

The historic decline of Japan's Liberal Democratic Party

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The landslide defeat of the Liberal Democratic Party (LDP) in Japan's election last month marks more than the end of the party's protracted grip on political power. The rise of Japanese capitalism after World War II, and with it the fortunes of the Liberal Democrats, depended above all on the international strategic and economic framework built on the now waning global dominance of the US. The ignominious electoral collapse of the LDP amid the greatest global economic crisis since the 1930s is another sign that politics, not only in Japan but internationally, is entering uncharted and stormy waters.

The common myths about Japanese politics—the natural dominance of conservative parties in a regimented society with a placid, disciplined workforce—conveniently ignore the revolutionary upheavals following World War II when the fate of Japanese capitalism hung in the balance. Two million people, including many civilians, had died in the war, nearly half of the aggregate area of the cities had been destroyed and industry was at a standstill. Having suffered the horrors of war, economic deprivation and police-state repression, the working class was deeply hostile to the wartime militarist regime and determined to fight for its basic rights.

In conditions in which the major bourgeois parties were widely reviled, the post-war political stabilisation of Japan, like Europe, rested on the betrayals of Social Democracy and above all, Stalinism. The Japanese Socialist Party (JSP), the Japanese Communist Party (JCP) and their associated trade unions grew explosively. Amid continuing hunger and poverty, strikes and protests were widespread and led to a broad radicalisation. A planned general strike in February 1947 was called off on the orders of the head of the US occupation, General Douglas MacArthur. For the Communists, the decision to abandon the strike was a logical outcome of their Stalinist two-stage theory, which interpreted the limited reforms of the US occupation as part of a so-called first democratic stage of the revolution.

In reality, by reining in working class militancy, the JCP gave the US occupation and the Japanese bourgeoisie a much-needed breathing space. In the immediate aftermath of the war, the US military had released political prisoners, including JCP leaders, and purged politicians and bureaucrats associated with the wartime regime. After 1947 and the outbreak of the Cold War, Washington reversed course, allowing right-wing figures back into political life and conducting a “red purge” of communists and their sympathisers in the state bureaucracy and, with the assistance of American union leaders, in the trade unions.

The Liberal Democratic Party, formed in 1955 as the amalgamation of the conservative Liberal and Democratic Parties, rested entirely on the framework established by the US occupation. The cornerstone of its foreign policy was the 1952 US-Japan Security Treaty that ended the occupation and established Japan as America's chief Asian ally in the Cold War. Economically, the revival of industry depended heavily on preferential trading relations with the US. The Korean War from 1950-53 gave a massive economic boost to Japan, which served as a base of operations for US troops. Politically, the LDP tightened its grip on office through a rural gerrymander reinforced by tariff protection for farmers, as well as subsidies and pork barrel construction projects for rural areas.

In the 1960s, amid continued global expansion, Japan became the original Asian “economic miracle”. Japanese businesses, nurtured behind trade barriers by the powerful Ministry of International Trade and Industry, exploited the country's cheap labour to make major inroads into the US and European markets. Over the decade, the economy grew at an average annual rate of 10 percent.

However, like the post-war boom internationally, the Japanese “miracle” was relatively short-lived. The first rupture came in 1971 when US President Richard Nixon

ended the fixed gold-US dollar exchange rate that had underpinned the global economic framework. The following year, the Nixon administration deeply shocked the Japanese establishment by establishing diplomatic ties with China without bothering to consult its Cold War ally. The huge hikes in oil prices in the 1970s also hit Japan hard. While the economy recovered, rising wages compelled Japanese corporations to invest in other Asian countries where labour was cheaper. Moreover, the economic success that transformed Japan into the world's second largest economy led to sharpening trade tensions with the US.

The political dominance of the LDP, which had ridden the economic upswing, started to unravel in the 1990s. Massive speculative bubbles in shares and real estate collapsed virtually overnight, inaugurating a decade of economic stagnation. The disintegration of the Soviet Union and the end of the Cold War raised difficult new dilemmas for the Japanese bourgeoisie. The political establishment was deeply disturbed at being excluded from the first Gulf War in 1990-91 by the pacifist clause of Japan's constitution, but forced by the US to underwrite the cost of the imperialist adventure. Critics began to question the US military alliance and call for a more independent foreign policy. Moreover, the globalisation of production in the 1980s that had undermined the Soviet Union was also rendering the shut-in Japanese economy less internationally competitive.

The break-up of the Liberal Democrats began in 1993 with a series of defections by those pressing for a more aggressive pro-market agenda and foreign policy. The LDP lost office for 11 months in 1993-94 to an unstable coalition of small new conservative parties and the Socialists. The party returned to power in 1994 in a strange coalition with the Socialist Party with the Socialists' leader Tomiichi Murayama as prime minister. The ruling Liberal Democrats and their loyal opposition, the Socialists, were the central political props of post-war Japanese capitalism. Their grand alliance profoundly alienated supporters of the Socialist Party, which subsequently splintered and collapsed as a significant political force. The LDP staggered on from one crisis to the next, forming a series of weak, short-lived governments riven by internal feuding and incapable of carrying out the economic restructuring demanded by big business.

Junichiro Koizumi's term as prime minister from 2001 to 2006 appears to be an exception. But Koizumi's political success rested entirely on his ability to posture as a "rebel" against the party hierarchy. The LDP only turned to Koizumi, who had always been regarded inside the party as

an eccentric misfit, when it was staring political oblivion in the face. Koizumi exploited his populist image to push through a series of right-wing policies—the promotion of Japanese militarism, full support for the Bush administration's "war on terrorism" and further economic restructuring. After LDP members in the upper house scuttled his postal privatisation plans in 2005, he expelled the rebels and called a snap election—an unprecedented step in Japanese politics. By focussing on postal privatisation, he effectively sidelined other issues—including widespread opposition to the Iraq war.

The impact of Koizumi's sweeping pro-market restructuring soon became apparent, however, giving rise to a public debate over economic "winners" and "losers". When he stood aside in 2006, his popularity was already sliding. None of his successors as prime minister—Shinzo Abe, Yasuo Fukuda or Taro Aso—was able to repeat Koizumi's political confidence trick. The global economic crisis over the past year brought to the surface deep-seated resentment and hostility, not only toward the Liberal Democrats, but to the entire Japanese political establishment over declining living standards, deepening social inequality and the revival of militarism.

The decline of the LDP opens up all of the unresolved political and social questions that erupted after World War II, but were then smothered by the straitjacket of post-war politics. The ruling class will now be compelled to use the Democratic Party, a makeshift amalgamation of former LDP and Socialist Party factions, to implement its agenda—a process that will inevitably bring the new government into collision with the working class. If history is any guide, these struggles will take on a revolutionary character sooner rather than later. To prepare for these convulsions, we urge workers and young people to make a serious study of the history and program of the world Trotskyist movement as the first step toward the building of a Japanese section of the International Committee of the Fourth International.

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