

## Executive Turnovers September 2003–September 2004

**TAKASHI INOBUCHI**

*University of Tokyo*

Executive turnovers during September 2003 and September 2004 were moderate, as was the case the preceding year. The reason for this is that Prime Minister Junichiro Koizumi has made it a rule to limit change of cabinet members (Inoguchi, 2004). The Liberal Democratic Party's Presidential election took place in September 2003, giving approval to Koizumi to continue without rival candidates. Koizumi reshuffled his cabinet on September 22, with key cabinet ministers kept intact. They included Chief Cabinet Secretary Yasuo Fukuda, Foreign Minister Yoriko Kawaguchi, Welfare and Labor Minister Chikara Sakaguchi, Economics, Finance and Monetary Affairs Minister Heizo Takenaka. Besides a portfolio to each of the two coalition partners, Koizumi saw to it: (1) that the execution of his structural reform would be spearheaded by a non-compromising reformist academic, Takenaka; (2) that faction-based appointments be reduced to a minimum by appointing those who are not tainted by old-fashioned factional affiliations and ties, i.e., three non-parliamentary members and four female ministers.

The general election, due to the limit of four years' tenure for the members of House of Representatives, took place in November, 2003. The outcome was a moderate setback to the Liberal Democratic Party (LDP), reducing its seats from 247 to 237, while the largest opposition party, the Democratic Party of Japan, increased its seats from 137 to 177. All the minor parties did not fare well. The new Komei Party is the only party which managed to keep its party strength intact, while the seats of the Communists, Social Democrats and New Conservatives were drastically reduced. The New Conservatives lost all their seats and decided to join the LDP. All this is widely considered to be the outcome of the steadily self-reinforcing changes in the electoral rules and systems legislated in 1993. In other words, the Japanese party system has been moving in the direction of forging a broadly two-party system (Reed, 2004). Seeing this long-term trend, while keeping a coalition agreement with the LDP, caused intense debate within the new Komei Party and its religious body, the Soka gakkai, as to whether the new Komei Party should keep or pull out of the coalition. In the general election the LDP sought help from the new Komei Party, which is adept and agile at electoral mobilization, even when it does not field its own candidate in the district concerned.

In return, the new Komei Party boasted, during the election campaign, that its party manifestos were overwhelmingly enhanced in the course of keeping a coalition with the Liberal Democratic Party. Damaging to the new Komei Party however was the fact that the new Komei Party had to swallow some bitterness when they *faute de mieux* complied with the LDP, especially when the LDP was more tightly aligning its foreign policy with the United States and substantially cutting government expenditures in its social policy.

In the course of legislative deliberations in the National Diet, a series of pension scandals were disclosed one by one. Taking responsibility of non-payment records of the legislators' pension program at one time or another, two key party bosses of the Democratic Party of Japan resigned, i.e. Naoto Kan and Ichiro Ozawa. Within the LDP, Cabinet Secretary Yasuo Fukuda resigned, as if he represented all other LDP non-paying legislators. Fukuda's action was quietly applauded within the LDP as it had to face the upper house election two months thereafter. The LDP was apprehensive about its outcomes as it had been losing seats steadily and the Democratic Party of Japan was gathering momentum. Its apprehension was real in that the upper house election is based primarily on proportional representation. Many LDP legislators were happy to see the issue put an end to by Fukuda's resignation.

Fukuda's resignation caused wide speculation as to what are the 'real' motivations behind his resignation. Koizumi and Fukuda have known each other for a long time. Koizumi, when he was very young, was a secretary to Fukuda's father, Prime Minister Takeo Fukuda (1976–1978) and his career owed a lot to Fukuda senior. All this, along with Fukuda being the elder, must have produced psychological aspects difficult to summarize. It may not be too much to speculate that Fukuda has prime ministerial ambition. Closer to politics, the Japanese government has been conducting its North Korea policy largely through the Prime Minister's office rather than through the Ministry of Foreign Affairs. That is how Koizumi arranged a surprise summit meeting with Kim Jong-Il of North Korea in September 2002, enabling a number of those Japanese citizens abducted by North Koreans in the 1970s and 1980s to come back to Japan. Yet the criticism at home mounted as to when the rest of abductees, amounting to a few dozen, could be brought back to Japan, including those children born in North Korea and the abductees who were declared dead by Kim Jong Il in the summit meeting. Chief Cabinet Secretary Fukuda reportedly wanted to make a visit to Pyongyang by himself, as he was knowledgeable about this issue. Koizumi apparently insisted that he go to Pyongyang again. A week before the upper house election that took place on 12 June 2004, he made a surprise visit to Pyongyang, bringing all the children Kim Jong Il did not declare dead in 2002 back to Japan.

The upper house election took place on 12 June 2004. The results reinforced the trend observed in November 2003 in the general election, i.e. the growing parity between the Liberal Democratic Party and the Democratic Party of Japan in terms of number of seats and a drastic reduction of minor parties' seats. The new Komei Party kept its strength intact. However, as before in November 2003, its leadership group increasingly

agonized about its coalition strategy with the Liberal Democratic Party for two major reasons. First, although the new Komei Party enabled its largest number of policy platform items to be legislated in the National Diet, many grass-roots level Soka gakkai and party members are unhappy about the social and foreign policies the coalition government has pushed forward. The Soka gakkai and the new Komei Party portray themselves as the best friends of the socially weak and underprivileged and the best friends of world peace, especially with Japan's immediate neighbors, i.e. the Koreans and Chinese. Second, as the changed election rules and systems have started to make their impact felt visibly and tangibly in the 2003 general election and the 2004 upper house election in the direction of favoring two large parties and reducing the strength of the rest, the new Komei Party has every reason to start to distance itself from the Liberal Democratic Party, yet does not see any immediate alternative to the coalition with the Liberal Democratic Party.

The Liberal Democratic Party faces its dilemma much more fundamentally. At the grass-roots level strength has almost vanished by the dramatic weakening of its local party organizations composed of local notables based on the traditional sectors of agriculture and small local businesses. Its special relationship with big business and central bureaucracy was gone forever. Big business is not necessarily dependent on government largesse to obtain its profits, to expand at home and abroad, thanks to the relentless tide of globalization. Bureaucracy has been shifting its niche from administrative type guidance to the technocratic policy implementation type. What it lacks most glaringly is operationalizable policy vision and leadership in general, which unfortunately cannot be found to any extent in the current and aspirant leaders of the Liberal Democratic Party. Prime Minister Koizumi is in part responsible for the current predicament of the Liberal Democratic Party. He became Prime Minister through his populist slogan, destroy the LDP, save the country through reform. Koizumi has been tenacious in pushing forward structural reform, despite all the opposition to it. The irony is that before structural reform made its basic breakthrough, the economy had come back by the first quarter of 2004.

Prime Minister Koizumi kept his second cabinet intact after the upper house election saying that both cabinet and party reshuffling should be made sometime in September 2004. Meanwhile a season of conspiracy was ushered in, in the midst of an incredibly hot summer, registering 30–35 degrees for nearly two months.

On 27 September 2004 the reshuffling of the second Koizumi cabinet took place along with a change of party executives. The primary focus was on executing the structural reform in post and communications. Its thrust is to privatize the postal service and to make the government sector slimmer and more efficient and to terminate the postal service's function of absorbing massive household savings through postal savings and thus to help enhance the private financial service sector in general. To legislate this major bill through the National Diet, Koizumi fortified the cabinet with only those who professed to be with him on his postal policy, including Heizo Takenaka (State Minister in charge of Economics, Finance and Post), Taro Aso (Internal Affairs

and Communication), Teiichi Tanigaki (Treasury), Shoichi Nakagawa (Economics and Industry), Seiichiro Murakami (State Minister in charge of regulatory reform and industrial rejuvenation), and Tatsuya Ito (State Minister in charge of money and finance), most of whom were members of the Prime Minister-presiding Council of Economic Affairs. With the postal legislation now scheduled to take place in the next Diet session or two, Koizumi will say his major reform mission is accomplished. Needless to say, the tough issue of social policy (pension program, medical care, education, social welfare, etc.) will not be tackled head on until the prospect of the economy becomes bright and reassuring enough to allow the call for a consumption tax hike to be pronounced. Koizumi expressed that during his tenure he would not raise the consumption tax rate. Another policy focus is foreign and defense policy. Its thrust is to concentrate foreign and defense policy in the Prime Minister's Office, and Koizumi appointed as special assistant Taku Yamasaki, former Secretary General of the Liberal Democratic Party, and Yoriko Kawaguchi, former Foreign Minister. Nobutaka Machimura, former bureaucrat from the Ministry of International Trade and Industry, was appointed as Foreign Minister. Yoshinori Ono was appointed as Defense Minister. Koizumi pronounced that his major priorities are, besides the alliance with the United States and the consolidation of ties and transactions with neighboring countries of East and Southeast Asia and beyond, permanent membership of the United Nations Security Council, North Korea with its nuclear non-proliferation and abductee issues, Russia with peace treaty and energy supply issues – three issues deemed most difficult to resolve for the last half a century. Also this time he de-emphasized the salience of female ministers, with Takenaka being an upper house member since July 2004 and Kawaguchi moving to the Prime Minister's Office as special assistant.