

Japan's New Legislative Balance

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With a sweeping electoral victory, Japan's Liberal Democratic Party (LDP) has not simply come back to power; it now dominates a vastly reimagined political landscape. Sunday's election brought the LDP back, and with it, Shinzo Abe, the prime minister who inherited the mantle of Koizumi's reformed party in 2006. Abe's short tenure in office and his abrupt resignation left many wondering during the early weeks of the campaign if he was up to leading the country again.

This revived--and reinforced--LDP now has a variety of potential partners in its effort to govern. Japan's conservatives are now by far the largest political force in parliament, with 294 seats in the 480-seat lower house. Abe announced immediately that his party intends to govern in coalition with its long-standing electoral partner, the New Komei Party, which has thirty-one seats. With 325 seats, Japan's new government will wield a two-thirds majority, allowing it to overrule opposition to legislation in Japan's upper house.

The difficulties in passing legislation in Japan's divided Diet will be over. Ever since the conservatives lost their majority in the upper house in 2007, efforts by the LDP and then the DPJ to govern have been frustrated by the lack of cooperation between the lower and upper houses of parliament. This stalled government initiatives and prevented policy coalitions from forming across party lines.

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The LDP will have a variety of possible policy partners. The remaining 155 seats offer several opportunities for cooperation with the LDP. The outgoing ruling party, the Democratic Party of Japan (DPJ), suffered a tremendous blow, returning to the new parliament with only a quarter of its current seats (fifty-eight seats). The new Japan Restoration Party (JRP), led by former Tokyo governor Shintaro Ishihara and Osaka Mayor Toru Hashimoto, offers the LDP the most likely advantage. With fifty-four seats, the JRP can bolster the LDP's more conservative agenda. On issues Abe and his party have long advocated, such as constitutional revision and bolstering Japan's postwar military, Ishihara Shintaro will be a willing partner.

The LDP's Mixed Mandate

Japan's voters have given the LDP a broad mandate for governing Japan. Yet there are still concerns within Japan about how Abe will lead. His conservative positions on sensitive issues of Japan's history, including his support for the controversial Yasukuni Shrine and revising Article 9 of the postwar constitution, are uncomfortable or irrelevant for many Japanese. Media interviews on Monday showed a number of Japanese want their new government to focus more on Japan's unresolved challenges. Japan's huge government debt overshadows discussions on future support for social welfare, and the shrinking job market and lack of support for working women make the prospects for raising household income grim for younger working families. The LDP's future will be determined by Abe's capacity to improve Japan's economy and build the social infrastructure needed to manage Japan's rapidly changing demographics.

Abe himself recognized public expectations of the LDP in his early responses to yesterday's election. When he first met the press, he described the election outcome not as an endorsement of his party, but as a loss of faith in the Democratic Party of Japan. The DPJ was roundly punished at the polls, revealing the deep public disappointment over its lack of ability to implement promised reforms. But overall, Sunday's race had the lowest turnout ever for Japanese elections with only 59 percent participating, 10 percent fewer than in 2009.

The new strengthened LDP will need to present itself and its ideas to the Japanese public and distinguish itself from the LDP of old. Abe himself will need to refresh his image, and once elected prime minister next week, his choice of cabinet members will be an indication of how much energy he can bring to his new government.

Foremost among public concerns is the economy. During the campaign, Abe took a very aggressive stance on Japan's monetary policy, arguing for the Bank of Japan to cooperate in bolstering economic growth. Arguing for a 2 percent inflation target, he suggested that monetary policymaking be brought to heel in overall government macroeconomic policymaking. There are signs that he would like to reinstate a task force on macroeconomic policy, and would like the BOJ governor to attend. This tension between the government and the BOJ is not new, and the morning after elections, the Nikkei rose in anticipation of greater activism to end Japan's deflation.

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But accompanying this is Abe's announcement Monday that his first priority will be a large supplementary budget that will be used to support public works and other traditional projects. This

looks remarkably like the LDP of old, and the political benefits of this kind of spending aside, it will have a deleterious effect on Japan's escalating fiscal burden. Other demands on government spending are also critical, including the reconstruction of earthquake and tsunami-damaged Tohoku and the support of new innovative sectors of the Japanese economy.

A second concern in Japan has been nuclear energy, a debate stimulated by the meltdown of the Fukushima Daiichi nuclear plant following the tsunami. For all of the media attention and polling data that supported a growing antipathy to nuclear energy in Japan, the LDP was the one party that refused to endorse the idea of decreasing Japan's reliance on nuclear power. The LDP has announced it will take another two years to study Japan's energy future, suggesting that it will abandon the energy plan designed to reduce Japan's reliance on nuclear power adopted by Prime Minister Noda's cabinet this summer.

Finally, the fiscal and social challenges ahead for Japan as it confronts its rapidly aging population are real, and will require significant policy attention to the needs of younger working families as well as to the elderly. The three-party agreement with the DPJ and Komeito to form a deliberative body to discuss the reform of Japan's social welfare system could become a valuable mechanism if the new LDP government continues to place a high priority on this issue.

Foreign Policy Implications

Perhaps the issue that causes most anxiety both within and without Japan at the moment is the impact that this conservative landslide will have on Japan's foreign policy. This is where Japan's new legislative balance may be most difficult to predict.

Abe has put the issue of foreign policy high on his list of priorities, and argues for an early meeting with U.S. President Barack Obama. Campaigning on the DPJ's failure in diplomacy, Japan's new leaders want to repair the alliance. Yet few in Washington see the alliance in disrepair, having successfully worked with DPJ leaders on a host of issues, including close disaster response after the March 11 tsunami, nonproliferation sanctions on Iran, and on maritime capacity-building in the Asia Pacific.

Washington is hoping to continue to improve coordination on a variety of regional and global initiatives. In Northeast Asia, the recent test of a missile by North Korea offered another chance to improve trilateral cooperation among Tokyo, Seoul, and Washington. Of all regional tasks, Japan's next prime minister would be best served by improving his country's relationship with Seoul. A disastrous downturn in that relationship this summer over territorial and history issues has left both sides reeling. But with leadership changes in both countries this week, the opportunity for restoring

bilateral ties is likely to emerge.

Japan's relationship with China could be the trickiest for the new LDP government. The territorial dispute over the Senkaku/Diaoyu islands has left both countries deeply suspicious of each other, and public antipathy on both sides of the East China Sea is running high. Abe has advocated inhabiting these islands with Japanese government officials, which would heighten tensions. Instead, a comprehensive strategy for improving Japan-China relations, including building mechanisms for avoiding maritime incidents in the East China Sea, would most likely begin to ease Tokyo-Beijing tensions.

Should Japan's new prime minister align himself with those whose sole purpose is to stoke a reactive nationalism within Japan, he will contribute to greater tensions among the nations of Northeast Asia. This would not only be detrimental to Japan's own prosperity and security, but would complicate Tokyo's relations with Washington. Japan's new government will be hard-pressed to sustain a calm and sophisticated effort to avoid isolation in the region and to strengthen its global partnerships in support of its economic and security goals. That will mean active and creative diplomacy and a shrewd management of politics at home.