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THE END OF LDP RULE AND ITS MEANING

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The recent change of government in Japan was a clear indication that the historical mission of the Liberal Democratic Party (LDP) had come to an end. The party had ruled post-World War II Japan almost uninterruptedly by adapting to the special postwar environment, but its governance had stalled out on many fronts. The long-believed assumption about Japanese politics that there would be no change of government was finally abandoned.

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There were three major conditions that had allowed the unusually strong and stable LDP hold on power: the Cold War international system, Japan's remarkable economic development and a multi-member constituency electoral system (*chusenkyokusei*). LDP politics thrived under these conditions, with intra-party factions and personal support machines (*koenkai*) playing key roles in elections. Factions also served a critical function in the essentially seniority-based assignment of Cabinet ministers and key party positions. Policy-making followed a bottom-up process, in which Diet members with vested interests (*zoku giin*) played a central part.

The secret of the LDP's long one-party dominance was that these three aspects of politics – elections, intra-party politics and policy-making – were closely linked together through a competitive and pluralistic internal process. It was through these flexible competition-oriented mechanisms that the LDP succeeded in maintaining a typical catch-all party system able to respond to the demands of various interest groups.

Relations between politicians and bureaucrats – cooperation as well as role sharing – were also an important aspect of LDP politics. The Japanese political system is basically democratic but, under LDP governments, administrative bureaucrats carried out many functions also in the essentially political realm. This was the continuation of an institutional legacy of strong public administration in existence since before World War II. A prototype of the modern bureaucracy can be found further back in history in the office of the Commissioner of Finance under the Edo government (1603-1868).

In short, the LDP succeeded in holding onto power for more than half a century by tactfully utilizing institutional legacies that had been in place since the early modern era in adapting to circumstances in the postwar domestic and international environment.

However, the conditions that had sustained the long LDP dominance began disappearing rapidly from around 1990. The Cold War had ended and the Japanese economy plunged into a long depression after the bursting of the bubble economy. The *chusenkyokusei* was replaced in 1994 by a new electoral system that combined single-seat constituency with proportional representation.

Moreover, the administrative bureaucracy started to show institutional fatigue. Rigid and hugely wasteful budgets and accumulated public debts were symbols of the stagnation of LDP rule. Unable to adapt to changed circumstances, the LDP was forced out of power after a process of dismantling that took some 15 years.

The LDP was a unique political party that had skillfully adapted to the particular environment of postwar Japan. Weak leadership, bottom-up and democratic yet rather immobilized decision-making, and the political roles of administrative bureaucrats – all these were products of the postwar historical environment that enabled Japan to focus on ensuring domestic stability and pursuing economic prosperity while avoiding the harsh realities of international society and markets. In a way, this era was a “new Edo Period” allowing Japan to close itself off from the world.

However, Japan can no longer take an inward looking stance in today’s world, which is faced with economic globalization, growing threats of international terrorism and global warming. Such a stance would only damage Japan’s national interests.

At a time of change in the international system, Japan’s greatest challenge is strengthening its strategic and central political functions. Now that the stable “new Edo” environment has become a thing of the past, what is required is the political agility and mobility that would enable Japan to stand up to the new global competition and take action on common global problems with the rest of the world.

The grand project to restore the initiative in Japanese politics to politicians has just begun. Yet the new prime minister, Yukio Hatoyama of the Democratic Party of Japan (DPJ), has already come up with some institutional frameworks to realize the principle of politician-led politics. These include a centralized policy decision-making process in the Cabinet, the introduction of a Cabinet committee system concentrating policymaking authority in Cabinet ministers, vice-ministers and ministerial aides, the establishment of an administrative renewal council to review government practices, and the appointment of Ichiro Ozawa as the party’s secretary general.

The change of government was a kind of Big Bang designed to set up a new political system suitable for the 21st century. The ultimate challenge for Japanese politics is making the transition to a standard European-style parliamentary cabinet system. This will require a zero-based comprehensive review of all political practices while incorporating positive aspects of Japan's political culture, such as the careful aggregation of the electorate's will, meticulous policy implementation and efficient bureaucracy.

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