

Japan's new political crisis

Peter Symonds
4 September 2010

The current contest for the post of Japanese prime minister is another sign of deep-seated political instability fuelled by the country's economic stagnation and worsening social crisis as well as growing global rivalries and antagonisms, particularly between China and the United States.

If Ichiro Ozawa wins the top job in the ruling Democratic Party of Japan (DPJ) on September 14, he will become the country's third prime minister in just over a year. The Democrats ousted the conservative Liberal Democratic Party (LDP) in national elections in August 2009, ending its virtually unbroken half-century grip on power.

Ozawa is challenging Prime Minister Naoto Kan, who took over after Yukio Hatoyama stepped down in June. The immediate issue that sparked Hatoyama's resignation—his unpopular decision to cave in to US demands to maintain a controversial US Marine Corps Airbase on the island of Okinawa—has again opened up. Kan stands by the agreement with the US, while Ozawa this week has called for new negotiations with Washington.

Behind the protracted dispute over the US base lies a more fundamental dilemma for Japan's ruling elite: how to balance its growing economic dependence on China, its top export market, against its longstanding strategic reliance on the US as military ally and protector.

During last year's election, the Democrats sought to capitalise on popular hostility to the LDP's support for US militarism and the wars in Iraq and Afghanistan by promising a more independent foreign policy. Ozawa returned to the issue this week, obliquely underscoring Nan's kowtowing to Washington, by declaring: "The

[US] alliance isn't a relationship of subordination, but it's an equality partnership." Ozawa has already indicated his support for closer ties with China, by leading a huge delegation of politicians and businessmen to Beijing last December.

In their televised debate on Thursday, Kan and Ozawa signalled opposed approaches to Japan's economic woes. In line with the turn in ruling circles globally, Kan continued to insist on measures to rein in the country's huge public debt, approaching nearly 200 percent of Gross Domestic Product (GDP). His proposed doubling of the country's sales tax was a major factor in the DPJ's disastrous result in July's upper house elections. Ozawa called for the fulfillment of the DPJ's 2009 election promises and renewed stimulus spending as the economy again slowed in the second quarter.

There were also differences over the value of the yen against the US dollar—it is near a 15-year high, impacting on exporters and threatening to further undermine growth. While Kan has promised "bold action" on the currency, Ozawa declared during the television debate: "We must stop the rapid rise of the yen by all means." Ozawa's threat to intervene directly in the money markets to bring down the yen's value could bring Tokyo into conflict with Washington, which is banking on a cheap dollar to help American exports.

Ozawa's challenge has provoked opposition in the international financial press. A scathing *Financial Times* editorial on August 29 was headlined "The wrong man for Japan" and bluntly declared that Ozawa would be "a disaster". The newspaper cited his latest anti-American comments, his involvement in election funding scandals, his unpopularity in the polls, and his

connection to LDP-style politics. It warned of the dangers of further political instability in Japan.

What the *Financial Times* regards as disastrous is Ozawa's turn away from the austerity agenda now being pushed by international finance capital in every country. The huge stimulus packages and bailouts that governments used to prop up capitalism in the midst of the 2008-09 global financial crisis resulted in debts that must be clawed back at the expense of working people. In Japan, the massive public debt goes back even further to the collapse of share and property speculation in the early 1990s that inaugurated two decades of economic stagnation. A return by Japan to stimulus spending would only encourage other countries to follow suit.

However, the government is confronting the same political predicament as its counterparts around the world—any attempt to impose the needed austerity measures threatens to provoke an outpouring of opposition. The press in Japan and internationally have highlighted the fact that Kan is outpolling Ozawa by four to one. But such polls are virtually meaningless in conditions where the overwhelming sentiment is hostility to all parties and the political establishment as a whole. The Democrats swept into office last year on an anti-LDP tide, but in the space of nine months the Hatoyama government's standing collapsed from 70 percent to less than 20 percent.

The volatility in Japan is another expression of political and economic processes that are producing crises in one country after another. While the form might be different, the hung parliament in Australia, the collapse of support for the Democrats in the US and the emergence of an unstable Tory-Liberal government in Britain reflect widespread suspicion, alienation and outright hostility to the established political parties that are responsible for militarism and war, attacks on democratic rights and a deepening social gulf between rich and poor.

As in other countries, the political landscape in Japan is changing irrevocably. The country's post-war politics was dominated by the ruling conservative LDP and opposition, reformist Socialist Party of Japan

(SPD)—all within the framework of a Japan that was economically and strategically dependent on the United States. The end of the Cold War and the collapse of Japan's speculative bubbles in the early 1990s produced upheavals as the ruling elites sought to refashion their policies and political instruments to meet the challenges of globalised production and sharpening great power rivalries.

The Liberal Democrats suffered a series of splits in 1993 that included the defection of factions led by Hatoyama and Ozawa and led to a short-lived non-LDP coalition government in 1993-94. The SPD imploded after forming a grand coalition in 1994 with the LDP, its arch-rival for decades. The Democrats emerged as an unstable mélange of ex-Liberal Democrat factions, right-wing Social Democrats and former “independents”. Having come to power, all the internal contradictions are now on display. Commentators are already speculating that the DPJ could split after September 14, which could lead to the government's fall.

This situation presents a crisis for both the corporate elites and the working class in Japan. From the political wreckage of the parties on which it has relied since World War II, the ruling class must fashion a political mechanism for prosecuting its strategic interests and imposing its economic agenda.

For all their disgust and opposition to the political establishment, workers and youth lack a political party and program to defend their class interests. That is what needs to be built—a section of the International Committee of the Fourth International, the world Trotskyist movement, to fight for the perspective of socialist internationalism.

Peter Symonds



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact