

Market reform and Japanese nationalism: the twin policies of Koizumi's government

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In the wake of his government's victory in the September 11 lower house elections, Japanese Prime Minister Junichiro Koizumi is accelerating his agenda of radical free-market restructuring and the rehabilitation of Japanese nationalism and militarism.

Koizumi called the early election in August, after factional opponents within his own Liberal Democratic Party (LDP) joined with opposition parties in the upper house to reject legislation enabling the privatisation of state-owned Japan Post.

Koizumi attacked his LDP rivals as an obstacle to Japan's "regeneration" after years of economic stagnation. With the backing of most of the media, Koizumi won an increased majority by claiming that Japan's social ills were the product of national regulation, bureaucratic nepotism and "too many" public sector workers.

On October 14, the upper house passed the postal privatisation legislation on the grounds that the election had given Koizumi a popular mandate. After the passage of the bill, Koizumi enthused: "This was a miracle in the political world. We must push ahead with reforms more than ever."

The real winner is the Japanese corporate elite. The sale of Japan Post, which has assets exceeding \$US3 trillion, will create some of world's largest private financial institutions and provide a speculative bonanza for the Tokyo stock market. It will also close off to the government a key source of public loans and thus compel the Japanese state to slash back spending on public services, pensions and social welfare. The intention is to force up unemployment, drive down wages and reduce taxation. Two of the key targets for budget cuts are the age pension and childcare.

On October 6, Koizumi unveiled a plan to slash 700,000 jobs from the public sector, or 20 percent of the total number of government employees, within a decade. His Council on Economic and Fiscal Policy, which is comprised of private corporate advisers and economists, has recommended that the government reduce the overall public sector payroll to half its current proportion of Gross Domestic Product (GDP). It estimated that one-third of the proposed cut could be achieved by 2007 due to the privatisation of the postal services.

As corporate interests take over Japan Post, thousands of postal workers are expected to be laid-off in sweeping restructuring programs aimed at increasing profits.

Koizumi has also wasted no time in resuming the right-wing populism that has marked his administration since it was formed in 2001. Three days after the passage of the postal privatisation bill in

the upper house, Koizumi once again visited the Yasukuni shrine, where convicted World War II Japanese war criminals are interred. It was his fifth visit since he came to office.

Koizumi answered the predictable protests from South Korea and China—where millions died or suffered at the hands of the Japanese imperialism in the first half of the twentieth century—with rhetoric that other countries had no right to interfere with how Japan paid tribute to its war dead.

Koizumi's provocative promotion of nationalism is inseparable from his government's efforts to overcome the deeply-felt popular opposition to militarism. In the last 12 months alone, his government has created serious diplomatic incidents over the alleged intrusion of a Chinese submarine into Japanese waters and by approving school history textbooks that falsify Japan's wartime atrocities.

During the anti-Japanese protests in China earlier this year over the history textbooks issue, Koizumi presented himself as a leader who would "stand up" to Beijing. Various symbols of pre-war imperial Japan have been rehabilitated to generate a nationalist political climate. In May, a public holiday was renamed to explicitly honour the wartime emperor Hirohito.

A significant factor in these decisions has been an attempt to cultivate a right-wing base of support for re-militarisation and the use of the Japanese military abroad. Since 2001, Koizumi has dispatched the Japanese military in support of the invasion of Afghanistan and sent troops to assist in the US-led occupation of Iraq—the first time that Japanese ground forces have been sent into a war zone since the end of World War II.

To mark the 60th anniversary of the end of the war, Koizumi's LDP is proposing a new draft of the Japanese constitution that removes some of the remaining constraints on the use of the Japanese military imposed by the so-called "pacifist" clauses of the document.

The proposed changes will explicitly acknowledge the existence of a "military". The current clauses in Article 9, if strictly interpreted, forbid Japan from possessing a military or using force to settle "international disputes". Japan's highly sophisticated armed forces are formally classified as the SDF or "self-defense forces". The seemingly semantic change will enable Japanese governments to more easily deploy Japanese troops overseas for so-called "peace-keeping" operations.

The draft also adds various nationalist references that are absent from the current constitution, such as "love of the nation",

patriotic references to the emperor and other expressions invoking the pre-war imperial Japanese state. Koizumi's ambition is to use his majority in the parliament and claims of a popular mandate to push the changes through next year.

In a speech at the Hyakuri air force base in Ogawa on October 30, Koizumi declared: "A national consensus is finally being formed on the position of the Self-Defense Forces in the constitution, following many years of discussions. As the top commander of the SDF, I will link my heart with yours and make utmost efforts to create an environment, both at home and abroad, so that the SDF's missions will be fully accomplished."

Koizumi's agenda is being backed by the Bush administration. Last month, Washington and Tokyo signed an agreement to reduce by 7,000 the number of US troops in Japan, as part of new security arrangements that accord a greater military role for Japan in the Asia-Pacific.

The strengthening of the US-Japan alliance was expressed by the fact that Tokyo has agreed to host a US nuclear-powered aircraft carrier in Yokosuka port for the first time in history. The decision has triggered a wave of local protests because of the bitter memory of the US atomic strikes on Japan in 1945.

Koizumi's determination to push ahead with his economic and foreign policy agenda is expressed in his treatment of his LDP opponents, as well as the composition of his new cabinet.

In some of the most ruthless internal party discipline ever meted out in the LDP, as many as 50 leading members who voted against or protested against his postal privatisation bill have been expelled or driven out. Among them were men who were previously some of the most influential factional powerbrokers in the party, such as Shizuka Kamei.

On October 31, Koizumi carried out a major reshuffle of the cabinet that retained only six of the former 17 ministers. The reshuffle was intended as a clear statement to the Japanese corporate elite that the government will not alter course. In the main, Koizumi anointed right-wing nationalists and pro-market figures considered loyal to the political perspective he is championing. The once-all powerful LDP factions were barely consulted.

Shinzo Abe, the acting secretary of the LDP, was appointed as chief cabinet secretary. In recent months he has acted as Koizumi's front man in rejecting criticism of the Japanese government by China and South Korea. He is being touted in the media as the most likely next leader of the LDP after Koizumi finishes his term next September. Notorious for his support for Japanese militarism, Abe declared after his new appointment that he would continue to pay tribute at the Yasukuni shrine every August 15—the day of Japan's surrender in 1945.

The new foreign minister, Taro Aso, is a Japanese chauvinist who provoked tensions with South Korea in 2003 by claiming that Koreans "voluntarily" adopted Japanese names under Tokyo's colonial rule. His family once owned a coal mine that employed 10,000 Korean forced labourers. His grandfather was the former prime minister, Shigeru Yoshida, who negotiated the end of the World War II and signed the treaty forming the US-Japan alliance. Aso has also gone on record demanding that China not interfere with Japanese leaders worshipping at Yasukuni and has called for

a strengthening of the US-Japan alliance.

The economic ministers are among the most aggressive advocates of restructuring. Sadakazu Tanigaki retained his post as finance minister and will work closely with Heizo Takenaka, the internal affair minister, to implement free market reform. Takenaka is a favourite of the financial markets and a key architect of the postal privatisation plan.

Welcoming the cabinet, the *Yomiuri Shimbun* editorialised on November 1: "In order to make the social security system sustainable, the public will have to face the pain of shrinking benefits and growing financial burdens. Koizumi has kept Tanigaki on as finance minister, while appointing Jiro Kawasaki, who belong to the same faction as Tanigaki, as health, labour and welfare minister, probably because he wanted to see the smooth coordination between the finance and health ministries, so that his cabinet could take a bold step toward holding down social security expenses."

No party in the Japanese political establishment is offering any serious challenge to the Koizumi government.

The main opposition party, the Democratic Party of Japan (DPJ), is barely distinguishable from Koizumi's LDP. Its new leader, Seiji Maehara, has made repeated statements in support of a revision of the constitution and the strengthening of the US-Japan alliance. The DPJ is planning to put forward its own draft of a revised constitution which would explicitly sanction the Japanese military participating in UN multinational forces and "peacekeeping", even if doing so would involve the use of force. The DPJ's main criticism of Koizumi's economic program was that it would not slash government spending and workers' wages quickly enough.

Aside from voicing toothless criticism, the Stalinist Japanese Communist Party and Social Democratic Party are virtually irrelevant. They are widely viewed in the working class as corrupt bureaucratic shells that have proven over decades to be incapable of any genuine struggle in the interests of ordinary people.

With no outlet, the widespread hostility among Japanese workers toward the preparations for a stepped-up assault on their living standards and the resurgence of militarism can only burgeon into ever-greater alienation and social discontent.



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