Japanese opposition party in crisis

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A fund-raising scandal has exposed the fragility of the opposition Democratic Party of Japan (DPJ), once thought to be marching unstoppably toward office. With general elections due later this year, the DPJ, like the deeply-unpopular, ruling Liberal Democratic Party (LDP), is confronting falling popularity, inner conflict and a lack of coherent policy, as Japan plunges further into economic recession.

In 2007, DPJ leader Ichiro Ozawa led the party to a clear victory in the Upper House election. He has since used the party's majority to block legislation and undermine the government on a range of issues, precipitating three changes of prime minister.

Now, however, Ozawa is fighting for his political life. His secretary, Takanori Okubo, was arrested on March 3 for allegedly receiving donations from Nishimatsu Construction. While allowing companies to finance political parties, the country's Political Fund Control Law prohibits individual politicians from receiving corporate donations. Tokyo district prosecutors claim that two front organisations set up by Nishimatsu Construction donated 21 million yen to Ozawa's fund raising body from 2003 to 2006.

The scandal is particularly damaging to Ozawa as the DJP presents itself as being above the corrupt machine politics of the old LDP establishment. The media has published opinion polls showing a majority want Ozawa to resign as DPJ president. A survey by *Mainichi Shimbun* found that 79 percent were not convinced by Ozawa's explanation and 57 percent said he should step aside.

Ozawa had refused to resign, but support for him is crumbling. Shadow defence minister Keiichiro Asao declared on March 7 that if it turned out that Ozawa knew the money came from a company, then "he's out". According to the *Mainichi Shimbun*, only 28 percent of respondents declared they would vote for the DPJ—down by 8 percent since December.

According to the *Asahi Shimbun*, Ozawa held meetings last week with the party executive, in which he apologised for the scandal and pleaded to be kept as party leader for the general election this year. "I am prepared to stake my political life on an attempt to bring about political change. The major objective is to get away from bureaucracy and toward the private sector," he reportedly said.

The LDP has made no gains from the scandal. The same poll found that only 20 percent would vote for the LDP, down 2 percent from December. Ozawa was still ahead of Prime Minister Taro Aso as preferred prime minister—13 percent to 10 percent—with 73 percent saying that neither was suitable for the post. The approval rating for the government increased 5 percent to reach just 16 percent.

The LDP is also embroiled in the scandal. Economy, Trade and Industry Minister Toshihiro Nikai is under investigation for receiving funds from the same company. Nikai and Ozawa both belonged to the same LDP faction, which has longstanding connections to the construction industry, before Ozawa left the party in 1993.

The scandal has highlighted the deep internal divisions that wrack the DPJ. A sizeable section of the DPJ is made up of dissident LDP politicians who, like Ozawa, quit the party in 1993 to promote political reform and a more aggressive free market agenda. The split was a product of intense debate in ruling circles about the need for Japan to take new directions following the end of the Cold War and the economic stagnation that followed the collapse of share and property values in the early 1990s.

Ozawa wrote a bestseller in 1993 entitled the *Blueprint for a New Japan* that called for economic deregulation, a single-seat constituency system to break up the LDP's monopoly and the streamlining of the powerful state bureaucracy. He also called for Japan to become a "normal nation"—that is, to abandon the so-called pacifist clause of its post-war constitution, in order to enable the use of its military like "normal" powers and send troops overseas to protect Japanese interests.

The LDP split led briefly to the first non-LDP government in the post-war period. However, the resulting eight-party coalition collapsed amid tensions between the various LDP

breakaways and the Japanese Socialist Party (JSP)—Japan's largest, longstanding opposition party. The LDP returned to power in 1994 in a coalition with the JSP that proved to be the JSP's final hurrah. Voters who had loyally backed the JSP as the alternative to the LDP for decades deserted the party in droves.

The DPJ was formed in 1998 as an amalgamation of various LDP breakaway factions with fragments of the JSP. Ozawa and his Liberal Party, which had attempted to rejoin the LDP in 1996, fused with the DPJ in 2003. The party, however, remains a heterogeneous alliance, which has been able to capitalise on rising hostility to the LDP. The prospect of forming the next government is opening up divisions in the DPJ's ranks.

Amid the country's deepening recession and rising unemployment, the DPJ has made a raft of promises designed to woo voters, including to introduce child allowances, protect jobs, cut road tolls and assist small and medium firms. The DPJ's leftist image has borrowed on the rhetoric of former Social Democrats and union bureaucrats inside the party. At the same time, the party continues to advance the free market agenda of Ozawa and other former LDP politicians, and opposed the government's stimulus packages on the grounds that Japan was already heavily indebted. If it came to power, a DPJ government would rapidly jettison its promises in the name of fiscal responsibility.

On foreign policy, the divisions are even deeper. The LDP has traditionally firmly backed the US-Japan Security Treaty as the centrepiece of its foreign and strategic policy. The JSP opposed the US alliance and defended the pacifist clause of the constitution, in order to capitalise on deep-seated revulsion towards militarism. The DPJ has criticised Japanese involvement in the US wars in Afghanistan and Iraq, which are widely unpopular in Japan. At the same time, its attitude toward the US alliance remains an unresolved issue.

When the US Secretary of State Hillary Clinton visited Japan last month, Ozawa initially declined to meet with her on the grounds that the DPJ had not worked out its foreign policy. Insofar as the party has a foreign policy, it is based on an uneasy agreement signed in 2004 between Ozawa and Yokomichi Takahiro, formerly from the JSP, to maintain the pacifist clause and require UN authorisation for the dispatch of Japanese troops overseas.

Ozawa's stance is that Japan should more independently and aggressively assert its interests. Last month, he declared that the US should withdraw all its military forces from Japan, with the exception of the US 7th Fleet. "We should have our own global strategy, and Japan should play its role—at least for issues that are related to Japan," he told reporters.

Superficially, such a policy might appeal to leftists inside the party who have campaigned to shut down US bases in Japan, but the same layers are suspicious of Ozawa's militarist outlook. At the same time, former LDP conservatives have voiced their concern that such a step would undermine the US alliance. In the end, the proposal pleased no one. According to the *Yomiuri Shimbun*, the DPJ avoids "discussing security policy issues within the party, fearing doing so would cause schisms".

Similar divisions wrack the LDP. Supporters of Junichiro Koizumi—who led the only recent long-lived LDP government, from 2001 to 2006—are, like the DPJ conservatives, proponents of pro-market policies and publicly opposed Aso's stimulus packages. Koizumi also used the US "war on terrorism" to dispatch Japanese troops to Iraq—setting a precedent for other overseas deployments—and gained US support for a more aggressive Japanese stance in North East Asia, particularly toward China. Subsequent LDP governments have attempted to mend relations with China, on which the Japanese economy has become heavily dependent.

The main factor fuelling the political crisis in both parties is the profound alienation of broad layers of the population, particularly the youth, with the entire political establishment. A majority of voters do not support either the government or the opposition and hold both leaders in contempt. Collapsing popularity has already claimed the political scalps of two prime ministers in the past three years, and may yet lead to the ousting of both Aso and Ozawa as the parties desperately manoeuvre for this year's elections.