Columbia Business School

Center on Japanese Economy and Business

日本経済経営研究所

Abe's Gone . . . Is the LDP Next?

September 13, 2007

Gerald Curtis

Burgess Professor of Political Science

Columbia University

Hugh Patrick, director of the Center on Japanese Economy and Business, Columbia Business School, served as the moderator for this event.

This report highlights the speaker's remarks and the following discussion that took place.
The event was cosponsored by the Weatherhead East Asian Institute of Columbia University.

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SYMPOSIUM SUMMARY

One day after the abrupt resignation of Japanese prime minister Shinzo Abe, Burgess Professor of Political Science Gerald Curtis spoke before an audience of about 170 at the School of International and Public Affairs on September 13, 2007. The speech, titled "Abe's Gone . . . Is the LDP Next?" focused on Abe's one-year tenure as prime minister and the reasons for his fall from power, the July election defeat of the Liberal Democratic Party, and future prospects for Japanese politics, the economy, and foreign relations.

Although Abe started out with high approval ratings and made positive initial overtures to neighbors such as China, he soon fell out of favor with the Japanese public after a series of public gaffes by his cabinet, poor crisis management of a situation involving 50 million lost pension records, and vaguely stated policy goals such as constitutional revision and making Japan a "beautiful country." He seemed out of touch with a constituency concerned about its own economic well-being, especially in rural areas that felt left behind by reforms instituted by his popular predecessor, Junichiro Koizumi.

Professor Curtis reviewed the reasons behind the LDP's crushing defeat in the July Upper House Diet elections. The public's three "nos" were a *no* to Abe's priorities, favoring vague ideological issues over economic issues, which were a greater concern to the voting public; a *no* to Abe's crisis management, evidenced especially in his response to the pension scandal; and a *no* to economic reforms that neglected the rural farm areas.

The next prime minister, Yasuo Fukuda of the LDP, faces an uphill battle on several key fronts. A resurgent Democratic Party of Japan led by Ichiro Ozawa threatens the LDP's traditional power base in the hinterlands and will most likely scuttle attempts to renew antiterror legislation in the Diet, which allows the Japanese Maritime Self Defense Force to refuel foreign naval vessels in the Indian Ocean. But Fukuda brings a sense of balance, stability, and experience to the office of the prime minister, which is exactly what the public is looking for after the five and a half years of Koizumi's charismatic leadership and the disastrous one-year tenure of Mr. Abe.

HUGH PATRICK
Director, Center on Japanese Economy and Business, Columbia Business School

I am Hugh Patrick, a member of the Weatherhead East Asian Institute and director of the Center on Japanese Economy and Business. One of my honors and pleasures at Columbia is to introduce speakers on special occasions like this. Today our speaker is Gerald Curtis, Burgess Professor of Political Science. In my unbiased opinion, he is the most knowledgeable specialist on Japanese politics in the United States and probably anywhere in the world.

He knows the major politicians, the players in all the major parties, and even some that are not so major over the years. He is now back at Columbia University this fall after having spent the spring semester and summer in Tokyo, which has been his style for the last few years, and I suppose will be for the next few as well.

I assume that you all know who Gerry Curtis is, and if you do not, you can refer to his biography. I will not say anything more to introduce him. I think it is more important that we give him the chance to speak.

I will note, though, that a year ago, actually on September 26, he spoke at a similar occasion here and expressed his concern about the new prime minister, Shinzo Abe. He even wondered if Abe would last a year. I know that early this week, Gerry said that he did not think he would last until the new year, but I suspect you were as surprised as the rest of us that yesterday, Prime Minister Abe abruptly resigned his position.

However, Japan's political story is about a lot more than Abe. It is about the Liberal Democratic Party, the Democratic Party of Japan, the Komeito, other parties, and all the major political players.

Until yesterday, the title of Gerry's lecture was "Can Abe Survive . . . Can the LDP Survive Abe?" Now the title is "Abe's Gone . . . Is the LDP Next?" Both are very straightforward statements. Gerry, thank you very much.

GERALD CURTIS
Burgess Professor of Political Science, Columbia University

Thank you, Hugh, thank you to everybody for coming, and thank you to Prime Minister Abe for providing material for what should be an interesting speech. Whether it turns out to be interesting or not is for all of you to judge. The evens of the last few days have left the Japanese dumbfounded. Just three days ago, Abe gave his policy address to the Diet. The next day, an hour before he was to be interrogated by the leaders of the opposition parties, he threw in the towel, announcing his resignation. He had been in office almost exactly one year.

It has been a very important month and a half in Japanese politics starting on July 29, when the Upper House election was held and the Liberal Democratic Party suffered a huge defeat. For the first time ever, a party other than the LDP is now the largest party in one of the two houses of the Japanese Diet. Virtually no legislation that the Democratic Party of Japan opposes will now pass the Diet. The Constitution provides that a bill defeated in the Upper House becomes law if passed by a two-thirds majority in the Lower House, but procedurally and in terms of timing, this is very difficult to do.

The next salient event was the fact that Abe did not resign on the night that the results came out. He said he intended to stay in office. This surprised nearly everyone else in the LDP, but nobody wanted to push him out because they could not agree on whom to put in his place. In retrospect, Abe must regret that decision. If he had taken responsibility for the party's defeat and resigned gracefully and immediately, he might have been able to come back to a leadership role sometime in the future, especially considering that he is still in his early fifties. It is extremely difficult to imagine that he has any political future now.

A couple of weeks after the election, he reshuffled his cabinet to reflect more experience. The new chief cabinet secretary was Kaoru Yosano, Taro Aso was the secretary general, Masahiko Komura the defense minister, and Nobutaka Machimura the foreign minister.

It seemed to many that Abe had bought himself some time. Even those who believed that his days were numbered thought he probably would last until the end of the year. It became painfully clear, however, that he did not have a strategy to rebound from the election defeat. He was unprepared for the office of prime minister and could not survive. I think most observers assumed that the LDP would not go to a general election with Abe at its helm, but, as I said, the suddenness of his resignation caught everyone by surprise.

Before we examine the events of the past week and speculate about the future, we should review the July election results, how it was that Mr. Abe became prime minister, and the deeper structural issues that lie behind the current situation.

So let me say a word first about the election. As we know, the LDP lost very badly. The reasons are what I call the public's three "nos."

"No" number 1 is a *no* to Abe's priorities. Abe's priorities were constitutional revision, overcoming the postwar system, in other words, getting rid of many of the reforms that were instituted 60 years ago by the American occupation authorities, and creating a so-called "beautiful country." The problem is that these priorities have little to do with the real concerns of the Japanese people.

Those concerns are whether the pension system is sustainable, whether the universal healthcare insurance system remains viable, whether public school education can be improved, and the like. We used to think of the compulsory education system in Japan as among the best in the world, but there has been a sharp deterioration since the 1990s. Now many middle class Japanese are sending their children to private schools,

just as we see in New York City. In the past, only the very wealthy did this.

Abe had almost nothing concrete to propose about economic and social issues. For him, the primary issue was revision of the Japanese Constitution, which was written during the U.S. occupation. Many Japanese now are not opposed to constitutional revision, but for the great majority this is a practical issue, not an ideological one. In other words, if there is something that Japan needs to do that it cannot do because of the way a particular constitutional provision is written, such as Article Nine, the no war clause, then there is broad support for amending it. But for Abe, constitutional revision was an ideological issue. He never specified what he wanted to change. He basically wanted to accomplish what was set out in the LDP's first platform in 1955—to throw out the constitution written by Americans, and to discard a lot of other American-inspired reforms as well. On this, the public was not with him.

Abe's conviction has its roots in the experience of his grandfather, Nobusuke Kishi, prime minister of Japan from 1957 to 1960. One of his key foreign policy initiatives was the reworking of the security relationship with the United States.

Abe spoke to the Japanese people in generalities. He wanted to make revision of the Constitution the key issue in the Upper House election. But such a focus did not make much sense to the Japanese public.

Another example of his tendency to speak in generalities was his focus on making Japan a "beautiful country." What he meant by this remained a mystery to the end. The Japanese public wanted him to focus on important economic issues, and on dealing quickly and thoroughly with the disappearance of 50 million pension records. This pension scandal turned into Abe's "Hurricane Katrina."

Fifty million lost accounts were the result of 30 years of careless behavior by the Social Insurance Agency and the consequences of a system in which, until recently, every time someone changed a job he got a new pension account number. The scandal itself was not directly Abe's responsibility, anymore than the devastation to New Orleans caused by Hurricane Katrina was the fault of President Bush. But the American people were deeply critical of the way President Bush responded to that crisis, and in a similar manner, the Japanese public lost confidence in Prime Minister Abe because of the lack of leadership he showed in dealing with the pension crisis.

The second "no" was to Abe's management skill, or lack thereof. He could not convince the people that he could handle the pension issue. He also did not appear in control of his own cabinet and vacillated when cabinet ministers got caught up in scandals or committed verbal gaffes. During his administration, Health Minister Hakuo Yanagisawa called women "baby making machines," Defense Minister Fumio Kyuma, who is elected from Nagasaki, made remarks appearing to accept the atomic bombing of Japan in 1945 as unavoidable, and Agriculture Minister Toshikatsu Matsuoka committed suicide while facing scrutiny over political funding.

The Japanese public said no to Abe's lack of crisis management skills. If Junichiro Koizumi had still been in office, his response to the pension scandal would have been far swifter and more vocal. He would have banged on the table, criticized everyone for letting this happen, and his approval ratings would have gone up.

The third "no" was a *no* to the LDP's failure to respond to the needs of people in the provinces who were not benefiting from economic reform. It was not necessarily a no to economic reform, but it was a strong protest against the idea that economic reform should leave some sectors of society behind in order to grow the economy overall. This factor is very important in terms of the structural change going on in Japan and the opportunity it presents for the DPJ.

In the Upper House election system, each prefecture gets one to four seats, depending on the size of its population. There are 29 prefectures that elect only one member each to the Upper House because they are sparsely populated. In contrast, Tokyo, for example elects four representatives.

The elections are held in three-year cycles for six-year terms. Those running in this electoral cycle replace people who were elected six years ago, when there were 27 such single-member prefectures. The LDP won 25 seats and other parties won two. This time, six years later, the LDP won six seats out of 29. The opposition, mostly the DPJ, won 23. In other words, the LDP lost this election in the areas where it traditionally has been strongest, that is, in rural and semiurban Japan. So now the politics of the countryside has become a major problem and challenge for the LDP.

For Abe, constitutional revision was an ideological issue.

There is absolutely no doubt in my mind that Yasuo Fukuda will become president of the LDP on September 23 and prime minister. He will have to spread the benefits of reforms without reversing them. It can be said that Abe's biggest failure was his inability to buy time for the economic reform process to spread its benefits beyond the major cities. Prime Minister Fukuda will have to convince people in the provinces that the LDP feels their pain but not embrace policies that put the reform process into reverse gear or exacerbate the government's fiscal deficit.

Politicians have to try to make people feel optimistic about the future and convince them that whatever problems they are suffering now will be resolved. But that is not the mood in Japan today, and the result is the three "nos" that led to the LDP's defeat in the July elections.

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But there was not a "yes" in this election. The election result was not a "yes" to the DPJ but a no-confidence vote in Prime Minister Abe and a criticism of the LDP. I do not think you can read this election result as an endorsement of the idea that the DPJ should come to power. The challenge for the DPJ is to figure out how to leverage its victory to get people to think that it would be better at governing than the LDP. That obviously is what it needs to do to win a majority in the next Lower House election. It is not there yet.

My original speech was titled "Can Abe Survive? Can the LDP Survive Abe?" The first question has been answered. No, he did not survive. Will the LDP survive? It is far too soon to make a prediction about the outcome of the next Lower House election, but it is far from certain that the DPJ will win. If I were forced to place my bet, I would wager that the LDP will probably emerge victorious, though with a bare majority instead of the two thirds majority it currently enjoys.

So there is an unhappy electorate, not knowing really what would be best, but not liking the performance of the LDP. And it is the electorate outside the metropolitan areas that is unhappiest. This is why the LDP was defeated in areas such as Kyushu, Shikoku, and Hokkaido.

As I mentioned before, if Abe had quit the evening the election results were announced, he might have had a political future. He could have come back in a few years. Or, if he had said he was submitting his resignation and let the LDP decide his fate, there is a good chance it would have asked him to stay on because it wasn't ready for a fight over this succession.

But by refusing to step down, he faced widespread criticism, and by reshuffling his cabinet to bring in well known LDP leaders, he suddenly looked like a figurehead with the government being run by his new ministers, particularly by the chief cabinet secretary, Yosano, and the LDP secretary general, Aso.

For example, three agriculture ministers were forced out of office under Abe. One of them committed suicide. The last one, Takehiko Endo, did not last a week, but it was Yosano and Aso who fired him, and then they told Abe about it.

It can be said that Abe became a hostage in the prime minister's office while everybody else was running the government, and he became psychologically unhinged. There are many rumors about why he quit; one magazine mentioned financial and personal scandals. I have no idea whether there is any truth to these rumors, and I tend to doubt it, but the main point is that Abe quit because he was no longer physically or psychologically able to carry out his responsibilities as prime minister.

In light of these recent events, one must ask how Abe became prime minister in the first place. In postwar Japan, the tradition has been for the prime minister to have had extensive experience in the government and the party before rising to the topmost position. But before he became prime minister, the only cabinet post that Abe had held had been as chief cabinet secretary under Junichiro Koizumi for a relatively short period of time. He was only elected to the Diet four times.

It is clear Abe was not prepared for the position of prime minister. Why did he get it? There are two reasons. One is that Koizumi identified him as his favored candidate. Koizumi did not want anybody his age or older to be prime minister. He believes that there has to be a generational change in Japanese politics. I am not sure he had a lot of confidence in Abe's abilities, but he concluded that Abe was the best option among the available candidates.

Koizumi does not have a deep sense of loyalty to the LDP, it seems to me. He wants to see Japan change, and if the LDP fails, then having the DPJ come to office might not be such a bad thing. When he said that he would destroy the LDP if that is what it took to change Japan, he meant it. In 2005, he recruited candidates

to run against every LDP Lower House member who voted against his postal privatization bill. He can be considered a wild card in Japanese politics.

He has refused to run for prime minister again, however, in spite of pleas from the "Koizumi children" he backed in the Diet election after he dissolved the Lower House in 2005. He may run again for a Diet seat in the next election, but that will probably be his last campaign.

Aside from Koizumi's support, the single-member district system and what can be termed "dynastic succession" contributed to Abe's rise. Nearly any prime minister that comes to mind is the descendant of a Diet member—Abe, Aso, Koizumi, Fukuda, etc. This tradition is certainly not alien to the United States, but in Japan, unlike any other democracy, it is of overwhelming importance.

Japan used to have what was called *chusenkyokuseido,* or a middle-sized district system in which several LDP people ran from the same district. If a politician died in office, his son would run for the LDP and would usually get elected the first time in a sympathy vote. If he did not have political skill, however, he would lose after one or two elections.

So when you had dynastic succession under the middle-sized election system, these politicians had to demonstrate their skill as politicians. They had to relate to the voters. They had to know how to raise money. They had to know how to get people to come out and support them in their district. If they were weak, some faction in the LDP would run a new candidate in the district to challenge him. There was a healthy tension in the system because of intraparty competition. The problem now is that the heirs to their fathers' Diet seats have no competition in the LDP because there is only one candidate per party. Eventually, if the DPJ becomes stronger and runs credible candidates in all the districts, the situation will change. But for now there are many districts where heirs to LDP held seats face no significant competition.

The single-member district system is pulling out the roots of Japanese grassroots democracy. It is a very bad system for Japan and is a major reason why good leaders are not emerging. But the chances of electoral system reform are nil.

Abe won because the single-member district system has turned elections into a popularity contest between party leaders. In the past, the party leader mattered on the margin, but what decided elections were individual candidates with a good machine and an attractive personality interacting with their voters. You might have a change of power under this new system if the DPJ comes in, but the result will be a lot of inexperienced people trying to run a complex government.

But now, what the parties look for is who is going to be most popular. This was another legacy of Koizumi and his charisma. Abe, with his distinguished political lineage, seemed appealing, based upon this standard. Not only was his grandfather a prime minister, but his father was also foreign minister under Yasuhiro Nakasone.

So now, we are at the next stage, which is the choice of a successor. Public opinion polls show that more than 70 percent of Japanese viewed his resignation as *musekinin,* or irresponsible. The perception is that Abe resigned abruptly without consideration of the consequences for Japan, and the LDP has to change this.

So the decision was made yesterday to hold an open election. The LDP president is selected by Diet members belonging to the party and three representatives from each prefecture. Each prefecture decides how to choose their representatives. There are a total of 528 votes: 387 in the Diet and 141 from the prefectural representatives. The deadline for declaring candidacy is tomorrow, and the vote will take place on September 23.

And at the moment, there are three candidates. I do not think there will be more. The three are the secretary general of the LDP, Taro Aso, grandson of former prime minister Yoshida; Yasuo Fukuda, son of former prime minister Takeo Fukuda; and Fukushiro Nukaga, the current minister of finance.

Many newspapers are reporting that Aso is the front-runner, but he is not. There is a massive shift to Fukuda. One key factor is that Sadakazu Tanigaki, head of another important LDP faction, has decided not to run and will back Fukuda.

Makoto Koga, who heads another important faction, is also backing Fukuda. Kato Koichi and former LDP secretary general Taku Yamazaki are among others who will support Fukuda.

There is a question of what Nukaga will do. He comes from the Tsushima faction, which used to be the Tanaka faction and also was the largest faction in the LDP. It has been replaced by the Machimura faction in that position, the one to which Koizumi, Abe, and Fukuda belong. If Nukaga stays in the race,

The single-member district system is pulling out the roots of Japanese grassroots democracy.

he will draw votes away from Fukuda. I think there is a strong likelihood that he will withdraw and that the Tsushima faction will back Fukuda. But even if he runs, the probability of Aso becoming prime minister is extremely low. He is too closely identified with Abe as secretary general, and he is not popular among the Diet members, though he does have some considerable support among the general public.

Aso's strategy is very clear. He will try to get most of those 141 prefectural votes by promising to spread around a lot of money to regions that feel neglected. He talks about putting fiscal discipline on hold while the government deals with this issue. He will try to appeal to this *chiiki kakusa,* or regional disparity, but to be elected president of the LDP, he has to get the support of the party's Diet members, and he does not have that.

Fukuda, on the other hand, belongs to the same faction as Abe, but he has made it clear ever since Abe became prime minister that he does not share many of Abe's views.

Even though Fukuda does not appear hungry for power, yesterday he announced he would run. There is now a big shift of support to him. I believe this is because Fukuda will be balanced; he will continue to emphasize reform. He was the chief cabinet secretary under Koizumi for four of the five years, and he could be seen as holding de facto power in the Foreign Ministry when Makiko Tanaka was foreign minister.

Even though his resume does not include previous cabinet appointments, except as chief cabinet secretary, he held this post for a long time. He was in charge of foreign policy and was pushing reform to strengthen the prime minister's office. He also ran the Office for Gender Equality.

Fukuda can appeal to a wide constituency, and this is the only way the LDP can win the next election. The task he faces is extremely difficult. There will not be a tax hike because you cannot pass any bill through the Diet that the DPJ opposes, and it opposes an increase in the consumption tax. Fukuda will try to find ways to increase government spending on welfare and other programs in non-metropolitan Japan, but he will not throw fiscal discipline to the winds. Fukuda will be much more cautious and take a balanced approach compared to Aso. In my view, Fukuda is the right choice for Japan at the current time. Electing him does not mean a return to the bad old days of factional politics. The old system has been pretty thoroughly destroyed and discredited. Electing Fukuda will be a manifestation of the LDP's instinct for survival. Fukuda will provide the stability, sense of balance, and middle-of-the-road foreign policy that the public seems to want now.

There is also the issue of extending antiterror legislation to allow Japanese Maritime Self-Defense Forces to refuel coalition vessels in the Indian Ocean supporting forces fighting in Afghanistan. If not extended, the legislation will end in the beginning of November. When Abe resigned, he mentioned as a reason the fact that Ichiro Ozawa, head of the DPJ, would not talk to him regarding the legislation.

One of the great advantages for the LDP, and one of the huge problems Abe's resignation poses to Ozawa is that if Abe had not resigned, Ozawa was going to make this antiterror legislation issue the key issue to force the LDP to dissolve the house and call an election.

The LDP is likely to submit new legislation after the current law expires and the mission is suspended. Ozawa has to worry that he will be portrayed as irresponsible if he simply opposes a continuation of this modest Japanese role in the war against terrorism.

The American government would be well advised to keep quiet regarding this legislation. Any mention of its disappointment with Japan for not pursuing the legislation could harm Fukuda and pave the way for Ozawa to attain power. All the pressure in the world is not going to move Ozawa, and it can only make Fukuda appear weak. The legislation is going to expire not because the prime minister wants it to, but because in a democratic election, Japanese voters gave the party that opposes it a victory. It is not seemly for the Bush administration to appear to argue against the workings of a democratic political process.

Also, will Fukuda be able to continue the pace of economic reform begun under Koizumi? Now that Koizumi and his charisma are gone, Fukuda may not be able to convince the public to accept the bitter bill of reform. The public did not support Koizumi because it liked economic reform. It supported economic reform because it liked and trusted Koizumi. The process will likely slow down but not necessarily reverse itself. A great degree of leadership and political skill is needed to convince the voters to accept continued reform.

Fukuda is the right choice for Japan at the current time.

Fukuda is not seen as charismatic, but he is well versed on relevant political issues and knows, simply put, how to run a government.

Before we move on, I will briefly discuss Ozawa. The DPJ is mostly a party of urban people, both the politicians and the constituency. DPJ politicians tend to know little about rural Japan.

But Ozawa comes from Iwate Prefecture, a farming district, and he decided more than a year ago that the LDP Achilles heel was in rural Japan, and he formulated a program to get those votes. He went around by helicopter to campaign in rural villages in Kyushu, southern Honshu, and Shikoku.

Ozawa told LDP supporters in these rural areas that Japan has to change agricultural policy to an incomes support policy, guaranteeing rice prices when they begin to fall. This pulls the rug out from any incentive to reform Japanese agriculture, that is, to make it more efficient, but it obviously makes farmers happy.

The LDP actually has a good agricultural reform program in terms of creating larger leaseholds so that corporations can manage whole villages. It is a very complicated issue, but Ozawa treated it in a very politically smart, savvy way. He told small farmers they could keep their land and the government would support them. The LDP will have to counter this appeal.

Ozawa has shown time after time that he is a good tactician but a bad strategist. He has already made two mistakes since the July 29 election. First, he had the DPJ submit a bill to the Upper House to freeze privatization of the postal system.

He did this for a purely a tactical reason; the bill has little chance of passing. Ozawa wanted a small party named Kokumin Shinto, which consists of former LDP Diet members, to join with him to form a larger voting block in the DPJ. This is in spite of the fact that the voters overwhelmingly supported Koizumi's agenda on postal reform in the September 2005 elections. He did not see the big picture. While criticizing Abe for not heeding the will of the people and resigning after the Upper House defeat, he blithely rejects the overwhelming demonstration of the will of the people in the 2005 Lower House election to back Koizumi on postal system reform.

His second mistake involves the antiterror legislation, which allows Japanese Maritime Self-Defense Forces to refuel coalition vessels in the Indian Ocean. Writing a new bill that provides greater transparency into these operations may be well received by the Japanese public, but Ozawa is short sighted in his stated reason for opposition. He says that the war in Afghanistan is America's war. It has nothing to do with Japan, because the United States did not get prior authorization from the U.N. Security Council to go attack the Taliban. Japan-U.S. relations would be in a state of utter crisis if Koizumi had taken this stance after 9/11.

The point here is this: do not underestimate the ability of Ozawa to overplay his hand and drive many voters back to the LDP, especially if it is able to win back some of the rural votes.

Ozawa was shocked by the suddenness of Abe's resignation. He thought he could continue to whittle away at LDP popularity and in December there would be a Lower House election, hopefully with Abe still there, and they would come to power.

The DPJ needs a strategy for winning the next Lower House election; it does not currently have one. That is not to say that the LDP does. Abe left a mess behind him, and it will be interesting to see who is most successful in picking up the pieces. Thank you.

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DISCUSSION

QUESTION

Where is the security alliance with the United States and the American bases in Japan in the middle of all this political to-ing and fro-ing? Is there any consideration that they might want to revisit that or ask us to exit the bases, or is it something people have not thought about?

GERALD CURTIS

No, that issue is not on the table at all. There is no serious anti-Americanism even within the DPJ, much less the LDP. There is no movement to kick the Americans out. U.S.-Japan security relations are getting tighter all the time. The antiterror legislation issue and possible overreaction from Washington may create a backlash in Japan, but American bases in Japan are not going away.

QUESTION

I heard you speak a year ago when Abe was first coming in, and the big issue, as I recall, was whether or not he would go to the Yasukuni Shrine. You have not said anything about that. When I was recently in China, it seemed to me that China was pleased with the present status of this issue, and yet some

people have said subsequently that there may be dissatisfaction in Japan with the way Abe had treated the China issue.

GERALD CURTIS

Koizumi told me he was the most pro-Chinese politician in Japan, but no one could tell him how to pay respects to the war dead. He said visiting the Yasukuni Shrine was the correct way to do this.

But Abe was much more right wing and has questions about how much guilt Japan actually bears for the war, but in the real world of politics, both the Chinese and the Japanese concluded they had to take advantage of the opportunity of Koizumi leaving office to find a breakthrough.

I was in Beijing when Abe's book *Towards a Beautiful Country: My Vision for Japan* was published. I spoke with Japan specialists in the Chinese government who were translating the book for the senior Chinese leadership. Their conclusion was that Abe would not go to Yasukuni, and that the Chinese leadership should go forward on that assumption. They were right. He did not go.

So Abe was invited to China and went within a month of becoming prime minister. That is when his popularity numbers were at their peak. It has been straight downhill ever since, but neither country has anything to gain from a deterioration of the relationship. The Chinese do not want any problems before the Olympics. Also, Japan is a very important export market for China.

With Fukuda, Japan's relationship with China will improve. Fukuda is opposed to visiting the Yasukuni Shrine. He has said so publicly. His father was the key person in developing relations with other Asian nations, including China, so not only is Fukuda very Asia minded, but he also has good relations with the United States. Abe did not have this level of sophistication in foreign relations. He managed to maintain a decent relationship with China, but he pushed what can be called an anti-China coalition of the United States, Japan, Australia, and India. Fukuda, on the other hand, will maintain an even-keeled relationship with China.

With Fukuda, Japan's relationship with China will improve. Fukuda is opposed to visiting the Yasukuni Shrine.

QUESTION

In a related vein, what was the significance when Prime Minister Abe went to India to pay respect to both the Indian judge at the Tokyo War Crimes Trial and the rebel leader allied with the Japanese in World War II?

GERALD CURTIS

Abe is preoccupied by the past, and I think it has a great deal to do with his grandfather. Abe's mission in life, I believe, was to accomplish what his grandfather, Prime Minister Kishi, did not accomplish.

Prime Minister Kishi was the first Japanese prime minister to

visit with Justice Pal, the sole dissenting judge in the Tokyo War Crimes Trial in India. Prime Minister Abe then visited Pal's 81-year-old son. The rebel leader you refer to, Chandra Bose, was supported by the Nazis and the Japanese military and has a shrine dedicated to him in Shinjuku, Tokyo. He is the darling of the Japanese extreme right because he reinforces the message that the Second World War was about freeing Asian countries from Western imperialism.

Why did Abe go to India and visit with the son of Justice Pal? He was either playing to the right wing back in Japan or trying to honor his grandfather's legacy. The right wing view is that Japan lost its identity after World War II. Abe is not a sophisticated ideologue. These are not deeply held, deeply thought-through ideas. These are simply deeply held feelings that got transferred down through his family. His visit to India made China and Korea question Japanese views about the war and made even Washington question Abe's intentions.

I think this is a personal issue for Abe, but the office of prime minister isn't a place to give vent to your own emotions. It is a job to accomplish policy that serves the country's interest. He never did that. He never focused on the policy issues. He entrusted his cabinet to take care of policy. The result has been a government in neutral gear on most policy issues for the past year.

QUESTION

What do you think of the effects of the subprime loan crisis on Japan? Also, it appears that Japan is increasingly relying on aircraft and weapon contracts for new business, to stimulate the economy. Is that of significance?

GERALD CURTIS

I will defer to Professor Patrick on your first question.

Regarding your second question, the Japanese defense budget has been reduced slightly each year for the last five years. Actual spending has been reconfigured. There is a lot of spending on antiballistic missile defense and some other high tech expensive items.

But there is a perception in other countries that the Japanese are on a march to expand their military. You cannot, however, find evidence for this in the military budget. You see some evidence for it in changing definitions of missions, and the United States has been pushing Japan to play a bigger role. Former deputy secretary of state Richard Armitage, for example, pushed Japan to play a more important role in the military war on terror.

And the Japanese responded, by taking such measures as moving the status of the defense agency to a defense ministry.

The point is when you are asked to do more, you want to have a bigger say about what should be done. That is becoming a problem in U.S.-Japan relations.

In the past, the Japanese refused to buy what we call "off-the-shelf" military equipment from the United States. They wanted to buy the components and assemble them independently in order to develop technological skills. So the Japanese have always had a hedge on the import of weapons from the United States. They have a license to manufacture the hardware.

But now the situation is changing. The Japanese want to purchase completely assembled advanced F-22 fighter jets. Congress does not allow export of these items. The Japanese are upset that the United States will not sell this weapons system to its strongest ally in the region.

Now the Japanese are beginning to play hardball by looking to France and other countries for possible alternatives in terms of fighter jets and other military equipment. The United States needs to look at Japan in a different way to anticipate future issues, whether they be on defense or anything else.

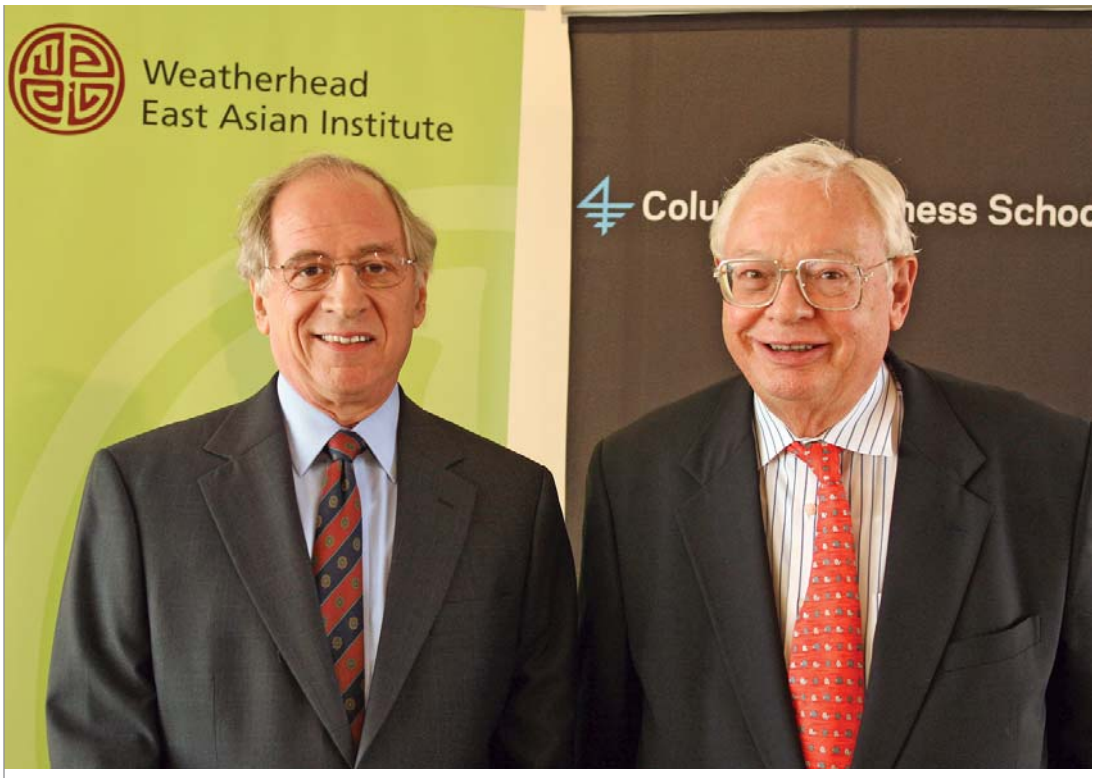
HUGH PATRICK

I will just say something about the subprime loan issue.

On the subprime loan issue, I think it shows, first of all, that Japan is not directly exposed in terms of Japanese holdings of assets that look like they may default or lose a lot of value directly. But what this really shows is how integrated financial markets have become, not only globally, but also across asset classes. Up until now, we have all understood that credit risk was not priced adequately. The spreads were narrowing too much, but nobody knew exactly how that was going to end until now.

"Across asset classes" means that essentially everybody has been moving from more risky to less risky assets, a flight to safety. And one of the byproducts of that was that people who borrowed—or institutions that borrowed yen at a low interest rate in order to reinvest in higher interest rate assets around the world—have decided they do not want to take that risk.

Abe is not a sophisticated ideologue . . . These are simply deeply held feelings that got transferred down through his family.



Constitutional reform is not a burning issue. The public is not opposed to it, but nobody thinks it will solve any pressing problems.

As a result, the yen has appreciated sharply and unexpectedly, and that has potentially affected the export industry and certainly affected the stock market.

The next question is what will happen in the future. I believe the carry trade, borrowing yen and then lending the assets abroad, investing abroad in higher yielding investments, will return. It may not return to the same degree, but it certainly is an area of uncertainty.

QUESTION

My question has two parts—one is how much support does revision of the Constitution have within the rest of the LDP, and, secondly, are those reforms pretty much dead in the water now or is there a possibility they may continue? Thank you.

GERALD CURTIS

Somewhere down the road, there may be some revision of the Japanese Constitution. It will not happen in at least in the next five years. There is a lot of agreement that the Constitution can be revised if there is a reason to revise it. But there is no consensus on what to revise.

One issue that is dead in the water right now is a revision of Article 9, the abandonment of the war clause. If Abe had won on July 29, his study group would have concluded next month that Japan has the right to engage in collective self-defense. That means sending troops to aid another country, like the United States, in a third country contingency.

Under the current interpretation of the Japanese Constitution, Japan does not have the right to engage in collective self-defense. In other words, the United States can help Japan defend itself, but Japan cannot help the United States defend another country or itself. The study group will not even be reconstituted under the next prime minister.

Constitutional reform is not a burning issue. The public is not opposed to it, but nobody thinks it will solve any pressing problems. I do not think we will see Fukuda push constitutional revision at all.

安倍は去った。次は自民党か？

コロンビア大学バージェス政治学
ジェラルド・カーティス教授

安倍晋三首相が突然の辞任表明をした翌日の 2007 年 9 月 13 日、コロンビア大学バージェス政治学ジェラルド・カーティス教授は、コロンビア大学国際関係・公共政策大学院内にて 170 名程の聴衆を前に講演を行った。「安倍は去った。次は自民党か？」と題したスピーチの中でカーティス教授は、安倍氏の首相在任中の１年間に焦点を当て、彼が政権から転落した理由や、７月に行われた参議院議員通常選挙（以下、参院選）での自由民主党（以下、自民党）の敗因、そして、日本の政治、経済、外交関係の将来観測などについて講演した。コロンビア大学ビジネス・スクール 日本経済経営研究所（以下、CJEB）の所長であるヒュー・パトリック教授がモデレーターを務めた。本講演は CJEB とコロンビア大学ウェザーヘッド東アジア研究所の共催にて行われた。以下は本レポートの要約。

当初、安倍政権は高い支持率を持って迎えられ、中国などの隣国に対しても積極的な初期提案をしていたのだが、相次ぐ閣僚の失言、５千万件に上る年金記録の紛失に際しての危機管理能力の欠如、そして、憲法改正や日本を「美しい国」にするなどの漠然とした政治的目標を打ち出したため、すぐに国民からそっぽを向かれる結果となった。特に、衆望を集めていた前任者の小泉純一郎氏が主導した改革によって取り残された感のある地方において、安倍氏は景気回復に期待を寄せる有権者の声を上手く把握できていなかったようだ。

７月の参院選における自民党惨敗は、安倍政権に対しての国民の３つの「NO」であると明言。まず、有権者の重要関心事であった経済問題への漠然とした観念論的主張に基づく安倍氏の政策優先事項に対する NO、特に年金スキャンダルへの対応で証明された安倍氏の危機管理能力欠如に対する NO、そして、地方農村地域を無視した経済改革に対する NO であった。

次期内閣総理大臣、自民党の福田康夫氏は、いくつかの目下の重要課題において、厳しい舵取りを迫られるであろう。小沢一郎氏のリーダーシップによって再生を遂げた民主党が、内陸の地方農村地域における伝統的な自民党の権力基盤を脅かしており、恐らくこれからは、海上自衛隊によるインド洋での外国艦船への給油活動を認めるテロ対策特別措置法の延長を断念させるために、国会において攻勢を強めてくるだろう。しかし福田氏は、バランス感覚、安定感、そして経験を官邸にもたらす。それこそまさに、小泉政権の５年半に及んだカリスマ的リーダーシップと、安倍政権の悲惨な在任１年間の後に、国民が求めている事なのである。

COEDITORS
Yvonne Thurman
Director for Administration
Center on Japanese Economy and Business

Daniel McDonald
Program Consultant
Center on Japanese Economy and Business

TRANSLATION
Minori Honda

PHOTOGRAPHY
Michael Dames

Center on Japanese Economy and Business
Columbia Business School
321 Uris Hall
3022 Broadway
New York, NY 10027
Phone: 212-854-3976
Fax: 212-678-6958
E-mail: cjeb@columbia.edu
http://www.gsb.columbia.edu/cjeb