could have stayed home entirely, as many did in the elections between 1993 and 2005, turnout falling below 60 percent in 1996 and 2003, with 1996's 59.65 percent the lowest ever for a general election. The other part of the story of the 2009 election is the transformation of the DPJ into a party that the Japanese people felt could be trusted with power "at least once."

Much of the credit for that transformation goes to Ichiro Ozawa, who served three years as party leader from Maehara's resignation until Ozawa himself was forced to resign in May 2009 due to a campaign finance scandal involving one of his aides. During those three years Ozawa—regarded as an electoral mastermind, due to lessons he had learned as the protégé of the LDP's Kakuei Tanaka (prime minister 1972–74)—handpicked the party's candidates, trained them in the art of campaigning, and traveled the country on their behalf in both the 2007 upper-house election and the general election, during which he held the party title of acting president responsible for elections.

The reality is that the DPJ forged a national brand, based upon the party's manifesto. Regardless of the district, DPJ candidates campaigned on the same agenda. Unlike the LDP, the DPJ waged a relentlessly positive campaign, focused on its own policy proposals instead of criticism of LDP rule. A sign at a DPJ campaign office in Okayama's second district said precisely that, reminding staffers that the campaign was "not to bad-mouth the LDP candidate and other candidates." The DPJ's campaign was based not only on its policy agenda but also on its desire to convey an impression of youthful vitality. It helped that a considerable majority of the DPJ's 271 candidates in single-member districts were fifty

or younger, the largest cohort being candidates in their late thirties, followed by those in their late forties. The average age of DPJ candidates was 49.4, compared to 55.5 for the LDP. The DPJ also ran more female candidates—forty-six to the LDP’s twenty-seven—and far fewer hereditary politicians, only thirty-two versus 109 for the LDP. (Nearly 50 percent of the LDP’s winning candidates in 2009 were hereditary politicians, compared with only 10 percent for the DPJ.) At least on the symbolic level, the DPJ’s victory signifies the introduction of new blood into Japanese politics.

It is difficult to say, however, what role the DPJ’s policy proposals played in voters’ decisions to vote for the DPJ. One *Asahi Shimbun* poll found that only 24 percent of respondents felt that “regime change”—that is, a DPJ victory—would make Japanese politics better, while 56 percent felt it would leave things unchanged.<sup>7</sup> Another *Asahi* poll asked respondents to comment first on whether the LDP would be able to pay for its promises, then whether the DPJ would be able to pay for those it made. The numbers were the exact same for both parties: 8 percent felt that each party would have the funds to cover its promises, while 83 percent were skeptical.<sup>8</sup>

That is to say not that policy was irrelevant but that the DPJ’s specific proposals arguably mattered less than its “narrative,” which can be captured in two slogans: *seiken kotai* (regime change) and *seikatsu dai-ichi* (lifestyle, or livelihood, quality of life, first). The first encapsulates the party’s plans to change Japan’s system of government, while the second stresses that its focus will be on the public’s standard of living, in contrast to the LDP’s focus on simple economic growth (“GDP-ism”) and other, noneconomic matters (constitution revision, for example, which was the number-one issue in the LDP’s manifesto for the 2007 upper-house election). Whatever voters thought about the DPJ’s specific proposals in these areas, it appeared to be more dynamic than the Liberal Democrats and promised effective leadership, with the goal of easing the public’s economic insecurities. That proved to be a winning formula.

#### CAN THE DPJ GOVERN JAPAN?

Now that the DPJ has taken power, with Yukio Hatoyama becoming only the fourth non-LDP prime minister since 1955, the question is whether the DPJ can deliver on its promises regarding administrative/political reform and economic reforms in the public interest.

##### **Seiken Kotai**

There is no doubt that the DPJ’s proposals related to administrative reform are central to the party’s program—without administrative reform, genuine change is impossible. As Katsuya Okada, foreign minister in the present government

(that of Yukio Hatoyama), writes in his book *Regime Change*, in order to implement reforms the DPJ will first have to reform Japan's system of government, strengthening the cabinet at the expense of the bureaucracy.<sup>9</sup> Accordingly, the first major point (of five) in the DPJ's campaign manifesto concerned "cutting waste," which in practice means introducing a new policy-making system characterized by top-down political leadership by the cabinet, an arrangement that will enable the DPJ-led government to control the budgeting process and reallocate Japan's 207 trillion-yen budget as it sees fit.<sup>10</sup>

Arguably, the DPJ's proposals on administrative reform are the most developed aspect of the party's program. Perhaps this focus reflects lessons learned from the 1993–94 coalition government of Morihiro Hosokawa, the first non-LDP government, in which many DPJ leaders participated. That seven-party coalition was formed without any idea as to how to formulate policy. As one Western scholar writes of the Hosokawa government: "One important factor contributing to the coalition's collapse is that it came to power not only without an agreement on its goals other than passing political-reform legislation, but without an agreement on a process for deciding what its policies should be."<sup>11</sup> The result was a government that governed much like the LDP, with the cabinet weak relative to the ruling parties. The bureaucracy was able to exploit the confusion and interfere with the government's plans.

The DPJ has also learned from the pathologies of the Liberal Democratic system of government.<sup>12</sup> LDP rule was characterized by extensive collaboration between the bureaucrats and politicians. However, contrary to the idea that LDP rule meant bureaucratic rule, as has been argued, LDP rule was in fact characterized by close cooperation through backbenchers, via the party's internal organizations.<sup>13</sup> The result was a proliferation of veto points within the government, what has been called Japan's "Un-Westminster" system—that is, in contrast to Britain's Westminster system, characterized by a strong executive and top-down policy making: "The executive in the Japanese governing structure is bound by this advance screening-cum-prior-approval process that makes the LDP and its PARC [Policy Affairs Research Council] a vital veto point for all major policies and legislation. Unlike the norm in Westminster systems, the party is not subordinate to the executive. It is a parallel structure with equivalent if not superior powers because of its right of veto."<sup>14</sup>

As policy made its way up the LDP's hierarchy, it also moved up the bureaucratic hierarchy, with differences among ministries being hammered out in meetings of administrative vice ministers held the day before cabinet meetings, ensuring that the cabinet's role would be perfunctory. The cabinet and prime minister under LDP rule were thus hemmed in by both the bureaucracy and the ruling party structure. As another Western scholar wrote at the time, "The

ruling party, not the executive, is the only political institution with sufficient power to bargain and negotiate with bureaucrats. Policy originates in the bureaucracy and is then subjected to political intervention by the PARC.”<sup>15</sup>

It was only the exceptional LDP prime minister who was able to circumvent this system—and once such a presidential-style leader left office, the system reverted to the status quo ante.

Accordingly, the DPJ now intends to build a new policy-making system that subordinates the bureaucracy, the ruling party, and the Diet to the cabinet, at the expense of both the bureaucracy and the ruling party, in order to produce more dynamic, top-down government. That is, the DPJ intends to build a new *system*, not simply to depend on having a capable leader in the prime minister’s chair. Most important, the DPJ wants the cabinet to be responsible for producing the budget, without which policy change is impossible.

Appropriately, given that Japan has an “Un-Westminster” arrangement, the DPJ has studied the British system as a model for what it hopes to build in Japan. It does not want to copy the American system of controlling the bureaucracy through a vast number of political appointees; instead, it wants to free political leaders from dependence on the bureaucracy while still taking advantage of Japan’s high-quality civil service for the benefit of the country. (Ozawa makes this distinction in his 2006 book.)<sup>16</sup> More recently, Naoto Kan, a founder and former leader of the DPJ (who became famous as health minister during the mid-1990s, when he took on his ministry’s bureaucrats in response to a tainted-blood scandal), visited the United Kingdom in June 2009 and produced a report on the operations of the British executive after speaking with officials from the Labor and Conservative parties. In this report and an article in the journal *Chuo Koron*, Kan expressed his admiration for the British cabinet system. He singled out Britain’s cabinet committees as particularly worthy of emulation, as in his assessment they would enable ministers to work together in small groups to produce policy—especially the budget.<sup>17</sup> Cabinet committees would move Japan away from the custom of unanimity in cabinet decisions, effectively giving each minister a veto.

How does the DPJ plan to move Japan in the direction of a true Westminster system? Central to the party’s administrative plan is a new national strategy bureau (NSB) that will be headed by a senior cabinet minister and staffed with roughly thirty appointees, including ten Diet members. The NSB’s primary function will be to manage the budgeting process. At this point, however, it is unclear precisely how the NSB will operate. Kan has already been named the NSB’s head; he will simultaneously serve as the deputy prime minister. Little else is known. The NSB could be a superministry or cabinet within the cabinet, directing the work of other ministries, an arrangement that could be problematic

for the new government. Alternatively, it could be a support group for the work of cabinet committees, following their leads.<sup>18</sup>

Whatever form the NSB takes, the DPJ is trying to centralize power even within the cabinet. The DPJ took a step in that direction by announcing its appointees for the top cabinet positions within a week of the election victory. According to a transition plan drafted in 2003 by a committee responsible for administrative preparations, within five days after an election the DPJ was to convene a transition team and quickly appoint party members to senior cabinet positions. It has now done so, appointing Okada as foreign minister, Hatoyama confidante Hirofumi Hirano as chief cabinet secretary, Kan as deputy prime minister and NSB chief, and Hirohisa Fujii as finance minister. The cabinet's senior officials will be at the heart of an "inner cabinet" that will move decision making away from the current system in which, as we have seen, bureaucrats can exercise effective veto power in the council of administrative vice ministers and through unanimous decision making within the cabinet.<sup>19</sup> Indeed, upon taking power the Hatoyama government abolished the administrative vice ministers' meetings; it will likely replace them with meetings of parliamentary vice ministers. The new government also immediately established new regulations governing contact between bureaucrats and politicians not holding cabinet or subcabinet appointments. The regulations will require bureaucrats to make the contents of all requests from Diet members known to their ministers, and it bans, in principle, efforts by bureaucrats to influence Diet members. The government has also mandated that bureaucrats save records related to requests for subsidies, licenses, contracts, and the like from backbenchers or their secretaries.<sup>20</sup>

Another major feature of the DPJ's administrative reform is a proposal to appoint more than a hundred politicians to government posts. Both Ozawa and Kan have expressed their admiration for the British system's inclusion of so many legislators in the executive, and the DPJ clearly intends to do the same. To enforce the idea of political teams overseeing the work of ministers, the DPJ has already stated that cabinet ministers will be free to choose their own deputy ministers and parliamentary secretaries—unlike LDP rule, under which the party's factions played dominant roles in distributing subcabinet jobs even as their power to appoint cabinet ministers and select the prime minister declined.<sup>21</sup> One problem with this proposal, however, will be finding enough DPJ members qualified to take up positions in the government.

Revealingly, when the Hatoyama government took power, the DPJ dissolved its policy research council, making clear that the cabinet's role in policy making is superior to that of the party. Similarly, by giving Ozawa the position of party secretary-general, the Hatoyama government hopes to neutralize the ruling

party as a policy actor. Ozawa will be responsible for Diet affairs and election strategy, meaning that he will control what under LDP rule were four different posts, none of the occupants of which were in the cabinet. The DPJ has rolled the LDP's many "veto points" outside the cabinet into a single veto authority—Ozawa, as secretary-general. In Diet strategy, Ozawa will be responsible for assigning committee positions, appointing the leaders of the two houses, and, crucially, distributing the party's political funds. In short, he will act as the party's chief whip, ensuring that backbenchers follow the cabinet's lead; controlling the party's campaign funds, he will have the power to reward and punish. Ozawa will be the critical hinge between cabinet and ruling party, and between ruling party and Diet, the indispensable actor in moving Japan to a Westminster system, in which "the line of policy-making authority is top-down: prime ministers normally carry their cabinets, cabinets nearly always carry the parliamentary party and the parliamentary party counts on carrying parliament."<sup>22</sup> Ozawa will be responsible for carrying the parliamentary party and parliament.

Giving Ozawa such broad powers is risky. He is notoriously mercurial and secretive in his decision making. As secretary-general of his Japan Renewal Party in 1993–94, he was instrumental, through his political maneuvering, in both building and destroying the Hosokawa government. In 2007, as the DPJ's president, he entered into negotiations with the LDP for a grand coalition without securing the approval of the DPJ beforehand, for which he resigned temporarily from the party's leadership before being coaxed back. Ozawa has said that he regrets decisions he made during the first non-LDP coalition government—especially decisions to alienate the Socialist Party, which resulted in its joining a coalition with the LDP—suggesting that he may have learned from his mistakes. Some have warned, however, that Ozawa, through his help for DPJ candidates, seeks to create an Ozawa "army" that will play a role in the DPJ similar to the role played by the Tanaka faction in the LDP during the 1970s and 1980s.<sup>23</sup> Although there is no evidence thus far that Ozawa seeks to build a faction that will dominate the DPJ, his past makes it difficult to rule out the possibility entirely.

Ozawa himself has said that he will respect the power of the cabinet and not use his position to veto the plans of the government. If he abides by this pledge, he will thereby make the cabinet stronger and the ruling party weaker. But there are few checks on Ozawa's power, other than the appointment to the cabinet of DPJ politicians distant from him, ensuring that the cabinet will not passively accept insubordination by him. There is no denying the risk that Ozawa could, far from unifying the cabinet and the ruling party as DPJ plans state, create a power center outside the cabinet and therefore resurrect the worst pathologies of LDP rule.

Even as the DPJ has entrusted Ozawa with the task of pacifying the ruling party and the Diet, there is still the question of how the DPJ will deal with the

bureaucracy, even with its new-model cabinet in place. It will surely face resistance from the bureaucracy. A Western scholar observes, “Japanese bureaucrats control a great deal of information due to the absence of staff support either in the party organizations or among politicians themselves. Information is power and Japanese politicians are heavily dependent on bureaucrats for information, especially given that think tanks and other alternative sources of information and expertise are so weakly developed.”<sup>24</sup> Leaks by bureaucrats to the media under the Hosokawa government were at least a factor, if not the primary factor, in its demise, and bureaucrats will certainly try again to destroy a non-LDP government through leaks and sabotage, helped by a sympathetic conservative media and the opposition LDP.<sup>25</sup>

But working in the DPJ’s favor is the idea that there is no such thing as “*the* bureaucrats.” The bureaucracy is by no means a monolithic entity; opposition to the DPJ will differ by ministry. The finance ministry will likely become an ally of the new government, simply because it shares the party’s goal of cutting waste. The DPJ’s appointment of Fujii, a former ministry bureaucrat and finance minister under the Hosokawa government, sends a signal to the ministry that while the DPJ government stands for political leadership, that politicians will now take the lead on budgeting—a point that Fujii himself has made quite forcefully in his public appearances—the new government nevertheless hopes to work with the finance ministry. In the months leading up to the general election, senior finance ministry officials met frequently with senior DPJ figures, suggesting that the ministry is willing to find a way to work with its new political masters. At the other extreme are ministries like those of agriculture, forestry, and fisheries; land, infrastructure, transportation, and tourism; and health, labor, and welfare. These ministries enjoyed considerable power and sizable budgets under LDP rule and were “protected” from scrutiny by the LDP’s policy elements (many of which were among what Koizumi referred to as the “opposition forces” during his effort to change the LDP).

Agriculture, Forestry, and Fisheries is particularly threatened, as the DPJ has proposed to replace the baroque system of agricultural subsidies with a more transparent scheme of income supports that will remove much of the ministry’s discretion. This ministry was fighting publicly with the DPJ well before the general election. In June, Ichide Michio, its administrative vice minister, publicly called the DPJ’s proposal “unrealistic,” prompting Hatoyama to respond that in Britain “he would be sacked immediately.”<sup>26</sup>

Demanding resignations will be one way for the DPJ to respond to bureaucratic resistance. It has dropped a radical proposal in its transition plan that the new government would demand the resignations of administrative vice ministers and some bureau chiefs and reappoint them only upon receiving

affirmations that they would accept the party's policy agenda. The proposal also called for ending seniority promotions. But even if the DPJ does not go that far, it will still try to use the cabinet's constitutionally granted right to appoint and dismiss administrative personnel in order to fight back against bureaucrats. For example, the DPJ plans to review the LDP's choice for director-general of a newly created consumer-affairs agency and possibly dismiss him.<sup>27</sup>

The DPJ will have the public on its side when it comes to administrative reform. A recent Fuji-Sankei poll asked which policies should be implemented: 87 percent of respondents approved of "Reviewing the relationship between politicians and bureaucrats" and "Reviewing the compilation and execution of budgets." The DPJ will have to be skillful in communicating via the media—the bureaucrats certainly will be. But tremendous public support for administrative reform is an important weapon in the party's arsenal.

### **Seikatsu Dai-ichi**

As Okada and others have argued, administrative reform is only a first step. What the DPJ will do once it reforms the policy-making process is more uncertain. The party faces a threefold challenge: it has to develop a sustainable basis for economic growth while building a new social safety net and reducing the government's debt burden.

The party manifesto, of course, includes pages upon pages of policy proposals under the headings of "Child Raising and Education," "Pensions and Health Care," "Decentralization," and "Employment and the Economy." Some of these proposals are quite good, provided the DPJ can find a way to pay for them. The DPJ's proposal to provide 26,000 yen per month per child until middle-school graduation should have a beneficial effect on domestic consumption and the birthrate. The income-support plan for agriculture—which will compensate farmers if the price of a commodity falls below the cost of producing it—should be a politically acceptable way of supporting Japan's aging and shrinking population of farmers. The party also has a number of apparently sound proposals for strengthening the pension and health-care systems, the top priority for most Japanese voters.

If the DPJ's proposals are strong on a new safety net, they are weaker on economic growth and fiscal reform. The statements of its leaders suggest the party recognizes that the challenge is to move Japan away from its export-dependent model of growth, the bankruptcy of which was exposed in the latest crisis, in which the American recession dragged Japan's economy into a recession of its own, thanks to a dramatic collapse of exports. Japan needs a more balanced growth strategy that features both domestic consumption—especially of services—and the export of high-value-added goods. It needs to find a way to

release the cash savings of Japanese households (roughly 1.5 times Japanese GDP) and bank reserves into the economy so as to promote more growth.

Similarly, proposals to raise the minimum wage to 1,000 yen/hour and to ban in principle the use of “dispatch” workers (temporary workers supplied to employers by private firms) in the manufacturing sector could result in more manufacturers relocating production overseas, as could the DPJ government’s insistence on a 25 percent cut in CO<sub>2</sub> emissions by 2020. The party’s proposal to lower corporate tax rates for small- and medium-sized enterprises could be useful for encouraging such companies, which are largely in Japan’s inefficient services sector, to become more efficient and profitable, but that will take more than tax cuts.

Also, the DPJ will still have to find a way to shrink Japan’s national debt without raising consumption taxes, which the party has promised not to do for at least four years. The party will, of course, try to cut as much waste from the budget as it can; however, according to at least one party member with a finance ministry background, the DPJ cannot be sure how much money it will be able to find and cut. Meanwhile, although the overwhelming majority of Japanese government bonds are held domestically, a fact that buys the government some time (and enables it to sell more debt, as necessary), the government cannot depend on debt financing forever.<sup>28</sup>

All this may represent an impossible trinity of challenges: fixing the government’s finances while also building a safety net and shifting the economy to a more balanced growth model may simply be out of the question, whoever is in charge. Pursuing growth and fiscal balance could result in the safety net being neglected, as happened under the Koizumi government. Pursuing growth and a safety net—the latter being, perhaps, politically necessary for the former—could delay the achievement of a balanced budget even further than it has already been. (The Koizumi government set a target of 2011, which cannot now be achieved, thanks to the Aso government’s stimulus packages.) The DPJ’s focus will likely lead it to prioritize a social safety net and fiscal balance, but it is difficult to see how the government will be able to finance a safety net without growth over the medium term, as Japan’s baby boomers retire.

## BECOMING A NORMAL NATION

Just as the DPJ will try to “normalize” Japan’s system of government and economy, so too will it try to normalize Japan’s foreign relations.

What exactly does a “normal” foreign policy mean for Japan? Some scholars have argued that it means a Japan freed of Cold War-era restraints on its security policy. Arguably, though, this interpretation misses what Ozawa sees as the essential point—that Japan’s external dependence on the United States has been

equivalent to its politicians' longtime internal dependence on the bureaucracy. Just as dependence on the bureaucracy has deprived politicians of the ability to make decisions necessary for Japanese society, so too has dependence on the United States interfered with Japan's foreign policy behavior.<sup>29</sup>

Ozawa has at times been criticized for what some Americans believe are anti-American views. But it may be a mistake to read Ozawa as anti-American. Ozawa's goal is a Japan able to make decisions on the basis of its leaders' calculations of the national interest, not of pressure from the United States—or any other international actor, for that matter. His goal, and that of the DPJ as a whole, is to expand Japan's freedom of international action.

What will this mean for U.S.-Japan relations and Japanese foreign policy in the near term? In the first year, when the relevant enabling law expires in January 2010, the DPJ will likely bring its Maritime Self-Defense Force refueling ships home from the Indian Ocean. One month into the Hatoyama government, there has been no final decision on Afghanistan policy—and indeed, Akihisa Nagashima, the parliamentary secretary for defense, was reprimanded by Defense Minister Toshimi Kitazawa and Chief Cabinet Secretary Hirofumi Hirano for speaking out of line when he argued in a speech that the government ought to extend the refueling mission in the Indian Ocean.<sup>30</sup> The government appears to be giving serious thought to the best way to support the reconstruction of Afghanistan as the Barack Obama administration debates its own approach in light of General Stanley McChrystal's request for an additional forty thousand troops and of Afghanistan's tainted election. The Hatoyama government will likely provide greater civilian support for the governments of Afghanistan and Pakistan in place of a mission involving Japan's armed forces.

The new government has also decided that it will press for early negotiations on the realignment of U.S. forces in Japan, especially the controversial Marine Corps air station at Futenma. After a decade of talks, the United States and Japan agreed in 2006 to a "Roadmap for Realignment Implementation," which stipulated the relocation of eight thousand Marines and their dependents from Okinawa to Guam but also tied progress on relocation to the construction of a new air station at Henoko Bay—a "Futenma Replacement Facility"—on land currently part of the Marine Corps's Camp Schwab.<sup>31</sup> The roadmap became law in 2009, when Secretary of State Hillary Clinton and then-foreign minister Hirofumi Nakasone signed an agreement on its implementation. Among other things the agreement reaffirmed the importance of Futenma for the realignment process: "The Relocation shall be dependent on tangible progress made by the Government of Japan toward the completion of the Futenma Replacement Facility as stipulated in the Roadmap."<sup>32</sup>

The Democratic Party of Japan—to say nothing of the Social Democratic Party of Japan—has expressed its opposition to the roadmap. In principle, the DPJ wants U.S. bases removed from Okinawa entirely; in its 2008 Okinawa vision paper it called for the dramatic reduction of U.S. forces, first from Okinawa, then from Japan entirely.<sup>33</sup> While the vision paper does not constitute an official policy statement for the Hatoyama government, it shows that the DPJ is united in its opposition to the realignment as currently planned.<sup>34</sup> Even the DPJ's conservatives—the party's most enthusiastic supporters of the alliance—are opposed to the roadmap. Seiji Maehara, a leading hawk serving concurrently as the minister of land, infrastructure, and transport and minister responsible for Okinawa, said after a visit to the island in early October that it would be necessary for the Hatoyama government to launch a fundamental review of the plan to build a Futenma replacement at Camp Schwab.<sup>35</sup>

At the same time, however, the new government is fully aware of how difficult it will be to revise the realignment process. The process may be delayed: as Admiral Timothy Keating, then commander of the U.S. Pacific Command, admitted in November 2008, "It'll take a little bit longer to effect—we won't be done by 2014, or maybe even 2015, but it's about a decade in execution."<sup>36</sup> With the realignment roadmap enshrined in a bilateral treaty and preparations under way on both Okinawa and Guam, the Hatoyama government will have a hard time implementing the DPJ's Okinawa vision. Acknowledging this reality, in its election manifesto the party softened the language on realignment, saying that it would "look to revise" the realignment of U.S. forces and the arrangement of American bases in Japan.<sup>37</sup> Since taking power the Hatoyama government has been no less willing to reconsider its approach to Okinawa and Futenma. The government still hopes for changes to the plan; far from dropping the issue, Okada said within days of taking office that he wants to reach a new agreement with the United States on Futenma within the year, so that necessary expenditures can be included in the 2010 budget.<sup>38</sup> Nonetheless, senior officials have clearly backed away from more radical revisions to the roadmap. After a visit to Okinawa, Kitazawa said building a Futenma replacement elsewhere would be "difficult." Hatoyama himself has remarked, when asked about Futenma, that it may be necessary to back away from proposals included in the DPJ manifesto. The foreign ministry is currently reviewing the government's options, with an eye toward having a proposal ready for when President Obama visits Japan in mid-November.

For its part the Obama administration has softened its own tone on Futenma. A State Department spokesman shortly after the election ruled out the possibility of renegotiating the roadmap, but since then senior administration officials have stressed their willingness to listen to the new Japanese government's concerns

about the agreement. The White House may yet reject a Hatoyama government proposal out of hand—a distinct possibility after Secretary of Defense Robert Gates visited Japan and said in regard to Futenma that “it is time to move on”—but it appears that it will at least try to minimize conflict over the issue.<sup>39</sup>

There is a certain political logic to the Hatoyama government’s decision to address these thorny bilateral issues in its first months in office. The closer the government gets to the 2010 upper-house election—in which the DPJ will try to win a majority to complement its majority in the lower house—the less it will want foreign-policy issues crowding its agenda. Other things being equal, the Japanese public is largely inattentive to foreign policy; foreign and security issues never rank as top priorities in public opinion polls. But the Hatoyama government could suffer political consequences if it is seen as incapable of responsibly managing Japan’s foreign relations, especially the alliance with the United States. It is unclear whether the public approves or disapproves of the government’s policies regarding Afghanistan and Futenma, but if they result in bilateral strife, the DPJ could suffer at the polls.

Accordingly, the Hatoyama government is trying to distance itself from the LDP’s approach to the alliance and to devise its own way of dealing with the United States while at the same time signaling to Washington and to the Japanese public that the relationship is safe in its hands. It is imperative that the American administration not overreact to the DPJ’s new approach to the alliance, especially with respect to the refueling mission in the Indian Ocean. That mission began in 2001, arising as much out of Japan’s lingering guilt over its “checkbook” diplomacy during the 1991–92 Gulf War as out of desire to support the United States after 9/11. By 2007, when the DPJ was able to block temporarily the extension of the enabling law, there remained little importance symbolically and even less materially; if anything, it shielded Japan from having to make a more substantive financial or political contribution to coalition activities in Afghanistan. Replacing the refueling mission with civilian assistance would be an easy way for the new government to show that, unlike recent LDP governments, it does not view every foreign policy challenge as an opportunity to stretch the limits on the use of the Japan Self-Defense Forces (JSDF). As Ichiro Fujisaki, Japan’s ambassador in Washington, reminded the Obama administration after Pentagon spokesman Geoff Morrell “encouraged” Japan to continue the refueling mission, “Japan’s international contribution is for Japan to decide independently.” Ending the refueling mission may be the most painless way for the Hatoyama government to signal a break with the past.

The same may not apply to Futenma and realignment, which entail serious material costs for both governments. The roadmap is the result of years of painstaking negotiations by American officials, and the U.S. government is

understandably reluctant to scrap what it views as the best possible arrangement. But Washington should understand the DPJ's perspective, which sees the agreement signed by the Aso government as paying inadequate attention to the environment of Henoko Bay and the interests of local residents. Given that the realignment process is already behind schedule and that everything hinges on replacing Futenma, it may be appropriate for the United States to take seriously the DPJ's desire for renegotiation, especially since the Hatoyama government has admitted that any revisions to the deal will not involve moving remaining Marines off Okinawa.

Underlying both of these Hatoyama government policies is the idea that the U.S.-Japan alliance is on the cusp of a new era. From 1996 onward officials in both countries sought to take the Cold War alliance, once described as "a paper alliance that could be, and was, run virtually from desktops and filing cabinets," and transform it into an alliance modeled on the "special relationship" between the United States and Great Britain.<sup>40</sup> After the trade wars of the early 1990s, officials focused once again on the security relationship, starting with a 1996 joint security declaration and continuing with a 1997 revision of the guidelines for security cooperation.

Today it is unclear just how different the 1996 alliance was from that of the Cold War. The Koizumi government's decision to support the United States in Afghanistan within weeks was a momentous decision, but as previously argued, it had as much to do with making up for Japan's mistakes in 1991 as with fighting terrorism. The Koizumi government may have put "boots on the ground" in Iraq, but its JSDF detachment depended on the troops of other countries to defend it, suggesting that the deployment was less a departure than met the eye. Article IX of the Japanese constitution remains intact, and the efforts of the Shinzo Abe government (2006–2007) to introduce even minor modifications to the constitutional interpretation prohibiting Japan from exercising its right of collective self-defense were scrapped as soon as Abe resigned. Since the early 2000s Japan has cut its defense budget, notwithstanding several "hawkish" prime ministers.

The advent of the Hatoyama government will likely mean the end of the security-centered 1996 alliance. The United States and Japan will continue to cooperate in security affairs, of course, but the geographical and operational scope will be more limited than officials in both countries had hoped earlier this decade. The DPJ and the new government have no interest in constitution revision, an issue that vanished from the agenda after Abe made it the centerpiece of his party's losing campaign in 2007. Hatoyama and other DPJ leaders are instead interested in exploring new avenues of bilateral cooperation, notably

cooperation against climate change and nuclear nonproliferation.<sup>41</sup> In particular economic cooperation is back on the agenda: the DPJ manifesto included a proposal for a U.S.-Japan free-trade agreement. That may be difficult if not impossible to achieve in the foreseeable future, but its inclusion in the party manifesto is revealing. For the DPJ the key to building an “equal” relationship with the United States means exploring cooperation in areas other than security, because ultimately an equal partnership with the United States in that realm is impossible, given the asymmetries in capabilities.

But the DPJ’s thinking on the alliance cannot be separated from its broader thinking on foreign policy. Hatoyama sees Japan’s foreign-policy dilemma thus: “How can Japan, caught between an America struggling to remain a hegemon and a China wanting to be and planning to be a hegemon, maintain its political and economic autonomy and defend its national interests? The international environment in which Japan will be placed from now on is not straightforward.”<sup>42</sup>

The Hatoyama government, like the Abe, Fukuda, and Aso governments before it, faces a structural challenge in East Asia. Japan, like Australia, South Korea, and the countries of the Association of Southeast Asian Nations (ASEAN), has close and indispensable security ties with the United States, but it also has increasingly important economic ties with China. Japan, like the other countries of the region, is in no position to choose between the United States and China. Both Abe and Aso, despite belonging to the conservative wing of the LDP, which is notoriously skeptical of Chinese power, worked to build a “strategic, mutual” relationship with China; Yasuo Fukuda, as prime minister (2007–2008), was even more enthusiastic than the two conservatives. While Abe tried to balance a new relationship with China with efforts to enhance security cooperation among East Asia’s democracies, his successors focused more on China than on cooperation among democracies that excluded China.

Fukuda offered perhaps the most articulate vision of where Japanese foreign policy in the region ought to be going, and there are a number of similarities between Fukuda’s ideas, as expressed in a May 2008 speech on foreign policy, and Hatoyama’s, as laid out in an essay published in September 2009. Fukuda’s answer to the dilemma described by Hatoyama was remarkably similar to Hatoyama’s: his lengthy speech devoted but one paragraph to the U.S.-Japan alliance, in which he stressed the alliance’s value in providing stability and regional “public goods.”<sup>43</sup> He did not stress an alliance based on common values or on other such ideas that have been floated. Japan’s future, Fukuda argued, is in Asia, but he did not mean “Asia” as a code word for China—he meant Asia as a whole, including but not limited to China. In effect, cooperation with Asia would serve as a means of increasing Japan’s freedom of action vis-à-vis both China and the United States.

Much like Australia's Kevin Rudd (prime minister since 2007), Hatoyama has come into power pushing a vision for an East Asian community. Again as with Rudd, it is unclear just how much acceptance Hatoyama's ideas will win in the region. It is one thing to accept in principle the value of a regional community, but it would be quite another for countries to pool their sovereignty, which the ASEAN members have struggled to do even among themselves, let alone with the region's larger states. Notwithstanding, if some of Hatoyama's specific proposals for cooperation in Asia are far-fetched—Hatoyama has admitted that his ideas are a “dream”—it is clear that a DPJ government will continue Japan's movement to status as an Asian middle power, in that—like Australia, South Korea, and the ASEAN countries—Japan will have to balance its relationships with the region's two giants. As Okada said recently, “Two-sided debates like America or Asia, America or China are futile debates.”<sup>44</sup> Under the Hatoyama government, Japan will continue to move in the direction of what a Japanese scholar calls “middle-power diplomacy” and a Western author calls the “Goldilocks consensus”—but might be called simply the DPJ's “new realism.”<sup>45</sup>

Japan's new leaders, taking power in the midst of wrenching changes at home and abroad, are in a position similar to that of the men who led Japan in the early years following the Meiji Restoration (in the second half of the nineteenth century), and that of Shigeru Yoshida (prime minister 1946–47 and 1948–54) and the other architects of the postwar order. They have to reconfigure Japan's institutions at home to manage the country's changing demographics and alter the obsolete postwar growth model, while also modifying the country's foreign policies (and foreign policy-making institutions) in light of China's rise. Like Yoshida, the Hatoyama government will undoubtedly find value in preserving the security relationship, in part because stagnant defense spending gives Japan few options—and because the United States still appears to be willing to allow Japan a cheap, if not free, ride on its defense spending (although one question for the future is whether the United States will be willing to tolerate this for much longer, given its own financial situation). Like Yoshida, the Hatoyama government recognizes that Japan's leadership abroad begins at home: that until Japan returns to economic normalcy, it will struggle to lead in the region. And like Yoshida (nicknamed “One Man,” for his “dictatorial” tendencies), Hatoyama and other DPJ leaders recognize that leadership at home and abroad requires institutions that enable politicians to lead.

Some analysts have argued that for better or worse, the DPJ's victory will leave Japan largely unchanged.<sup>46</sup> This view seems mistaken. Arguably the DPJ changed Japan simply by defeating the LDP in a general election and winning an absolute majority in the House of Representatives, showing the LDP's 1955 system had been finally and irrevocably destroyed. The Democratic Party of Japan

having won on the back of support from independents and Liberal Democratic defectors, its victory arguably suggests that Japan has entered into a period of intense partisan competition and further changes of government (once the LDP sorts itself out), a period in which successive governments will be desperate to introduce and implement new policies to sell themselves to voters and tie the hands of their successors in the event of electoral defeat.

But beyond that, the DPJ's plans for changing Japan's policy-making process constitute a genuine revolution in how the country is governed, and they open the way to far-reaching reforms in domestic and foreign policy. Whether or not its policies leave Japan better or worse off, the Hatoyama government's plans could result in an undeniably transformed Japan. At the very least, Japan is on the brink of a period of policy experimentation not unlike Japan's "openings" after the Meiji Restoration and the American occupation.

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#### NOTES

Japanese names are given throughout in Western fashion, surname last.

1. Turnout was 69.28 percent, the highest turnout under the electoral system introduced in 1994 and indeed the highest turnout since the 1990 general election. The DPJ received 47.4 percent of the vote in the country's three hundred single-member districts (SMDs), which translated into victories in 221 SMDs, compared with the fifty-two SMDs the DPJ won in 2005. In proportional-representation voting, the DPJ received 42.4 percent of the vote, which translated into eighty-seven proportional-representation seats. The blow to Komeito was particularly serious, as its leaders declined to run simultaneously in SMDs and proportional-representation (PR) seats, meaning that when they lost their SMDs they were not returned as PR representatives, unlike a number of LDP leaders who lost their SMDs.
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5. International Monetary Fund, *World Economic Outlook* (Washington, D.C.: October 2007).
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12. For the details of the LDP system, see Naoto Nonaka, *Jiminto seiji no owari* (Tokyo: Chikuma Shinsho, 2008).
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14. Aurelia George Mulgan, "Japan's 'Un-Westminster' System," *Government and Opposition* 38, no. 1 (January 2003), p. 77.

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17. Naoto Kan, “Minshuto seiken no mezasu kuni no katachi,” *Chuo Koron* (July 2009), pp. 172–73.
18. Conversation with a DPJ party official, 3 September 2009.
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20. Office of the Prime Minister, “Roles and Responsibilities of Politicians and Bureaucrats,” 16 September 2009, [www.kantei.go.jp/](http://www.kantei.go.jp/).
21. *Sankei Shimbun*, 27 August 2009, available at [sankei.jp.msn.com/politics/](http://sankei.jp.msn.com/politics/).
22. Mulgan, “Japan’s ‘Un-Westminster’ System,” p. 76.
23. See Atsuo Itoh, “Ozawa chirudoren 100 nin de ‘Tanaka ha’ fukkatsu,” *Bungei Shunju* (September 2009), pp. 138–44.
24. Gerald Curtis, “Politicians and Bureaucrats: What’s Wrong and What’s to Be Done,” in *Policymaking in Japan: Defining the Role of Politicians*, ed. Gerald Curtis (New York: Japan Center for International Exchange, 2002), p. 7.
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43. *Ibid.*; Yasuo Fukuda, “Towards the Day on Which the Pacific Ocean Becomes an ‘Inland Sea’: Five Promises for an Asian Future in Which ‘We Walk Together,’” (speech, Tokyo, 20 May 2008, available at [www.kantei.go.jp/jp/](http://www.kantei.go.jp/jp/)).

44. *Yomiuri Shimbun*, 2 September 2009, available at [www.yomiuri.co.jp/politics/](http://www.yomiuri.co.jp/politics/).
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