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Koizumi's Kingdom of Illusion

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The Magic

Nearly four years after he was first elected Prime Minister, promising to "reform" Japan even if it meant destroying his own party, the LDP, Koizumi did the unthinkable: he secured an even bigger majority by promising again to do more-or-less the same, having failed ignominiously in the meantime to advance a reform agenda. Though head of government, he won a resounding triumph by presenting himself as leader of a crusading force of reformers.

The occasion for dissolution of the lower house of the Diet and the calling of the election was the loss, by 17, of a vote on postal privatization in the Upper House on 8 August. When 37 members of Koizumi's own party abstained or voted against the bill, he took the unprecedented step of calling an election, stumping the nation with the simple question "Yes" or "No" to the bill, which he described as the litmus test of his reform agenda. He stuck doggedly to the single point that the election was about reform and reform meant privatization of the Post Office. His decision to dissolve and call a lower house election in order to punish the upper house for rejecting his bill, and to resolve differences within the ruling party, was of dubious legality, since the only constitutional provision for confrontation between the Houses of the Diet, under Article 59 (2), is for the bill to be remitted to the Lower House, where it would pass into law provided it secured a two-thirds majority. That, however, Koizumi knew to be impossible.

Denouncing those who had voted against him as rebels, he dismissed them from the party, and in a brilliant piece of political theatre sent "assassins," including a number of high profile, glamorous women, with no political experience, to contest their electorates. He likened himself to Oda Nobunaga, hero of the late 16th century civil war [1], and indeed behaved during the 2005 campaign as though he were acting a role in a samurai period drama. At other times, he likened himself to Galileo, implying that the need to privatize the PO was akin to recognition of heliocentricity. Like Galileo, he insisted he was ready to die if necessary for his cause [2]. The electorate stirred with excitement over the assassins, the dying for the cause, and the promises of "reform." By polling day abstentions were down to 32.5 per cent, lower than in any election since 1990.

Elections since 1994 have been based on a system that replaced Japan's old multi-member electoral constituencies with a mixture of 300 single-member, first-past-the-post seats and 180 filled by proportional representation. Koizumi's LDP won (in the proportional section of the election) the votes of 25.8 million people (38.18 per cent of those that did vote, roughly three points better than Tony Blair a few months earlier). Overall he gained 61 per cent (296) of the seats, and his coalition partner, the Buddhist Komeito (Clean Government) Party, with 8.9 million votes (13.25 per cent of the electorate) took an additional 31 seats, giving his government a two-thirds majority, 327 seats in a 480 seat House. Despite the national swing to the LDP, however, without the support of

Komeito's religious votes, few of the LDP candidates would have had sufficient support to carry their single-member urban constituencies. By contrast, the main opposition party, the Democratic Party of Japan (DPJ), despite its 21 million votes (likewise in the proportional representation section) or 31 per cent of the electorate, saw its representation slashed from 177 to 113 seats. Its share of votes in the single member constituency section declined by only one per cent, from 37 to 36 per cent, but its share of seats was halved, from 35 to 17 per cent.

The Japan Communist Party, with 7.25 per cent of the national vote, got 1.9 per cent of seats (none at all in the single member seat section), maintaining its previous nine seats, and the Social Democratic Party (formerly the Japan Socialist Party) with 5.5 per cent of the vote secured 1.5 per cent of seats, improving its representation from six to seven. Seventeen ex-LDP "rebels" and one other independent were also successful and now sit in the remotest corner of the parliamentary chamber, either as independent or under the banner of one or other small new parties [3].

The outcome was one of the great triumphs of modern Japanese political history, but it owed much to the peculiarities of the electoral system. The LDP was far from gaining the support of a majority of the electorate, and indeed has not won it since 1963. The following table illustrates how the LDP has benefited from the 1994 electoral reform [4].

LDP Electoral Performance, 1996-2005 [5]

1996 Votes 39% Seats 56%

2000 Votes 41% Seats 59%

2003 Votes 44% Seats 56%

2005 Votes 48% Seats 73%

The cause of democracy is ill-served by a system that so grossly distorts the popular will. If the overall number of votes was simply translated into seats on a proportional basis, the LDP in 2005 would have got 183 seats to the DPJ's 149, and the JCP and DSPJ would have won 35 and 27 seats respectively. When the Asahi totted up the numbers of votes cast in the single member constituencies, it found that the combined government (LDP and Komeito) vote at 33.5 million was around one million votes fewer than the aggregate opposition vote [6]. September 11 delivered a landslide of seats, but the media interpretation of a decisive electoral shift in favor of Koizumi and his policies was simply illusion.

While the LDP has been in government for most of the past half century, its opposition has undergone considerable change. The main opposition party today, the Democratic Party of Japan (DPJ), is a hybrid, unstable coalition that assumed its present form in 1998, made up of formerly "left" and "right" factions from the existing parties (both LDP and Japan Socialist party) that coalesced in the political turbulence of the mid-1990s. Though nominally an opposition party, in 2005 it was in basic agreement with the LDP on postal reform (though not on the details of the Koizumi bill) and on a general neo-liberal "reform" agenda. In 2003, it even enjoyed a measure of financial support from the Keidanren business federation, seeking additional leverage to its "reform" demands. In 2005, the DPJ failed to grasp that Koizumi had made the election a plebiscite on a single matter, and paid the price. Presenting complex problems and choices of policies, it offered little critical insight into the sort of society Koizumi was bent on creating and no compelling alternative vision.

Beyond the DPJ the opposition benches accommodate the Japan Communist Party, whose vote has fluctuated between about 2 and 8 per cent throughout the postwar era, the

Social Democratic Party, which as Japan Socialist Party (till 1994) used to gain the votes of around 15 per cent of the electorate but slowly shrank to a shadow of its former self as today's Social Democratic Party after the fateful choice made by its leader, Murayama Tomiichi, to accept the constitutional legitimacy of the Self-Defense Force (SDF) and endorse the US-Japan security treaty and the Hinomaru and Kimigayo as national flag and anthem, and now the postal rebel independents and several small new parties. Despite its 1990s identity confusion, the SDP was able to weather the Koizumi hurricane, even slightly increasing its parliamentary representation in the September election, by insisting on the principles of peace and constitutionalism.

No recent Japanese election campaign, and few anywhere, has hinged so much on image. Koizumi's open-necked shirts, bouffant hairstyle, swashbuckling image, passionate and monosyllabic sound bytes, gripped the nation's attention. Through the summer leading up to the election, he was at the centre of a well-honed government campaign to promote informality and cooler summer dress under the name of "cool biz", discarding a jacket and wearing open-necked striped or floral patterned shirts that symbolically distinguished him from the conservative LDP image.

By contrast, opposition DPJ leader, Okada, in his dark suit and tie, looked the quintessential salaryman and his speeches as dull as they were earnest. When asked what was his favorite karaoke song, he replied that he did not "do" karaoke [7], which was tantamount to confessing that he was an alien.

For his part, Koizumi had not only marked his accession to the Prime Ministership in 2001 by releasing a CD introducing Elvis Presley songs but burst into an impromptu rendition of "I Want You, I Need You, I Love You" when meeting Tom Cruise in 2003. Okada and the DPJ misread the Koizumi campaign and its media grammar and were duly swept away in a wave of clever images and sound bytes.

Party	Single Member	Proportional Representation	Total
LDP	219	77 (25,887,798 / 38.18%)	296 (+59)
DPJ	52	61 (21,036,425 / 31.02%)	113 (-64)
Komei	8	23 (8,987,620 / 13.25%)	31 (-3)
JCP	0	9 (4,919,187 / 7.25%)	9 (0)
SDP	1	6 (3,719,522 / 5.49%)	7 (+1)
PNP	2	2 (1,183,073 / 1.74%)	4 (+4)
NPJ	0	1 (1,643,506 / 2.42%)	1 (+1)

Shinto Daichi	0	1 (433,938 / 0.64%)	1 (+1)
Others	18		18 (+59)
Totals	300	180 (67,811,069)	480

Abbreviations:
LDP - Liberal Democratic Party
DPJ - Democratic Party of Japan
Komei - New Clean Government Party
JCP - Japan Communist Party
SDP - Social Democratic Party
NPJ - New Party Japan
PNP - People's New Party

The swing towards the LDP was most pronounced in just those urban districts of Tokyo and Osaka, among youth and women, where the DPJ had in recent years been making most headway, even securing two million more votes than the LDP in the proportional representation section of the November 2003 election. In 2005, however, LDP leader Koizumi impressed people as "more anti-LDP" than opposition leader Okada. In their fear and anxiety, people turned for change to a party that had been in almost unbroken power forty-nine of the past fifty years and a Prime Minister that had been in office for more than four years, accomplishing little, but still looking and sounding decisive.

The Post Office

The election was called because Koizumi insisted the Post Office must be privatized. Yet nobody in Japan suggested that the service offered by the Post Office was unsatisfactory and Koizumi offered little explanation other than the mantra: "kan kara min e" (from public to private).
The Japanese Post Office is a unique institution, handling not only the management of 25,000 post offices and the nation-wide postal delivery system but also a savings and life insurance system. In that latter capacity it now sits atop the world's largest pool of funds, a total of around 350 trillion yen (over $3 trillion), made up of 230 trillion in postal savings and 120 trillion in insurance funds (thirty per cent of the Japanese life insurance market). In scale that is roughly two and a half times Citigroup or 20 times Germany's Postbank (the banking subsidiary of Deutsche Post) [8]. In many remote communities the post office is the central social institution. People entrust their savings to it in preference to private banking institutions despite the low interest (less than one per cent) because of its security, its low fees, and the sense that it constitutes a national fund that is used for national development projects. Koizumi's plan called for the existing post office entities to be split into four corporations, with full privatization to take place over a ten year period to 2017, and even then government would still hold over one third of the total value of stocks through a holding company.

The Post Office, through its savings and insurance wings in particular, became a central part of the system perfected in the 1970s by Tanaka Kakuei, known sometimes as the "construction state" or doken kokka [9]. The bureaucrats of the Finance Ministry channeled the population's savings and insurance funds into a wide range of semi-public bodies – constructing highways, airports, bridges, and dams under the over-arching national plan. Wealth was redistributed, both between regions and between social strata. Under Tanaka and his successors, "the doken kokka spread a web of power and corruption throughout the country, substituting interest representation – brokering – for politics in the strict sense, legitimated by its short-term benefits and by the engine for growth that it seemed to provide. [10]" The LDP political machine gained widespread public acceptance, despite the problems, because it functioned to redistribute wealth to the regions and provided a welfare system that was under funded by

European standards but still offered a measure of social safety net.

The Post Office thus became a core component of the Japanese bureaucratic developmentalist state, serving "development" by ensuring the flow of investment funds for designated development projects on the one hand, and serving the LDP, especially the Tanaka faction, by vote gathering and influence-peddling on the other. The system provided lucrative amakudari (post-bureaucratic retirement) positions in the semi-public development corporations for faction-favored cronies who moved from managing the flow of funds to enjoying the benefits of the flow. It was a variant of Keynesianism, inclusive and effective, and under it Japan enjoyed its hey day of lifetime employment, universal education and health provision, corporate welfare, and the company loyalty system. Most people felt they were middle class in those years. The system was predicated on growth, however, and, because it was constantly manipulated to serve private advantage as well as public purpose, was intrinsically corrupt. In the 1990s, growth slowed and eventually ground to a halt, prodigious national debt accumulated, and scandals proliferated.

For all its flaws, it was, as one critic put it, a "pastoral capitalism," in which effort, discipline, skill and care, were rewarded and a sense of social solidarity nurtured, by contrast with Anglo-Saxon "wild capitalism," in which reward and effort were de-linked and the speculative spirit dominated [11]. As it slowly was discredited, however, its enemies within the LDP became more confident. When Koizumi became party leader and Prime Minister in 2001, he chose to take up the cudgels on the Post Office issue, and thereby to try to right what he saw as the wrong done in 1972, when his original mentor in politics, Fukuda Takeo, a former finance ministry bureaucrat, was defeated in a turf war with Tanaka Kakuei that was dubbed the "Kaku-Fuku War". 2005 was his year of revenge on the adherents of the Tanaka system.

The outcome, bruited as a triumph for anti-bureaucratic politics, was rather a triumph of the high-priests of bureaucratic governance in the Ministry of Finance, the one Ministry not challenged by Koizumi's reformist broom, yet the one at the heart of the amakudari and influence-peddling system [12]. Koizumi's September victory signaled the regaining of control over the levers of power by his Finance Ministry mentors and the driving out of the party as heretics of proponents of the distributive, egalitarian principles of the Kakuei state. In an unguarded moment, Koizumi even admitted that he had not read through the post office bill that was supposedly indispensable to national salvation.

If Koizumi and the LDP wagered everything on postal reform, remarkably the election passed without discussion, not so speak of serious scrutiny, of the implications of the plan for future delivery of services, especially in remote areas, the prospect of higher charges and increased risks, or the likely consequences of opening the national savings to global market forces. Most likely few especially cared whether their mail was delivered by public servants or private companies, but the security of their savings and insurance was another matter. Koizumi was careful not to raise the matter during the campaign, and opposition leaders and media failed to make it an issue. The claim that privatization would invigorate the Japanese economy also seemed improbable since private banks currently have more funds than lending outlets, demand is weak and major corporations are well cashed-up. Why would fully privatized institutions choose to put their funds in zero to low-interest government bonds (of which they now hold around 105 trillion worth)? And yet, if they stopped doing so, the bonds might either collapse in price or their interest rate rise precipitately, with grave consequences. The precedent of the

privatization of the Japan National Railways, carried out in 1987 and involving the freezing and then slow expansion of the former national body's enormous debt even as all the assets were sold off, was scarcely mentioned in the privatization push.

The Kingdom

Outside the Koizumi theatre, in the streets where the neo-liberal script has to be lived, all is far from well. During his time at the helm of the nation, the economy contracted [13], national debt spiraled [14], and working people's wages fell steadily [15]. While Koizumi talked incessantly of small government, shifting public sector tasks to the private sector, and deregulating, he poured vast sums of public monies in to shore up private banking institutions and continued public works projects for the construction of largely superfluous new express rail lines, dams, airports, and highways (with five trillion yen plus on a new Tokyo-Nagoya expressway alone).

The "restructuring" that he enthusiastically promoted meant the loss of jobs for many, the further gutting of the already enfeebled "traditional" Japanese employment system, reduction of salaries, increases in social security payments and reductions in benefits for many. Anxiety became widespread, and fears over the possible collapse of the national pension system spread. Young women were turning away from marriage and the society itself was signally failing to reproduce. Over one million households subsist on welfare, and two or three times that number are without resources or reserves and should be on it [16]. Lifetime employment virtually disappeared. The manufacturing sector shed four million jobs in the decade to 2004 [17], many of which were not replaced, being either permanently shifted offshore (mainly to China) or transformed into quasi-jobs, to be "outsourced," done by temporaries, freeter, (casual labor hired from labor supply companies), or robots. Freeters doubled in the decade to 2004, now over 4 million [18], and are expected to grow to 10 million by 2014, with a growing middle-aged component (aged 35 and more) constituting one in five of them [19]. They are a "reserve army" of labor, able to be moved about, exploited, and cut loose and sacked when it suits employers, who are not required to make any provision for their health or welfare [20]. They earn about half the salary of regular workers, or over a lifetime about a quarter; they are the new poor. Another group, 2.13 million aged between 15 and 34, are not in school or employment and therefore described as NEET (not in employment, education, or training) [21]. For those who still, for the moment, retain jobs, stress and anxiety levels rise, since for the most part they have reduced job security, reduced income, and increased anxiety over future pension entitlements and tax burdens [22]. The official figure for unemployment (3.13 million) remains relatively low, but only because shame or helplessness deter many from registering for it. Full-time, regular male labor is replaced by part-time, cheap and insecure female labor, and those in under- or quasi-employment grow steadily [23]. Robots proliferate. By 2007, Canon will have one quarter of its domestic production coming from robots that work 24/7, and do not complain or get tired, sleepy, or sick [24].

From 1997, the suicide rate leapt from around 22,000 per year to over 30,000 where it has stayed ever since. In 2004 it was over 32,000 (90 per day), roughly double the US rate, and with the increase coming especially among middle-aged and elderly males, for economic reasons [25]. Furthermore, for each "successful" suicide, there are said to be five times as many "failed" attempts [26]. To spend time in Japan in recent years is to hear all too often the chilling announcement on the train or subway about a delay due to a "jinshin jiko" or "accident involving a human body." The Japan that in the 1970s and 1980s was known for its

astonishing degree of worker commitment and identification to the corporation, the land of the corporate warrior, is now the OECD country with the lowest levels of corporate loyalty [27], and one of the highest levels of income inequality [28].

What voters were most concerned about was not the Post Office but pensions and welfare (52 per cent), economy and employment (28 per cent), foreign affairs and defense (9 per cent), with just 2 per cent for postal privatization [29]. Shortly before the election was called, on 6 July, the Yomiuri reported that postal privatization was ranked No. 16 of 17 priorities, 7 per cent, still way below pensions and welfare. Only as the parliamentary crisis built towards the election, however, and Koizumi stepped up his campaign, was a small majority in favor of privatization detected [30]. His popularity surged in response to his bold decision to threaten a national election if his bill were defeated.

Japan's welfare budget is among the lowest in OECD (14.7 per cent, compared to 14.6 per cent for the US and an OECD average of 24.2 per cent) [31], but the mass retirement of the baby boomer generation expected around 2007, in the context of rapid aging and a declining birthrate means that expenditure will rise vertiginously. With a median age in 2004 of 42.6 and, with over-65s at 19.5 per cent, Japan is leading the OECD into the unfamiliar territory of a "super aged" society [32]. The 2004 welfare budget, at 32 trillion yen already equal to 76 per cent of national tax revenues (42 trillion), is expected to more than double by 2025 [33]. In due course, public services and social protections have to be degraded "in order to oblige the mass of citizens to buy social protection from private finance and insurance houses. [34]" Less than a year before his triumph, individual politicians, including core members of Koizumi's LDP, were shown to have cynically evaded payments into the compulsory national pension scheme. It was no mean political feat, therefore, for Koizumi to manage to have this crisis dropped from public attention, especially after his cavalier response to a Diet question about his own pension premiums being paid for him (around 1970, before his election to the Diet) by a mysterious political patron for whom he did no work. He replied in the immortal words: "There are all sorts of people, all sorts of companies, and all sorts of employees. [35]"

Books analyzing the transformation of Japanese society in terms of the disappearance of` the 100 million-strong middle class and of the widening split between the super rich and the marginal masses (winners and losers, kachigumi and makegumi) became best sellers. The political events of 2005 were rooted in this deep social malaise.

The Empire

Beyond the kingdom, however, lay the empire. Postal privatization had been pressed upon Japan by the US for decades, and it has long been high on the Washington wish list of Japanese policy changes. Following the Plaza Agreement of 1985, when despite massive yen revaluation the US trade deficit with Japan continued to grow, Japan was assumed to be deriving "unfair" advantage from the "difference" or closedness of its social and economic system. Negotiations to level the bilateral playing field began in 1989 under the name "Structural Impediment Initiative" (SII). To soften the implication of peremptory US intervention in Japan's internal arrangements conveyed by the term, the Japanese Foreign Ministry deleted the word "impediment" and simply translated it as "structural negotiations" (kozo kyogi). At the second meeting, the US side presented a list of over 200 demands for reform – covering everything from budget, tax system, and joint stockholding rules, to the request that Japanese stop working on Saturdays. It was described by one senior Japanese official as tantamount to a "second

occupation. [36]"

Negotiations in similar vein, to remove "impediments" to the US share of the Japanese market resumed under various names thereafter. In the round that was conducted under Clinton and Miyazawa in 1993, Koizumi, as post and telecommunications minister, was actively involved. His personal stake in attacking party and factional enemies coincided with the US government's view that Japan's Post Office, like its bureaucratically-regulated banking and insurance system, was a trade barrier, an "impediment," to be dismantled. When he became Prime Minister, he agreed with George W. Bush to reopen negotiations from June 2001 under the title "U.S.-Japan Regulatory Reform and Competition Policy Initiative" Their scope was breathtaking – including "telecommunications, information technology, energy, medical devices and pharmaceuticals, financial services, competition policy, transparency, legal reform, commercial law revision, and distribution," in short pretty well everything [37]. Koizumi's popularity in Washington reflected the appreciation for the enthusiasm with which he embraced his mission of transforming Japan to meet American standards.

Koizumi's postal reform bill was discussed on many occasions between the two governments. The office of the USTR (US Trade Representative) insisted that privatization be implemented "based on market principles only," and that the Japanese government withdraw completely from postal savings and life insurance [38]. Koizumi's policy was acclaimed as "an important step" in that direction. An October 2004 letter from US Trade Representative Robert Zoellick (who was shortly to become Deputy Secretary of State) to Japan's Finance Minister Takenaka declaring US enthusiasm and readiness to help pursue postal privatization was tabled in the Diet on 2 August [39]. It included a handwritten note from Zoellick commending Takenaka for the splendid job he was doing and offering assistance if required. Challenged to explain this apparent US government intervention in a sensitive and contentious Japanese matter, Prime Minister Koizumi merely expressed his satisfaction that Takenaka had been befriended by such an important figure. When President George W Bush raised the question with Koizumi himself in New York in September 2004, Koizumi is said to have replied: "I will do my best" (shikkari yatte ikitai). It was tantamount to an absolute commitment, and the president duly expressed his satisfaction [40].

Koizumi's government had already contributed enormously towards stabilizing the US economy by its purchases of US treasury bonds and notes, and postal privatization would be a further, large step in sustaining Washington's Iraq mission and related imperial policies. It was a prospect for the Bush administration to relish.

US private investment institutions, for their part, were also excited over the prospect of access to the Japanese pool of savings. According to the Wall Street Journal (August 26) Citigroup expected US treasuries, European bonds and Japanese and foreign stocks to be "the big winners. [41]" Currently, while about 50 per cent of the population in the US own and 36 per cent trade stocks, the figure in Japan is around 10 per cent owning and 3 per cent trading them. "It's … a big space for us to grow into," as one broker put it [42].

Reform! Reform!

Koizumi emerged from the September election with a parliamentary dominance without precedent since the wartime Imperial Rule Assistance Association. The new DPJ leader appointed in the wake of the electoral debacle, Maehara Seiji, a 43 year old former lawyer and reputed security expert, strives to put a more humane, "reformist" face on his policies,

severing his party's links with organized labor while moving closer to the LDP on security and constitutional "reform." The gloomiest immediate prospect is for a Diet turned into a "Koizumi Rule Assistance Association."

The paradox of the Koizumi triumph is that it was born of déclassement, anxiety and fear, bordering on desperation, rather than support for a true agenda of social and political reform. Koizumi attracted mass support because of the image he projected of stern and steely determination, and was seen as savior although he was himself deeply embedded in the problem. His support seems to have been especially strong among precisely the inhabitants of the emerging world of un- or semi-employed youth. In the drabness and desolation of their world, Koizumi sparkled and he was seen as "really cool" (*kakkoii*) [43]. Responding to his cries of "Reform! Reform!" people ignored his responsibility for bringing on the crisis and the reform agenda itself. They longed for him to strike a magic wand to restore the secure world of the 1970s, blind to the fact that he was pledged to destroy precisely that world and its certainties.

Koizumi's theatre offered multiple illusory effects. Although thirty per cent of Koizumi's candidates were second or third generation politicians (Koizumi himself third generation), one in six of them was an ex-bureaucrat, and Koizumi before, during, and after the election depended on the support of a religious party, the LDP nevertheless played the part of a "new" force, struggling mightily against entrenched, "conservative" and bureaucratic interests, headed by a reformist, vigorous, iconoclastic leader. While the word "reform" was never far from his lips, Koizumi was himself the epitome of its opposite. One critic likened his "reform" (*kaikaku*) to the renovation (*kakushin*) pursued by bureaucrats, politicians and military officers in the 1930s, one that promised fundamental institutional change but actually paved the way to fascism and war [44].

Prime Minister Nakasone (Yasuhiro) in the 1980s desisted from worshipping at Yasukuni Shrine when he saw the anger it caused in neighboring countries and the potential harm to the national interest, but Koizumi appeared, in effect, to thumb his nose and say "No" to China (and the region). Over a hundred members of the outgoing parliament supported his continued worshipping at Yasukuni, despite the political cost [45]. In the new Diet, that mood can only strengthen.

Likewise, part of the freshness and appeal of the Koizumi campaign was that he seemed to have made the LDP the party of women, yet his (pre-election) parliament had only seven per cent female MPs, the world's No 101 ranking [46]; his LDP colleagues were wont to make outrageous statements – defending gang rape as an indicator of male vigor, "close to normal," in just one example - without drawing any recorded protest from Koizumi [47]; his LDP presented far fewer female candidates for the election (26 out of 346) than the DPJ, had no policies on improving women's conditions, and was committed to revising the constitutional guarantee in Article 24 of equality between the sexes. The few female assassins ("ninja in lipstick") it thrust onto the national stage are unlikely to make much difference to the party's male-dominated structures [48].

The issues of greatest importance to Japan were those not mentioned in the campaign: ecological crisis, diplomatic isolation, chronic indebtedness, population decline and graying, abandonment of the "Japanese" employment system, rising child crime figures, rising suicide figures, and deep social pessimism. Koizumi's "reform" prescription was for privatization, deregulation, deepening dependence on the United States (including a Japanese force in Iraq) [49], more patriotism and more national pride, a revised constitution and Fundamental Law of Education, the substitution of a Hayekian, neo-liberal, American way for the Keynesian *doken kokka* redistributive,

egalitarian way.

Under Koizumi, the once broad-church *doken kokka* LDP becomes a narrow, in some respects fundamentalist, clique, with deregulation (*kisei kanwa*), rationalization (gorika), and restructuring (risutora) its dogma, intolerant of dissent or criticism. While he cut taxation levels on the wealthy and on corporations, and reduced investment in the public sector (welfare, education, etc) [50], the deepening national fiscal crisis made it inevitable that the consumption tax would be raised substantially the moment he stepped from office. While he talked of newness and reform, he brought his party to the brink of realization of the long-held dreams of its most reactionary wing. What he meant by "getting rid of factions," or "destroying the LDP" was getting rid of other factions, exorcising the Kakuei ghost from the LDP machine. He may have reduced the power of the "*zoku*" or sectoral "tribes" (as, e.g. agriculture, posts, construction, etc) but only at the cost of delivering the party as a whole to unprecedented levels of influence by Japanese business, whose confederations are now united in their chorus of support for his neo-liberal "reform" agenda{51}. What former LDP leaders had been restrained from attempting by the realities of Diet politics or the factional balance within their own party, he could now contemplate without inhibition. He was, indeed, the "most LDP" of premiers [52].

While Koizumi's neo-liberal enthusiasm was unbounded, the LDP "rebels," described by The Economist days before the election (8 September) as "recalcitrants" belonging to "the ferociously anti-reformist wings of the party," tended to hold to "wet" social and political views and to take seriously the party's original (1955) platform statement about ensuring that "the construction of a welfare state is successfully completed." It was Tanaka Kakuei himself who in 1973 introduced free health care for the aged and a 60 per cent income for retirement (a rate only cut, to 50 per cent, by Koizumi's "pension revolution" in 2004) [53]. Like Kamei Shizuka, the former head of the party's Policy Research Council, the so-called "recalcitrants" believed that politics meant looking after the weak and that wealth creation should be balanced by its redistribution to the regions and the provision of safety net, in contrast with Koizumi's "ruthless" (his own term), dry, modernizing mission. "Recalcitrants" also tended to be committed to a strict constitutionalist position on peace and security, and absolutely opposed to Koizumi's dispatch of the Self-Defense Forces to Iraq.

After successfully fighting off his designated assassin, the internet millionaire, Horie Takafumi, Kamei described the Koizumi triumph as a bubble, forecast darkly that it set Japan on the road to ruin, and described the Yes or No of the election as a Yes or No to Japanese subordination to the US and to the casting adrift of Japan's regions and its poor and weak [54]. The Koizumi campaign was extremely effective in painting opponents of postal privatization such as Kamei as reactionary proponents of corrupt special interests, virtual traitors.
Koizumi is aided by the fact that throughout the Cold War years, with the help and encouragement of Washington, the forces of Japan's civil society – labor unions [55], citizen movements, the student movement – had been neutralized, perhaps even more comprehensively than in any other capitalist society. As for the media, while print was skeptical and at times downright hostile to him, the electronic media reveled at the hype of the Koizumi theatre.

Perhaps the most serious contradiction in Koizumi's stance is that between his nationalist pose and his (almost) unconditional commitment to Washington [56]. Not only does he aspire to serve as leader of the "Great Britain of the Far East" but he collaborates enthusiastically in the American mission to remake Japan as a neo-liberal paragon, an

ambition no less, and perhaps even more, ambitious than the remaking of Japan as a pacifist democracy when General MacArthur actually ran the country. Where the US officials who descend upon Tokyo every so often to dictate imperial policy used to arouse bureaucratic and even some political opposition on nationalist grounds, under Koizumi those who lecture and importune their Japanese opposite numbers on everything from the "need" to get troops on the ground in Iraq and revise the constitution, to privatizing the post office or importing American beef are acclaimed as "pro-Japanese."

Koizumi, for his part, rarely seeks any favor in return. On the two occasions that are known – his suggestion that Bush respond to North Korean leader Kim Jong Il's overture for a meeting and his request for Bush's help with the Japanese quest for a permanent seat on the UN Security Council - he was rebuffed: on the former, he was met with a "stony silence, [57]" and on the latter, he was treated to an extensive lecture on the need for Japan to relax restrictions on the import of American beef [58].

"Reform" in recent Japanese politics is the more keenly desired the more it is frustrated, manipulated, and denied. The "reform" wave that began in the late 1980s and was fed by anger and disgust at the corruption of the LDP rule exposed in the Recruit and other scandals bore the singularly unsatisfying fruit of a new electoral system in 1994. That "reform" can now be seen to have functioned in fact not to reduce corruption at all and to have frustrated the desire for reform by sidelining the opposition social democratic and communist parties and creating instead the simulacrum of a two party system, comprising two rival wings of a single conservative party, both sharing a consensus on priority to US demands for security "cooperation", regularization of Japan's military forces by revision of the constitution, and on neo-liberal social and economic policies [59]. In the second great wave of reform, born of the gloom and stagnation of the late 20th and early 21st century years, Koizumi thrived on his ability to channel and focus popular fears and hopes by manipulating them into the single issue of postal reform.

On 14 October, the Upper House that had voted 125:108 against the postal bill on 8 August voted 134:100 for the very same bill. All but one of the rebels, including some who had vowed to resist to the death, now supported it, meekly offering their necks to the party authorities for punishment and hoping for leniency and reinstatement at the earliest possible opportunity. With the Upper House thus cowed, no resistance to any future Koizumi initiative can be expected from it; its constitutional autonomy has been shattered. Ahead now lies the prospect of the sort of large-scale institutional "reform" long urged on Japan by its business elite and the US government.

As "Koizumi's children" gathered for the inauguration of the third Koizumi government, one of Japan's, and the LDP's, elder statesmen, Gotoda Masaharu, died, aged 91. Gotoda, core figure in Japanese governments in the 1970s and 1980s, and respected elder statesman thereafter, had long distanced himself from Koizumi, opposing the dispatch of Japan's Self Defense Forces to Iraq, constitutional revision, and postal privatization. In 1994 he described Japan as a "vassal state" of the United States[60] and months before his death he spoke of Japan lapsing into "hell," sadly predicting that only when that happened would the eyes of the people be opened [61].

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Notes

[1] Koizumi's fascination with Japan's 16th century civil war is well known. He is said to have been especially inspired by a recent book in which the words "I have decided to rid the world of this trash" are attributed to Nobunaga as he stormed up Mt Hiei, burning Enryakuji Temple to the ground and killing thousands of rebellious monks in the process.
[2] One indignant Japanese specialist on Galileo protested that to follow that precedent the Prime Minister had better be prepared to face the torture of the inquisition and recant.
[3] Electoral data in English.
[4] Kamiwaki Hiroshi, "Kore wa honto ni 'min-i' na no ka," *Sekai*, November 2005, 106-111.
[5] Figures from Kamiwaki, p. 107.
[6] Tensei jingo, *Asahi shimbun*, 26 September 2005.
[7] Koizumi elsewhere lists "Kage Boshi" and X-Japan's "Forever Love" among his favorites.
[8] Jetro, "Japan's $3+ trillion postal privatization to have significant impact on financial markets," Newsletter, New York, 22 December 2004.
[9] For fuller discussion, see my "Breaking Japan's iron triangle," *New Left Review* 13, January-February 2002.
[10] Ibid., p. 12.
[11] Uchihashi Katsuto, "Nihon keizai, dai tenkan no toki," *Sekai*, February, 1998, pp. 40-7.
[12] Yamada Atsushi, "Keizai shiko," *Shukan kinyobi*, 16 September 2005, p. 18.
[13] From a GDP in 2000 of 510 trillion yen to 506 trillion yen in 2004.
[14] From around 540 trillion yen in March 2001 to 780 trillion in March 2005, or over 1,000 trillion if all public liabilities are included (Kaneko Masaru, "Zaisei akaji no sekinin o dare ga toru no ka," *Shukan kinyobi*, 9 September 2005, pp. 12-13).
[15] 2005 marked the seventh consecutive year in which the income of the "salaryman" had fallen. NHK Television, 10 pm News, 28 September 2005.
[16] "Shiawase taikoku o mezashite," *Asahi shimbun*, 3 April 2005.
[17] "Shiawase taikoku o mezashite," *Asahi shimbun*, 12 June 2005.
[18] "Frita 417 man nin no shogeki," NHK Special, March 2005. NHK's "four million" figure is not universally accepted. Tachibanaki Toshiaki ("Jakusha no hinkonka ga kakusa o jocho shite iru," *Ronza*, June 2005, pp. 102-107, at p. 106) suggests "between two and four million," of whom many, perhaps most, live in severe poverty.
[19] "2020s: Dark age of gray-haired freeters," *Daily Yomiuri Online*, 6 June 2005.
[20] NHK Documentary, March 2005.
[21] Genda Yuji, "Wakamono no zasetsu wa 'kibo' ga sukuu," *Ekonomisuto*, 20 September 2005.
[22] "Shiawase taikoku o mezashite, (4), *Asahi shimbun*, 24 April 2005.
[23] Nominally just under three million, but actually about double, Ito, 200.
[24] "Shiawase taikoku o mezashite, (11), *Asahi shimbun*, 12 June 2005.
[25] Yamada Masahiro, Kibo kakusa shakai, Chikuma, 2005, p. 202; *Asahi shimbun*, 9 January 2005.
[26] "Jisatsu 3-man nin," Asahi shimbun, 11 June 2005.
[27] "Kaisha e no chuseishin Nihon ga sekai saitei," *Asahi shimbun*, 13 May 2005.
[28] Yamada, p. 60; Tachibanaki, p. 103. The OECD's "Income Distribution and Poverty in OECD Countries in the Second Half of the 1990s," (March 2005, p. 10) gives the Japan figure as of 2000 at 0.314, already above the OECD average of 0.309.
[29] *Ronza*, December 2004, pp. 8-21.
[30] 53 per cent, according to the survey by

Asahi shimbun, published 5 September.
[31] Figures for 1998.
[32] The UN uses 7 per cent plus as the criterion for "aging," 14 per cent plus for "aged," and 20 per cent plus for "super aged." Japanese figures here taken from CIA *World Fact Book*, 2005.
[33] To reach 69 trillion yen. *Asahi shimbun*, editorial, 10 September 2005.
[34] Robin Blackburn, "Capital and Social Europe," *New Left Review*, No. 34, July-August 2005, pp. 89-114, at p. 89.
[35] "Hokorobiru Koizumi seiji," Asahi shimbun, 17 June 2004.
[36] Tachibana Takashi, Iraku senso, *Nihon no unmei, Koizumi no kakumei*, Kodansha, 2004, p. 62-63.
[37] See "Fact Sheet," Third Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative, 8 June 2004. (http://www.ustr.gov)
[38] "US masterminds Japan's postal privatization," Asahi shimbun, 8 April 2005.
[39] House of Councilors, Committee on Postal Privatization, 2 August 2005.
[40] Okano Kaoru, "Koizumi, watakushi wa shinsei jiminto wo tsukuru," Shukan gendai, 6 August 2005. See also "Point of view: U.S. pressure behind postal privatization drive," Asahi Shimbun, 18 February 2005.
[41] Quoted in Manabu Hara, "Point of view: Where will the postal funds finally end up," *Asahi shimbun*, 14 September 2005..
[42] Jetro, "Japan's $3+ trillion postal privatization to have significant impact on financial markets," *Newsletter*, New York, 22 December 2004.

[43] *Tokyo shimbun*, 13 September 2005.
[44]] Uchihashi Katsuto, "Ushinawawareta 'ningen no kuni'," *Sekai*, November 2005, pp. 36-44, at p. 41.
[45] *Aera*, 11 July.
[46] "Editorial: Female Candidates," *Asahi shimbun*, 8 September 2005.
[47] LDP member Ota Seiichi in June 2003. (Hosaka Masayasu, Sengo seijika bogenroku, Chuko shinsho rakure 173, 2005, p. 236).
[48] They must be aware of the fate of Tanaka Makiko, the enormously popular Foreign Minister in the first Koizumi administration, who was roughly shunted aside in January 2002 when she began to take steps to "reform" her ministry.
[49] Unlike Tony Blair, or even John Howard, Koizumi has suffered no political ill consequences for his unwavering support of Bush's war and occupation. For Koizumi, it is simply a "righteous cause."
[50] Ito Makoto, "Nihon keizai no kozoteki konnan," *Sekai*, August 2005, pp. 194-2003, at p. 199.
[51] Uchihashi, November 2005, p. 44.
[52] ibid., p. 44.
[53] Wakamiya Yoshibumi, "Koizumi-shi no hofuku," *Asahi shimbun*, 29 August 2004.
[54] Quoted in Yokota Hajime, "Rinen-naki 'kaikaku' ha tachi no shotai," *Shukan kinyobi*, 23 September 2005, p. 16- 19.
[55] Union membership, 35 per cent of the work force in 1975, is now around 19. (Sasamori Kiyoshi, "Roso wa gakeppuchi?" *Asahi shimbun*, 14 October 2005).
[56] "Almost" because Koizumi did undertake two independent diplomatic initiatives: visiting the heartland of the "Axis of Evil," neighboring North Korea, in September 2002 and May 2004.
[57] Hoshi Toru, "Kita Chosen gaiko," *Asahi shimbun*, 4 January 2005.
[58] The beef matter took up 70 per cent of their short meeting time. Tersahima Jitsuro et al, "Ogoru na Amerika, me o hiraku Nippon," *Ronza*, January 2005, pp. 34-47.
[59] Okada made a half-hearted attempt to suggest he would withdraw the Self Defense Forces from Iraq by December if victorious in the election, but failed to pursue the issue convincingly.
[60] The word used was zokkoku. Interview, *Asahi shimbun*, 21 September 2004.
[61] "Hyoden - Gotoda Masaharu shi," *Asahi shimbun*, 22 September 2005.