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CLOSE UP ON THE NEWS

1. Renewing the temporary fuel tax

Institutional life is being stalled as a result of the power sharing arrangements born of last July's Upper house elections. Few draft bills are being passed, as demonstrated by the fact that there were only 23 of them for a 128-day session between September 10 2007 and January 15 2008¹, which is a ratio never before seen.

Whilst it is true that as a result of a court mediation process both houses had little choice but to approve compensation for those people who had contracted hepatitis C through blood transfusions, few bills have in fact been voted into law. A number of reforms have been blocked – the education bill, for instance, that was dear to Mr. Abe – or are having a hard time getting through – such as the *amakudari* (the second career of senior civil servants in organisations or businesses related to the area of responsibility they had during their first career working in a Ministry)².

On January 11, the anti-terrorism bill was once again presented to the Lower House, where it was passed thanks to the two-thirds majority jointly held by Jimintō and Kōmeitō, and it has become law. Only once previously, in 1951, had the procedure of forcing a bill through Parliament been applied³. Minshutō and the New People's Party (*Kokuminshintō*) had thought about voting for a resolution of the Upper House requesting an extension of time for debate on the draft bill (*keizoku shingi*), a procedure requiring a vote of the relevant commission in a plenary session⁴. Divided and criticised as it was, however, by the left which wanted the bill to be dropped, Minshutō finally gave up on it.

With the budget, the government is facing new difficulties. The turn-around introduced by J. Koizumi for the financing of motorways,

(privatisation, the suspension of major works projects, except for those currently underway which are to be completed, and the financing of motorways out of general state revenue) is thrown into question by Y. Fukuda. The majority is in fact seeking to have a ten-year extension for a law which was adopted in response to the first oil shock. For the past thirty-four years, this has allowed there to be a special fuel tax (25 yen a litre), a law which was due expire on April 1st.

This law has been generating significant tax revenue: 1 700 billion yen for the central government, 1 600 billion of which is given back to local governments by means of an "exceptional transfer" of equipment by the State for the road network. Local governments directly receive 900 billion, which is used in particular to finance the construction and upkeep of roads⁵. Indeed, it is in the allocation of these subsidies that the influence of a good number of representatives and advisers lies.

The majority is proposing a three-month extension of the mechanism that it is determined to have adopted⁶, but if the Upper House does not debate the draft bill, the government is obliged under article 59 of the Constitution to wait sixty days before presenting it to the Lower House again (the draft finance bill comes under a different system: if the Upper House does not vote on it within thirty days, the text passed by the Lower House becomes final). The point is, however, that the government no longer has a sixty-day period of grace before the law ceases to be valid.

It is also proposing a programme for financing the road network by an injection of 59 000 billion yen over ten years (the Transport Ministry's is thought to have wanted 65 000 billion). At the same time, the Transport Minister announced on February 21 that in order to fight against the improper use of income that is generated by this tax as well as against the *amakudari* of former civil servants from his Ministry in semi-public organisations related to their former portfolio, a reform office for road matters would be set up in his Ministry reporting directly to him⁷.

¹ "Seikatsukanren de yoyatō kyōchō", *Yomiuri*, 25 December 2007.

² The Prime Minister did, however, lend his support to the project of his Minister for Administrative Reform, Watanabe Yoshimi: "Naikaku jinjichō hōan sakutei he", *Yomiuri*, 5 March 2008.

³ "Shintero hō, shūin de saikaketsu, seiritsu. Teishutsu kara 3kagetsu", *Mainichi*, 11 January 2008.

⁴ In 1957, the Socialist Party, which was then a minority, had got the Upper House to reconsider a bill that it had passed. In 1964, it had tried for the same thing in the Lower House. "Minshu no kisaku de kyōtō midare", *Yomiuri*, 9 January 2008.

⁵ "Jimin, Fuseiritsunara seikatsukonran", *Yomiuri*, 18 January 2008.

⁶ "Sankagetsu enchō de chōsei", *Yomiuri*, 26 January 2008.

⁷ "Dōro seibi chūkikeikaku de ōshū", *Yomiuri*, 22 February 2008.

Minshutō is opposed to the mechanism being extended and would like this special tax to become part of the general budget. It would also like to see a rationalisation of anticipated works and a levy by local governments to compensate for the drop in their revenue and subsidies⁸. Naoshima Masayuki, the president of the Minshutō committee for political affairs, thus observes that, unlike in the case of motorways, airports are financed out of general revenue. Yamaoka Kenji, Minshutō's Vice-President for Parliamentary Affairs, regrets the fact that the government is not even considering the possibility of a partial inclusion of this in the general budget⁹.

A compromise worked out by the Speakers of both houses on January 30¹⁰, which was an attempt by the LDP to force Minshutō to commit itself to ensuring that there be a vote on a text before the end of the financial year, has brought about mixed reactions. The compromise proposes that the discussions over the draft legislation on finance and other tax laws should be completed before the end of the fiscal year. The government will modify its draft bill if both parties have been able to reach agreement on the wording of it. Ozawa Ichirō, the President of the Party (consulted in the drafting of the compromise) has suggested that this agreement did not carry any obligation to achieve a result.

Neither of the two parties is offering any unity over economic questions. Thus, within the LDP, about twenty politicians in favour of the reorganisation of public finances, such as the former general secretary of the cabinet, Yosano Kaoru, and Sonoda Hiroyuki, the President of the Committee for political affairs, have set up a working party on public finance and social protection (the "the planning-action cohesion group"), in order to put pressure on those in the LDP who are stoutly opposed to any increase in the VAT, like the former general secretary Nakagawa Hidenao, whose working party (the "Reviving Japan" project) is in favour of stimulating growth¹¹. Jun'ichirō Koizumi is at the forefront of those who favour the idea that road works should be paid for out of general revenue (others are Nakagawa Hidenao and Yosano Kaoru), as opposed to

the "road clan" (*dōrōzoku*) which rejects the drop in expenditure that would result from this¹². The Prime Minister is hoping for his temporary draft legislation to be passed and for further discussions to be held over the longer term. Among those opposed to any questioning of the current policy are the chairman of the LDP's committee for general affairs, Nikai Toshihiro, and the chair of its committee for electoral matters, Koga Makoto.

Also within Minshutō, there is a *zoku* of the Public Works industry (a *zoku* being a political relay of the profession's interests). Already by December, thirty-seven MPs had signed a petition against the party's common position, drawn up by the chairman of the Party committee for finances, Fujii Hirohisa¹³. The regions won over by the democrats doubt that the party's proposals will allow them to keep their income and are worried by the amount of compensation that would be accompany inclusion of these expenses within the general budget.¹⁴

In terms of the general population, 54% are in favour of such inclusion, although 74% find the amount of the ten-year plan to be excessive¹⁵. A majority of the population therefore supports the positions adopted by Minshutō. Nonetheless, the party considers that 25 yen a litre will not win over any swinging voters at the next election¹⁶.

Beyond the issue of whether this particular bill is passed or not, there is the question of how institutions are to work in a period of power-sharing. Their functioning would be seriously compromised if the majority did not hold two-thirds of the Lower House, in the event of the opposition rejecting a coalition.

The joint mixed commission, as laid out by the Constitution, is hardly ever used (it was, for example, in 1994)¹⁷. Nakagawa Hidenao, a former general secretary of Jimintō, proposes

⁸ "Yoyatō hihangōsen", *Yomiuri*, 22 January 2008.

⁹ "Yoyatō ronsen honkakuka", *Yomiuri*, 1^{er} February 2008.

¹⁰ "Close-up 2008nen, tsunagi hōan torisage", *Mainichi*, 31 January 2008.

¹¹ "Zaisei saikensa ga benkyūkai", *Yomiuri*, 21 February 2008.

¹² "Koizumi shi 'dōro' de kappatsuka", *Yomiuri*, 2 March 2008.

¹³ "Minshutō dōrozoku ga zanteizei hikisage ni hantai", *Sankei*, 19 December 2007.

¹⁴ "Itten gōi, hamon hirogaru", *Yomiuri*, 2 February 2008.

¹⁵ "Dōrozaigen minaoshiron mo", *Asahi*, 5 February 2008.

¹⁶ "Rifujin na saikaketsu wa monseki" (interview with Hatoyama Yukio), *Yomiuri*, 26 January 2008.

¹⁷ "Ryōin kyōgikai naze hirakarenai" (interview with Iio Jun who proposes procedural reform), *Yomiuri*, 13 January 2008.

the setting up of a committee of general secretaries and chairpersons of party committees for political and parliamentary affairs¹⁸. The general secretary of Minshutō, Hatoyama Yukio, is of the view that a structure must be set up which would enable action to be carried out in the public good, either within the commissions of the Diet, or outside it, in order to overcome the split between majorities in the two houses¹⁹. The non partisan association "People's Assembly for a New Japan. Making the 21st Century visible" (*Atarashii nihon wo tsukuru kokumin kaigi, 21seiki rinchō*), brings together academics, politicians and other professionals to facilitate political dialogue and reform.

Lastly, a non partisan group, the Alliance of Parliamentarians *Sentakū* ("for choice/for clean"), was formed in January around the former governor of the prefecture of Mie, Kitagawa Masayasu. It is comprised of seventy members from Jimintō, Minshutō and Kōmeitō and its representatives are Noda Yoshihiko, the former chair of Parliamentary affairs in Minshutō and Kawamura Takeo, from Jimintō, the former Minister of Education²⁰. Its brief in particular is to think about remedies for the institutional difficulties arising in the context of power-sharing.

The government is hoping to organise a general election (for the Lower House) after the G8 Summit in Hokkaidō, 7-9 July, and so the majority is looking to the autumn. As for Minshutō, it would like to see a dissolution happen sooner than that²¹.

Sources : Asahi, Mainichi, Yomiuri, Sankei, websites of Parliamentarians.

2. Financing and refurbishing of bases. International and local negotiations

A new complaint of rape against an American soldier based at Okinawa was lodged in February before being quickly withdrawn.

The American government has introduced a curfew, and both governments have agreed on preventative measures. These include incorporating explanations about Okinawa into

the soldiers' training program; the setting up of a Japan-American police patrol involving both Japanese policemen and American soldiers; and the placing of security cameras in neighbouring communities which think this desirable²².

Shortly prior to this, the two governments renegotiated, after two years, the agreement on special measures regulating the Japanese contribution to the running costs of the bases.

The new agreement on the new special measures, which is based on article 14 of the SOFA (*Status of Forces Agreement*), reduces this contribution in 2009 and 2010 by 1.5% in comparison with what it was in the 2007 financial year. The objective announced by the Japanese Ministry of Foreign Affairs was for a reduction of 5%²³. The former agreement was due to expire in March and the one signed on 25 January will be valid for three years.

This agreement stipulates the number of Japanese workers on the bases (kept at 23,000 by the new agreement) and that the energy, electricity and water bills of the bases are to be paid for by the Japanese government (25.3 billion yen for the 2008 financial year, an amount identical to that of 2007; 24.9 billion in 2009 and 2010); lastly, the "transport costs" occasioned by the geography of Okinawa are also to be paid for by the Japanese government (night landings from an aircraft carrier are made on Iōtō, an island in the electoral district of Tōkyō; training exercises involving use of firearms that would go beyond road 104 are carried out on Honshū; parachutists use the runway at Iejima, in the Okinawa prefecture²⁴). In 2007, the Japanese government contributed 140.9 billion yen under the terms of this agreement.

A further contribution falling under this agreement is made in accordance with article 6 of the SOFA security treaty. These are costs over and above salaries, such as for language classes given to Japanese workers, and the costs of shared equipment and facilities, which amounted to 76.5 billion in 2007²⁵.

¹⁸ "Ryōin kyōgikai minaoshiron", *Yomiuri*, 6 February 2008.

¹⁹ Interview, *op.cit.*

²⁰ "Ji Kō Min kara 70nin sankā he", *Yomiuri*, 21 February 2008.

²¹ "Aki kaisan yūryoku", *Yomiuri*, 6 January 2008.

²² "Kichigai kyojū no beiheisū tsūchi", *Yomiuri*, 23 February 2008.

²³ "Genkaku 3nenkande 8okuen", *Asahi*, 13 December 2007.

²⁴ Source : MoD.

²⁵ "Kakusakyū nado haishi he", *Yomiuri*, 19 December 2007.

With the costs associated with improvements to the outskirts of the bases and the ancillary costs borne by the Japanese government, the bases cost it around 600 billion yen a year²⁶.

Since 2000, however, the Japanese government has managed to have its portion of the costs for the bases reduced. The Ministry for Defence has also negotiated with the trade union of those workers working on the bases for the elimination of certain payments and privileges. These involve an additional salary component, language classes, and a supplementary benefit on retirement – and this will have the effect of producing budgetary savings of a billion yen²⁷.

The bases are the subject of transactions between the national government and the local government. The special law on the reorganisation of American forces, passed on May 23 2007, allocates subsidies to those communities, affected by the change, which have accepted the restructuring plans resulting from the inter-governmental agreement of May 1st 2006 (this law also gives responsibility for financing the transfer of Marines to Guam to the Japanese Bank for International Cooperation). There is a four-step process for allocation of these subsidies. The first occurs once a construction project is accepted; then at the start of an environmental impact study; then once works begin, and finally on their completion. A budget of 5.1 billion yen was provided in 2007. Thirty-three municipalities were designated on October 31 2007 by the Ministry of Defence to be recipients of this aid²⁸.

Iwakuni (Yamaguchi prefecture) was one of the areas which were late in joining up to the government's projects. In a March 2006 referendum, its inhabitants had rejected by 87% the government's plan – involving the transfer of an aircraft carrier and 59 planes from the naval base of Atsugi, as well as 12 refuelling planes from the Marine base of Futenma, to the Marines' airbase located in the municipality. On February 10 2008, they elected Fukuda Yoshihiko, a candidate favourable to them, voting out the incumbent

Ihara Katsusuke²⁹. The number of votes separating the two candidates was only around 1 700.

The new governor immediately announced that he was accepting the transfer of an aircraft carrier (1 900 soldiers) and asked for the subsidies to which the city could still lay claim for the fiscal year 2007 (3.5 billion yen for new building works; 13.4 billion in terms of subsidies to see in the transformation)³⁰.

Sources : MoD, MoFA, Yomiuri, Asahi.

3. Ministry of Defence plans for reform

Discussions over reform of the Ministry of Defence have been given a new lease of life by two recent events. The first was the corruption scandal surrounding the administrative Deputy-Minister of Defence, Moriya Takemasa, and the American subsidiary of a Japanese defence manufacturer, Yamada, in November 2007. The second was the collision on February 19 of a destroyer and a fishing boat, in which two people died, couple with the fact that the Maritime Security Agency had not been properly warned of the captain's being summonsed to the Ministry of Defence.

This debate goes back to March 2007. Confidential information concerning the Aegis detection system had been found in the personal computer of a member of the Armed Forces and had highlighted – yet again – the deficiencies in the defence system for the safeguarding of sensitive data.

On November 16 2007, a reform commission of the Ministry of Defence, chaired by Minami Nobuya (electrical company of Tokyo) and attached to the general secretary of the cabinet, was set up with the brief of examining the means for strengthening civilian control and improving both the confidentiality of classified information and the transparency of defence contracts. One of its members is Iokibe Makoto, the director of the National Defence Academy. This commission is to submit a reform plan by June.

²⁶ "Omoiyari yosan genkaku nankō", *Asahi*, 8 December 2007.

²⁷ "Kakusakyū nado haishi he", *Yomiuri*, 19 December 2007.

²⁸ "Hantai no nago ya Zama jogai", *Asahi*, 1^{er} November 2007.

²⁹ "Iwakuni shichōsen ga kokuji", *Yomiuri*, 4 February 2008; "Seifu keikaku shinten ni kitai", *Yomiuri*, 11 February 2008.

³⁰ "Beigun idenchū Iwakuni ukeire", *Yomiuri*, 29 February 2008.

On February 22, the Ministry of Defence established its own Ministerial “team for progressing reform”, made up of a nine-member committee and a secretariat of six – the majority of whom are in uniform.

Sources : *Kantei, MoD, Kōmeitō.*

POINTS OF NEWS

Kōno Tarō, Mizuno Ken'ichi, Shibayama Masahiko, Yamauchi Kōichi³¹, Mabuchi Sumio, Hosono Gōshi, Izumi Kenta³², "Eight proposals to remedy the malfunctioning of the Diet" [Kinō fuzen no kokkai wo kaikaku suru yattsu no hōsaku], *Chūōkōron*, March 2008, pp. 198-207.

A group of seven Liberal Democrat and Democratic Party representatives propose eight reforms to improve the operations of the Diet's institutions and give it a greater role.

All seven of us, each in an individual capacity, are looking beyond our party interests and agree that the Jimintō's longstanding hold on power has shaped the way in which the Diet conducts its debates. Accordingly, we propose some reforms aimed at giving greater liveliness and transparency to parliamentary debates, and at making the Diet the true centre of debate and supreme agency of popular sovereignty, as laid down by the Constitution.

1. The principle of the discontinuity of discussions in different sessions should be abolished.

The current observance of this principle means that deliberations on any motion must be concluded within a single session, failing which the bill or proposal in question becomes null and void; if either house has not reached a decision, the discussions are not continued into the next session, but have to begin all over again. Would it not be preferable that the party favoured by the electorate should have free use of its entire term in office, in order to fulfil its electoral promises?

2. The legislative function should be separated from the supervisory function.

To enable the Diet to operate properly, these two functions should be separated. We could set up new legislative committees to

work on drafting bills, and entrust their supervision to standing committees, working together with the civil service and the government, on the English pattern, or we could ensure that each standing committee included a supervisory sub-committee, as in the United States.

3. Unconditional party discipline should be abolished, and the restrictions on members of parliament should be relaxed.

Currently some major social issues are not discussed by elected members of the Diet. For example, the progress in the position of women has given rise to growing numbers of single-child families, so that it is no longer acceptable to make women take on the name of their husband upon marriage. There is a growing demand for women to be allowed to retain their maiden name in the workplace or to carry on their family name in society. Since members of the Diet are themselves divided on this issue, the political parties are unable to take a consistent position, so any parliamentary debate on changing the Civil Law simply does not take place. Many other questions which directly affect people's lives, like introducing Summer time, organ donation, or dual nationality, show how inadequately the Diet is fulfilling its role.

In addition, the system of voting by remaining seated or standing up is not accompanied by a list of names showing how each member voted. Only the position of the parties is recorded. On questions relating to people's well-being or their ethical values, party discipline must be set aside, allowing the electorate to hold the elected member to account.

4. The balance between members' proposals and government bills needs to be readjusted.

Voting freedom is subject to another set of constraints. The Diet has a formal legal requirement that a motion must be supported by 20 representatives or 10 councillors if it does not concern public finances, and by 50 representatives or 20 councillors if it does. The reason why such motions are rare in practice is the need for their proposers to gather party support. To achieve that, there has to be a debate within the party, which slows down the whole process.

At the same time as establishing the freedom of the vote for members of the Diet, there should also be arrangements to ensure that the only conditions for proposing a motion should be those required by the law.

³¹ Members of Parliament belonging to the Jimintō

³² Members of Parliament belonging to the Minshutō

Admittedly, priority is inevitably given to government bills, because that is a consequence of parliamentary government. But our institutions have been shaped by the Diet's practice of adopting such bills without any discussion, and by the priority already accorded to them in the majority parties' parliamentary committees. Every politician can now see that there are sometimes major flaws in bills drawn up by the administration, and they are all becoming increasingly anxious over the rubber-stamping of government bills. So there is a need for the latter to be discussed more fully.

The party whip should only be imposed at the final plenary session, called to consider a version of the proposal as amended by members of parliament from both sides.

5. Greater consideration needs to be given to the requirements of diplomacy.

It often happens that Japanese ministers are unable to attend international summits because of the parliamentary calendar. And as Japan's international links are increasing, it is becoming ever more important that her representatives should attend these various meetings. For ministers, these ought to take precedence over their parliamentary duties. Similarly, they should be able to make themselves available for visiting dignitaries, whose programme is often decided only at the last moment.

6. The drive to improve administrative efficiency must be stepped up.

The Diet is the main cause behind the long working hours for civil servants. At present, the agenda is only drawn up in committee at the last moment. Most of the questions to ministers are only communicated the day before the debate, and the civil servants face a difficult task in drafting ministers' replies. Leaving aside exceptional cases dealing with unforeseen events, questions put to the government ought to be communicated at least 48 hours, and preferably one week, in advance.

Some people argue that delaying questions as much as possible reduces the time for civil servants to interfere, forcing ministers not to rely on them. On the contrary, however, this practice increases ministerial dependence on the civil service.

7. The committees' performance must be improved.

To enable the government to know the committees' agendas 24 hours beforehand, the latter's organisation needs to be improved. This requires the debates to be planned, with attention to specifying the different bills to be discussed and drawing up a suitable timetable. At present, in order to shorten these debates, members of the Diet from the ruling majority ask hardly any questions. The time for raising questions is allotted to the opposition, and these are addressed almost entirely to the government, so there is no debate between the members themselves. Time spent in committee is considered wasted; all that matters is the final vote.

We propose that members from the ruling majority and from the opposition should debate the government's bills and the opposition's proposals, before producing their own formulation as the result of these debates.

8. The organisation of the plenary sessions needs reforming.

The plenary sessions should no longer be called because a bill has passed through the committee stage, but should be open to the House of representatives at specific times, such as Tuesdays, Thursdays, and Friday afternoons. If there is no bill to be debated, members should deal with issues which are more suitable for plenary sessions than for committee discussions. The debates which currently take place on occasions between government and opposition leaders should become part of the plenary sessions.

Electronic voting should be introduced without delay, and the vote of each member should be recorded and made public.

From the people's point of view, what matters is not which party is in power but what each and every member undertakes for the good of the country.

Kōno Tarō³³, Mabuchi Sumio³⁴, "A divided Diet is a unique opportunity" [Nejire koso, senzai ichigū no chansu], *Chūōkōron*, March 2008, pp. 208-216 (interview).

Two of the seven contributors to the preceding article answer questions from a lecturer at Saitama University, Io Jun, and expand on their proposals.

³³ Member of parliament from the Jimintō

³⁴ Member of parliament from the Minshutō

S. Mabuchi: The "junior" elected members from the Democratic and Liberal Democrat parties set up a joint working group after last July's elections to the Upper House.

T. Kōno: I was elected for my first term in 1996. Since then, I have made only one intervention during a plenary session, shortly after my election, and in the following ten years I became extremely frustrated. Hashimoto was Prime Minister at the time, and a special committee had been set up to amend the law concerning Okinawa, which I had joined in the hope of playing an active part, but that did not happen: members of the Diet from the majority side had to remain silent and listen; only the final Friday vote mattered. Members sitting around me were all busy reading novels! When the majority in the Upper House changed, I thought that was all over at last! There could now be an exchange of views between members from the majority and the opposition, and the majority members could play an active role.

If the LDP and the Minshutō were to form a coalition, we would go back to the system where a bill decreed by a minister is passed without a comma being altered.

S. Mabuchi: When I return to my Nara constituency, people tell me that we ought to work together for the common good, "Minshutō or Jimintō, basically what's the difference?". But before thinking about a coalition, we must reform the Diet so that it functions as a place of real debate.

The lack of continuity between the debates in different sessions encourages the opposition parties, particularly the Minshutō, to denounce the flaws in government bills, to put an end to all debate, and to simply wait for the end of the session which will make all discussion superfluous. It is difficult to find a constructive approach with a view to improving a bill. The opposition members also have their own frustrations. Many foreign governments have opted for parliamentary sessions lasting throughout the year, which gives more time for discussion than our system of separate sessions [normally lasting 150 days].

T. Konō: It is the opposition's fault that the committee's agenda is only known one day in advance. The agenda is decided by a meeting of party secretaries [*riji kondanka*] on the basis of information provided by each secretary. The opposition provides this information at the last moment, most probably because they are used

to slowing down a bill's progress and waiting for the session to end. If the government uses its majority to push its bills through, the opposition then denounces it as an abuse of power. This is an example of the type of sterile battles in the parliamentary calendar produced by the opposition.

S. Mabuchi: The blame also lies at the government's door, for trying to get its bills voted through without any alterations. There is no point in trying to show the flaws in any bill and making the civil servants go pale during the session; the government just moves to the vote.

T. Kōno: An extreme illustration of this was the law on IT data security put forward by the Economics Ministry.

Kitagawa Masayasu, "For a people's movement of the Heisei era" [Heisei no minkenundō wo maki okosu], *Chūōkōron*, March 2008, pp. 188-197.

A representative of the Sentaku movement set up in February 2008, the governor of the Mie prefecture expresses his movement's commitment to make the forthcoming general election "a moment of historic choice for the electorate".

Japan is at a crossroads. Its industry and its regional economies have run out of steam. Confidence in the government is dead and buried. Bankrupt businesses are no longer a rarity. The system of lifelong employment is disappearing, while the differences in status between the NEETs [*not in employment, education, training*] and the *freeters* [*free arbeiter*], plus the increasing job insecurity, have become major worries. The basic assumptions supporting the people's way of life have been called into question. The problems of global warming and pollution are reaching critical levels. The social structures, family make-up, and regional social order call for sharp jolt. Since the end of the period of growth we have become aware of what lies ahead.

We have assessed the degree of resistance to change, and we know that, to make real changes while seeking to inspire our colleagues to emulate us, we must initiate our own reforms in the regions administered by us, and in our home areas. We intend to begin by questioning our accepted beliefs and ways of living.

Our political reforms were launched 20 years ago, in 1988, and 5 years ago our first manifesto was published. Starting in 2003, campaign programmes were introduced by some governors into local elections, and since then they have been expanded to the national level and should allow the electorate to judge how much our campaign promises have been realised.

For the sake of the future generations, we believe that the time has now come to change and "clean up" Japan, with particular focus on three areas: the regions, people's living conditions, and the environment.

Sharing this common aspiration, we governors, councillors, academics, businessmen or other industrial entrepreneurs, have decided to set up the "People's Union representing the regions and their inhabitants to clean up (or choose³⁵) Japan".

1. We are questioning the post-war system of democracy "by proxy" (*omakase minshushugi*) and the leadership of the central government (*Kasumigaseki*). We wish to reawaken the people's political awareness and their capacity to change their lives, to give power back to politicians answerable to the people, and to transform politics at the regional and individual levels as a first step (particularly in tackling environmental issues).

2. The year 2008 is important for us because it is the twentieth anniversary of the political reforms, and because five years have passed since the first manifesto. We are using it to make an appeal to both the electorate and those elected to confront the realities facing Japan.

3. We are going to mobilise elected members belonging to the majority side and the opposition, and if they accept the philosophy of our movement we will set up a parliamentary Union, to act in accordance with it, based on the regions and their inhabitants, in order to clean up (choose) Japan.

4. In preparing for the coming elections, we are trying to get the parties to draw up manifestoes whose content we will seek to influence. Our aims are electoral, and our activities are focused on the elections.

³⁵ The two words "wash" [translated here as "clean up"] and "choose" are written with different characters but are pronounced the same, *sentaku*.

Koamitsu Nobuharu, "Civil servants are partly to blame, politicians as well" [Yakunin mo warui ga seiji mo warui], *Chūōkōron*, March 2008, pp. 70-78 (interview).

The former vice-minister for Social Affairs looks back at the mistakes in the social services which, he emphasises, are not the fault of the administration alone.

There are undoubtedly many problems besetting the Ministry of Labour and Social Affairs, but it would be a mistake to blame the ministry for the loss of the millions of retirement records, the public health scandals [following the spread of the AIDS virus through blood transfusions in the 1990s, and of hepatitis C more recently], and the failures of the system for care and social security. The Ministry of Social Affairs is only an administrative body. As such it has two functions: it makes proposals, and it collects and analyses information to decide which aspects should be changed or retained within the already set public policy. But the true decision-makers are the politicians.

Nonetheless, the ministry does face some problems. It is becoming less capable of formulating policy proposals. For example, Japan lags behind China in the field of genetics, both in its way of conducting research and in applying it, but the ministry has not managed to propose any new initiatives.

But even when proposals have been made, it is the Minister of Social Affairs and the Prime Minister who decide in favour of one policy direction or another.

There were many reasons for the retirement records scandal. The first was the need to computerise the increasing amount of data to be handled. The ministry sub-contracted both the computerisation itself and the installation of the IT system to a private company. A part of the work was also parcelled out. The Social Security Agency ought to have introduced a safeguard mechanism, and should not have delegated its responsibility for the overall supervision of the process.

[...] The social security system, and indeed the wider realm of public finances in general, are in a pitiful state, while the lower birth-rate and aging are leading to a decrease in the population. At the same time, new technologies are breaking down national

boundaries. Most of the social security system, which goes back to the post-war period, is ineffective. The ministry must devise a new system.

Asō Tarō³⁶, "Let's set VAT at 10% and integrate the basic pension scheme into the national budget" [Shōhizei wo 10% ni shite, kisonenkin wo zenkakuzei futan ni shiyō], Chūōkōron, March 2008, pp. 176-183.

In order to restore Japan's self-confidence, when she has forgotten her own rich resources, Asō Tarō proposes an increase in VAT to support retirement pensions and he expresses his wish for the majority parties and the opposition to work together.

The last decade, in which the bubble burst to be followed by deflation, has undermined the self-confidence of the Japanese. After the reform period, the moment has now come to remedy this lack of confidence and trust. Confidence is not simply restored through the goal of "radical reform". I think there are two problems: the failure to keep proper records of pension contributions, and the general failure of the whole system.

To restore confidence, I have maintained for a long time that a yearly statement should be sent to all contributors to pension funds, as is the case with taxpayers.

To remedy the dire financial state of the overall system, I propose that its finances should be integrated into the national budget, and that they should be re-floated by raising VAT charges to 10%. The monthly 14,000 yen contributions would be abolished, and this would also resolve the problem of the non-contributors. It might be argued that, by not paying contributions to the general fund, such people are running a risk whose consequences they will have to bear later. But in all probability the burden will actually require public support (*seikatsu hogo*).

In 2005, the proportion of profits redistributed in the form of wages was 70.6%, which is 3.6% less than four years earlier. In 2006, the annual per capita GDP fell by 4% and, at \$34,252, it made Japan the eighteenth out of the thirty odd members of the OECD. In 1993, by contrast, it had been the second. The reason

for the unsatisfactory growth rate is that consumption is also insufficient.

In my Fukuoka constituency (Kyūshū), for example, the Toyota conglomerate set up a company. When I heard that its chairman intended to create new jobs, I asked him to recruit workers on open-ended contract terms [*seiki shain*]. Within two years, 1,000 jobs were created. The number of marriages rocketed. As soon as there are secure wages, life in general becomes stable. And if, as a result, the wives are willing to have children, ... Last year Fukuoka prefecture had the highest birth-rate in Japan.

Finally, circumstances in Japan are now right for a parliamentary debate to take place. I am not in favour of using the two-thirds majority to push through bills which directly affect the lives of citizens, unlike questions of national defence. But on the other hand, is it right to make political use of the tax laws as the session reaches its end?

Yamaguchi Jirō³⁷, and Miyamoto Tarō³⁸, "What socio-economic system do the Japanese want?" [Nihonjin wa dono yō na shakai keizai shisutemi wo nozonde iru noka], Sekai, March 2008, pp. 40-50.

In 2007, these two academics conducted a poll, questioning 1,500 people in order to reveal the Japanese people's opinions on the reforms implemented by J. Koizumi and S. Abe, and on the direction which society should take. The replies were classified according to the political tendency of those interviewed. This article contains only the responses from the supporters of the LDP and the DPJ. There is a broadly shared consensus in their assessment of the reforms, their anxieties over the future, and their preferred social model. However, this opinion poll also revealed an ideological divide between the supporters of the LDP and the Minshutō.

Negative assessments of the state of Japanese society after the reforms under the Koizumi and Abe governments (increased inequality and far lower standards in the public services) far outnumber the positive ones. A number of respondents to opinion polls (23% of LDP supporters and 33% in the case of the

³⁶ Former Foreign Minister, currently representing the Fukuoka constituency.

³⁷ Professor of administrative law at Hokkaidō University

³⁸ Professor of Economics at Hokkaidō University.

Minshutō) said that people will stop at nothing in pursuit of profit.

Over 70% said that they are anxious or very anxious about the future [a figure which rises to over 90% if one includes those who fear a fall in their standard of living]. In this respect, the supporters of the Minshutō were more pessimistic than those who vote for the LDP. These anxieties arise primarily from concerns over pensions and medical care. The struggle against poverty should be focused mainly on expanding training facilities and organisations; rather than relying on handouts, the government must help everyone to develop his or her own potential abilities [*jiritsu*].

The most desirable social model is the one to be found in Northern Europe, with its high standards of social security, rather than the Japanese model with its work ethic, or the US one which prioritises competition. The elements in the present system which must be preserved are job security, human relations, and the protection of small and medium firms, and individual enterprises. Social security provisions need to be strengthened and the power of the government reduced.

A new split is appearing in social attitudes, which has been hardly noticeable until now. The polls show that 60% of those questioned preferred a model which favours social well-being over one which favours the work ethic. However, the number of LDP voters who preferred the first model was 10 points lower than for supporters of the Minshutō. By contrast, the former group were more in favour (also by 10 points) of introducing elements of competition into the system to counteract the excesses of its egalitarian approach. For their part, the Minshutō supporters, would prefer a strengthening of social security provisions to rectify the Japanese system. They also wish to see the introduction of a guaranteed minimum wage (here there is a gap of 18 points between them and the supporters of the LDP).

Those who vote for the LDP show a preference for so-called neo-liberalism, which continues the conservative tradition of basing cultural values on the laws of the market. Meanwhile, the supporters of the Minshutō have changed from being advocates of liberal reforms to becoming critics of social inequality.