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# What Next for Japan's Democratic Party?

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**Introduction: The Opposing Left-Right Poles in Politics**

The general elections in September 2005 swept away a number of the premises of postwar politics, and Japanese politics may indeed be said to have entered a new stage. The biggest change of all, in my opinion, was the denial of the redistribution function within the LDP government.

Among LDP governments throughout the twentieth century, there have been numerous politicians—epitomized by Tanaka Kakuei and Takeshita Noboru—who were elected by the rural areas and took it as their mission to reapportion the central government's budget to the localities. At the same time, of course, the LDP came to represent the interests of the financial world. It has, in a word, maintained a regime of "one person playing two roles." That is, it has pursued simultaneously the necessarily contradictory values of growth and redistribution, of freedom for the strong and equality for the weak.

The Italian political philosopher Norberto Bobbio (1909-2004), a key figure in the latter half of the twentieth century, argued that the opposition between the left, which stresses equality in politics, and the right, which stresses freedom, has always existed. Many associate the left in Japan with Marxism and Communism, but these ideologies try to pursue equality in a comprehensive manner, and it is only one example of a leftist political ideal. Adapted to fit Bobbio's schema, the LDP has followed a rightist line in pursuing economic growth and a leftist line in reapportioning its fruits throughout the land. A genuine sense of poverty and the great divergence between cities and villages might be said to have given LDP politicians a leftist sensibility. To be sure, the fact that within the LDP there is a certain balance of left and right has guaranteed a balance in Japanese politics.

The need for a system of two large parties within Japanese politics has long been advocated. It appears, though, that the image of two large political parties (including the opposition) or a bipolar system is in reality incomprehensible. In most democratic states the large-scale parties, which form the core of the regime in power, struggle within the left-right oppositional poles of which Nobbio spoke. In the American case, there are overlapping areas of policy advocacy shared by the Democratic Party and the Republican Party, but clearly the Democrats are relatively to the left and the Republicans to the right.

In the recent dissolution of the Diet and the general elections, Prime Minister Koizumi carried out a cleanup of the LDP, making the proposed plan to privatize the postal administration into a kind of loyalty test (fumie), and the essence of his structural reform has thus become clearer. Members of the Lower House of the Diet who opposed privatizing the postal service because they did not want to sacrifice the localities and the weak were purged from the LDP. In other words, the left was forcefully expelled from the LDP. With the LDP now purified toward the right, who will take over its leftist elements and forcefully challenge the new LDP, a fundamental prerequisite for democratic politics in Japan? This essay seeks to answer that question.

**1. The Consequences of Koizumi's Government and the Victory of Neo-Liberalism**

For four and one-half years, the Koizumi government has been pushing a phenomenon known as risk generalization. In all aspects of life—from employment to medical care, to pension, to the education of children—uncertainty is on the rise, and people feel great apprehension. A broad spectrum of people, including the middle class which has heretofore enjoyed a stable lifestyle, harbor a variety of risks now, such as aged parents suddenly needing nursing care or children who are confined due to illness. In fact, the increase in risk—be it due to a decline of regular employment, an increase in the number of retirees, or a rise in the number of suicides—is more than clear.

Although we can't go so far as to say that the Koizumi government has deliberately increased risk, the "small government" line based in neo-liberalism seems unmistakably to have promoted its expansion. Curtailment of local subsidies and public utility funding has raised the employment risk in local areas. The postponement of institutional reforms in the pension and nursing care systems has enhanced the risks for retirees. If free competition and cost reductions for private enterprise go too far, security on the railway lines may be neglected, resulting in a major accident. This sort of issue has enhanced the risk to society as a whole. The problem of asbestos teaches us that there are areas in which the government must firmly regulate the activities of private firms to protect its citizens' lives.
If in fact it is evident that everyone will face the same risk, then an appropriate response would be the spread of solidarity as all cooperate in the face of a common risk. We jointly pay taxes and contribute social insurance fees; and we bestow great powers on our government to supervise the activities of businesses. It is natural to imagine that in so doing we are building a more secure social environment. Also, the idea that risk be shared by society as a whole does not presuppose a society in which the powerful pursue profit to their heart's content; rather, it is linked to a society that places a certain weight on equality and fairness.

The government, however, is moving in precisely the opposite direction. The consequence of the small government line of argument is that people are exposed to ever greater risk. For example, privatization of the postal administration means eliminating the opportunity for "zero-risk" savings. If privatized postal savings banks seek profit, they would invest heavily, "taking a risk" including the aged who lack concern or knowledge about economics. Increasing the individual burden for medical expenses on the aged will certainly encourage individuals to purchase medical insurance. People who are prepared to take risks are free to live by "high risk, high return." However, the society that the Koizumi structural reforms target will force high risk on those who do not wish to live a life full of risk.
Equality is a relic of the past, we are now told, and the words winners (kachigumi) and losers (makegumi) have become our daily vocabulary. For example, the cost of higher education, including entrance examination preparation, is becoming enormous. In order to take the new examination to attend law school requires huge expense. In other words, at the root of small government and laissez-faire, equality of opportunity necessarily becomes irrelevant.

In the recent general elections, the populace opted with a sigh of despair for neo-liberalism and the Koizumi reform line, which have

brought increased risk and inequality. This cannot be explained simply as a consequence of Koizumi's media strategy or by the argument that the people, with the illusion of themselves as winners conjured by Koizumi's magic. Middle-aged salaried men surely understand that, if they are just setting out in business for themselves, they can't become multi-millionaires. It is not that equality and a sense of justice have disappeared from Japanese society. Rather, a warped egalitarianism and a distorted feeling of righteousness are inundating Japanese society and the urban middle class and those who earn even less—whom we might call the reserve army of losers—support Koizumi enthusiastically.

From a macro perspective, aside from a handful of winners, everyone is being exposed to the same risk. Yet, it cannot be denied that subtle differences exist. In the benefit allocation system put forward by the LDP to date, rural villages, people in construction, and the autonomous bodies of depopulated areas, among others, have been especially protected. Subsidies, public works projects, and local grants-in-aid, among others, have provided shelters against risk. From the perspective of urbanites, who largely bear the cost of funding such shelters, there is unfairness and inequality surrounding the political concern that their risk alone is undeservedly high. At the same time, civil servants are a group of people who have guaranteed status and face no exceptional risk whatsoever. This, too, reflects a large inequality when seen from the view of salaried men and people doing irregular labor, men and women who have made their way through the past ten years of restructuring after the bubble burst. Although I have no feeling of shame looking at Roppongi Hills, the very symbol of conspicuous consumption in housing, I am deeply angered by the public housing nearby. In this situation antipathy for such petty inequality conceals a great inequality that accompanies the global economy.

Leftwing scholars like myself argue that the public sector must work for equality. City dwellers contribute both taxes and insurance premiums, and the public sector should provide equitable welfare services generally, irrespective of differences in the respective earnings and localities of those urbanites. This construction of equality is common knowledge in political science and public finance. This model could not take shape without urbanites having trust in the public sector. At present this trust is lacking, and there is a widespread feeling that the public sector itself is the source of inequality. There is the expectation that the creation of small government, the root of the slogan "from the government to the people," or the creation of a situation in which everyone is exposed equally to great risk, will bring about equality among the "non-winners."

A certain sense of justice with respect to the politics of rights and interests, heretofore the forte of the LDP, has been the motive force behind the eagerly sought idea of small government. Criticism of political corruption and useless public works projects has permeated the populace, and a widespread distrust has emerged based on the belief that rural builders and farming families have used political connections to seize the lion's share of profits. The expectation is rife that big government has become entwined with special interests, which a selfish minority has pursued, whereas with the construction of small government true public interest transcending special interests will be realized.

Privatization of the postal administration has been tailored to serve as the symbol of "equality" and "justice" in these senses. The opposing view that, were it privatized, post offices in sparsely populated areas would cease to exist, has evoked scarcely any sympathy. Perhaps urban dwellers imagine that privately owned post offices, a source of rights and interests, will follow the laws of efficiency and that weeding out abides with the interests of the majority. It is not that egalitarianism and a sense of justice have disappeared, but they have taken a distorted form. In recent elections, I would argue, this distorted sense of justice and egalitarianism ultimately has been mobilized with stunning success, using the symbol of small government, through Prime Minister Koizumi's popularity.

Distinctive of the debate in the recent general elections was the simple formulaic opposition between "reform and resistance" and "private and governmental." Of course, the former in each case represented the just side and the latter the evil. By participating in the attacks on everything dubbed evil, people were able to satisfy their sense of righteousness. If this sort of political debate escalates, however, wither Japanese politics?

Such dualistic oppositions as between "urban and rural" and "younger generation and the aged" are becoming fixtures, and the latter in each case who support themselves through redistributions may be shunned as good-for-nothing, vested-interest groups. The political technique of gathering support by inciting a twisted egalitarianism among people exposed to risk, not the management of risk itself, is an invitation to fascism. In this sense Japanese politics is facing a huge crisis.

**2. Toward Overcoming the Crisis in Democratic Politics**

To break through such a crisis, opposition parties must understand clearly their own loss of position. More than anything else, there is a need for firm resistance to the Koizumi reforms. Let me offer some thoughts on the tasks before the Democratic Party, the major party now in opposition.

The Democratic Party is in an utter depression as a result of the elections, but on reflection the fact that the LDP has now shown that it will be following a neo-liberal line means that an enormous chance has presented itself for the opposition party. Because it has chosen to stand upright with a backbone of neo-liberalism, toppling it has actually become possible.

We must start from the recognition that, if the Democratic Party were to give serious thought to taking upon itself one wing of two major political parties, then there would be space available to the left of the LDP. To repeat: by "left" I am referring to those who stress equality and redistribution more than does the LDP. Or, to put it another way, the ideal of burdening the public sector with a specific role to supervise jointly shared risk—not giving in to a situation in which individuals are exposed to risk—is an ideal of the left. Thus, the first step for the reconstruction of an opposition party is to forge ideals different from those of the LDP.

Responding to an Asahi Shinbun interviewer's question, Nakagawa Hidenao, an LDP member of the House of Representatives, addressed himself to the Democratic Party in saying that two major parties, which shared the basic values of small government and alliance with the United States, would be competing for reforms. Nakagawa's statement, which brings to mind Francis Fukuyama's "end of history," renders meaningless the vocation of politics, and by sealing up the populace's hopes in political possibilities, his aim appears to be the continual perpetuation of LDP power. The Democratic Party must not be ensnared in this trap. Hopping on the same neo-liberal bandwagon as the LDP and competing and bidding up reform to show which side is more radical in numerical objectives would constitute effective abdication of its role as an opposition party.

In the area of policy, the Democratic Party needs to make clear a course of supervising risk in society as a whole in response to the generalization of risk. However, continuation of the method of spreading past risk throughout society by such things as propping up certain locales with public works projects or industrial protection of fleets of transport ships most certainly cannot win national support.
The populace is justifiably dissatisfied with the business methods of the public sector with all its corruption and inefficiency. The two principal reasons for failures in the public sector are, I believe, the structure of centralized power and the administration of discretion.

The structure of centralized power is the main cause of inefficiency born of a mismatch between supply and demand in policy. While there was administrative reorganization in the latter half of the 1990s, seen at the level of the ministerial bureau, the policy supply

system has been characterized by durability, one might even say inertia. For example, in the sixty years since the end of World War Two, there has been a sharp decline in the rural population, but the organization and budget of the Ministry of Agriculture, Forestry and Fisheries has never been accordingly reduced. Although demand has largely vanished with changes in society and economy, policy continues in desultory fashion. We now have a situation in which they call for reduction of acreage under cultivation, while creating agricultural land through drainage. Also, supply in the areas of capital and facilities has in no way caught up with the new requirements for nursing care for an ageing population. There are now long waits to enter nursing facilities, and salaries for home-helpers remain miserable. Thus, it is not that there is a need to make government smaller, but the true task for reform needs rationalization ("scrap-and-build") and liquidation of the supply-demand mismatch.

The administration of discretion is the fundamental reason behind corruption. Corruption cannot arise in policy services and the allocation of benefits where rules and standards are clear in such areas as the allocation of official pensions and local subsidies, for policies would be applied automatically on the basis of objective rules. Japanese bureaucratic organization, however, embraces numerous discretionary policies, such as spot location of subsidies and special approvals. There are no rules in the allocation of benefits and the coordination of interest in such policies, for they are controlled by the concerns of those in charge who have the power and the sources of wealth. And, the entire process remains murky. Thus, as soon as politicians intrude, we find the rapid spread of politics by mediation and intermediaries.

To restore the trust of the populace in a plan for the socialization of risk, there must first be devised policies to rectify petty inequality, as noted above. It would be most welcome if the labor unions of civil servants independently launched a movement to firmly establish workplace regulations. This is not, however, the essential issue. The two points of the structure of centralized power and the administration of discretion remain the essence of reform. [1] To these ends, the local decentralization of power is a strategically important task. By first decentralizing power, we can reduce the distance separating urbanites and the arena of policy formation, and we can make the demands of urbanites reflected more accurately in policy. The local decentralization of power can thus serve as a decisive measure in rectifying the supply-demand mismatch.

Local decentralization of power is also effective in eliminating the administration of discretion. The distribution of subsidies is the major example of this administration of discretion. If local power decentralization were to be pursued in the financial arena, then the insidious political competition, which appears to be making inroads into the discretion of bureaucrats, would disappear. Protecting the community with the closest governmental body, the local municipality, and supervising risk jointly—this is the vision of a society that can resist neo-liberalism.

The three-in-one decentralization reform that the Koizumi government is presently trying to advance seems to be moving in a direction different from what I have been outlining here. Funding for the National Expenditure on Compulsory Education, as the largest subsidy to be abolished, will be increased. Funding for compulsory education may be seen as an independent source of revenue or as a subsidy, but municipalities must pay for it. In this sense, it is difficult for it to become the subject of free policy formation. Central government bureaucrats seem unwilling to relinquish the discretionary subsidies of the various ministerial agencies—first and foremost, public works projects—and under these circumstances, basic decentralization will not go forward. A detailed conceptualization of this point should become the pillar of the opposition party's political conception.

Firmly establishing a policy of the continuously possible in the area of social security is also necessary for the socialization of risk. For example, the twisted policy of the Koizumi government to restrain the rate of increase in medical treatment costs to below the rate of economic growth is the ideal target of attack for the opposition. By saying that people do not exist for the economy but that the economy exists for people, the populace should become a bit more alert to the errors of neo-liberalism.

The task to which the opposition party must now address itself is to refine such a political conception. From the elections, the greatest weakness of the present LDP is the privatization of the postal administration. The Koizumi LDP received no other mandate whatsoever from the populace, such as issues concerning the tax system or social security. It is vitally important for the Democratic Party to articulate a political strategy that uses this to the fullest. When Koizumi or his successor come up with plans for issues aside from the post office, such as taxation or social security, the opposition must raise its voice to insist that no such promise was made to the populace, and it should devise a method to incite the people's anger. If it makes policy proposals that are half-baked, then it will be dragged into the ring of the party in power, and the outcome will be that it will have to shoulder responsibility for a policy never promised to the people. No such detailed legislation was ever drafted by Diet members, and it is perfectly appropriate to indicate this with clarity on issues of taxation and social security.

**3. Where the Opposition Party Goes from Here**

It remains unclear if the Democratic Party will opt for the road to reconstruction that I have outlined here. If there is no major political party to resist to neo-liberalism, then perhaps the time will come when a reorganization by an opposition party will be necessary.
It can be expected that at such a time reformist leaders in local municipalities will advance onto the national political stage. Regions that embrace many rural and mountainous towns in Iwate and Tottori prefectures, among others, cannot go on living without some kind of system of redistribution of resources such as local subsidies and the like. However, it is not a question of simply relying on redistribution, but of matching supply and demand through internal efforts and low-cost regional management arrangements. I believe it is necessary for us to cultivate at the national political level the know-how and political ideas of the leaders of local municipalities.
Using the term "left" in the Japanese political ring will surely invite useless misunderstandings. There is no need to explicitlydefine ourselves using the language of "left wing". In its stead, we might use the terms communitarian (kyodoshugi) or solidarian (rentaishugi). The point is to forge an ideal opposed to neo-liberalism. What an opposition party can do in the face of an immense party in power is, after all, limited. Rather than just struggling for attention in the mass media, the opposition party must unhesitatingly analyze the reasons for its defeat in the elections and deepen the debate over reconstruction.

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[1] Translator's note. Yamaguchi is punning here with the expression "kaikaku no honmaru" (essence of reform). Prime Minister Koizumi has used this very expression to describe privatization of the postal system.