

## Japan Under Neonationalist, Neoliberal Rule: Moving Toward an Abyss? ネオナショナリズム、ネオリベ政策のもとで深淵に近づく日本

Herbert P. Bix

It is widely assumed that the Japan-U.S. military alliance plays a key role in securing peace in Northeast Asia. It not only shores up procedural democracy in Japan and South Korea but also assures Japan's neighbors, China in particular, of Japan's commitment to pacifism. Close analysis of the current stage of neonationalism and neoliberal austerity economics in Japan, as exemplified by the government that recently took over in Tokyo, conveys a different impression.

Following the December 19, 2012, general election to the powerful House of Representatives, the first since the Great East Japan Earthquake and the nuclear catastrophe at TEPCO's Fukushima complex, Abe Shinzo won a solid victory, restoring to power the LDP and its coalition partner, New Komeito.

Five years earlier, in September 2007, Abe had resigned as prime minister after less than a year because of scandals, incompetence, and gaffes. Having taken over from Koizumi Junichiro, who had set back Japan's relations with South Korea

and China through repeated visits to Yasukuni, the controversial shrine celebrating Japan's war dead, Abe, in the short time he held office, tried to reset the relationship with China. Yet in both China and South Korea deep undercurrents of anti-Japanese feeling lingered. After leaving office, Abe served as an adviser to the Seiwa Policy Research Society, the LDP faction once headed by former Prime Minister Mori Yoshiro. Holding a position in this extremist group, Abe delivered an occasional lecture and watched for his chance to regain the nation's highest political office. In the midst of the Japanese people's rush to recover from nuclear disaster and reconstruct the northeast coast, he made known his intention to bid again for the prime ministership.

On December 15, Abe "chose as the site for his final speech of the election campaign [Tokyo's] Akihabara ward," a mecca for consumers of electronic equipment and various forms of adult entertainment. A sympathetic crowd, numbering in the tens of thousands, composed of people of all ages, gathered before two LDP sound trucks parked near the railway station. An LDP candidate, whose electoral district included

Akihabara, warmed them up with remarks excoriating China, South Korea, the DPJ, and the progressive Japan Teachers Union. When the main speakers arrived, supporters were waving small national “sun” flags while banners advertising animated productions fluttered in the wind alongside banners calling attention to the 88-member girls pop singing group “A.K.B. 48,” which performed daily at a nearby theater. The crowd included many avid fans of Abe and LDP politician Aso Taro who accompanied him. The climactic moment of the event came in response to their speeches and to the chanting of LDP slogans: “Take Back Japan” and restore national pride.<sup>1</sup>

**Crowd cheers Abe speech**  
(<http://stream.wsj.com/story/world-stream/SS-2-44156/SS-2-123334/>) in Akihabara

Five days later Abe and Aso, riding a tide of nationalist pride, took back Japan. The LDP secured 294 (61.3 percent) of the Lower House’s 480 seats.<sup>2</sup> Coalition partner New Komeito Party won 31 seats. Minor parties, starting with the newly formed Japan Restoration Party, won most of the remaining seats. Leading the Restorationists were Ishihara Shintaro, former long-time governor of Tokyo, and Hashimoto Toru, the mayor of Osaka.

With Japan mired in its fourth recession since 2000, the Democratic Party of Prime Minister Noda Yoshihiko, having lost public and media

support, was dismissed ignominiously for having failed to deliver Japan from protracted economic stagnation. Even if Noda had exercised effective leadership in the wake of the March 2011 earthquake-tsunami-nuclear reactor meltdowns, which he did not; or if, during the tenures of three DPJ prime ministers--Hatoyama Yukio, Kan Naoto, and Noda himself--the DPJ had effectively exposed the LDP’s long record of misrule and corruption, the result might not have been any different.<sup>3</sup>

Furthermore, the LDP’s victory, far from an endorsement of Abe’s policies, was the product of a wave of disillusionment with the record of the incumbent Democratic Party, which after more than three years in power won only 57 seats. Older voters with life savings in the bank, earning negligible interest from Japanese government bonds, worried about preserving their wealth, deserted the DPJ in large numbers. The Restoration Party, cobbled together by Ishihara, Hashimoto, and Ichiro Matsui, speaker of the Osaka Prefectural Assembly and a power broker who was rumored to have cultivated ties to the late Sasakawa Ryoichi (a right-wing don twice-imprisoned before 1945 for suspected felonies), drew a large swath of support from voters in the Kinki region, where they attracted young people in their 20s and 30s.<sup>4</sup> The Restorationists, drawing support mainly on right-wing ideological grounds, won 54 seats (above 11 percent of the vote), only slightly

below the Democratic Party.

The 2012 election thus revealed growing divides in Japanese society along lines of income, age, and educational level. Concurrently, it signaled a determination on the part of the LDP to more vigorously pursue anti-populist, neoliberal policies even though they have contributed directly to voter disaffection, as well as growing poverty and insecurity.

Meanwhile, across the Pacific both the DPJ and the LDP had incurred Washington's displeasure over their two-decades-long failure to move forward to relocate the U.S. Marine base at Futenma, Okinawa and establish a greatly expanded base at Henoko. When Noda's government was forced to purchase the Senkaku islets, after the Tokyo governor announced his intention to do so, in order to protect them from Chinese fishing vessels, he ignited Chinese anger. Thereafter the LDP and other rivals outmaneuvered Noda, exploiting Japanese nationalist sentiment by exaggerating the military threat from China and North Korea.

### **Abe, His Cabinet, and the Constitution**

To understand where the Abe cabinet is now determined to take Japan and to grasp the role that the U.S. plays in the dynamic interaction between Japan and its Northeast Asian neighbors, it is useful to begin with the lineup of key individuals.

There is, first of the all, the soft-spoken Abe. Born 59-years ago to a high-ranking political family and groomed since childhood for a political career, his grandfather was Prime Minister Kishi Nobusuke. The genealogical tie is important, for Abe admired his grandfather and may have absorbed Kishi's negative attitude toward the Constitution, which was drafted during his imprisonment as a Class-A war criminal. Moreover, Kishi shaped the political order into which Abe fitted. Kishi did so through his system of "money politics," his diplomacy of turning to Japan's advantage American fear of communism's threat to capitalism, and his forced renewal of the Security Treaty with the U.S. in 1960, over the opposition of the most powerful grass-roots political movement in Japanese history.<sup>5</sup>

Lacking charisma but endowed with great ambition, Abe selected ministers who combine the mainstream and extreme right-wing currents of post-occupation conservatism. Bureaucrats and politicians--mostly old friends from his previous regime--compose his cabinet. All are committed to the full neoliberal economic agenda at home and an expanded liberal interventionism abroad. The former would make only token changes to Japan's political structure; the latter would increase Japan's participation in U.S. and UN war operations while continuing Japan's financial and military support for the Obama administration's many wars and its

“humanitarian” interventions, justified by the ideology of human rights.



**The Abe Cabinet**

Turning next to several key individuals whom Abe vested with executive power, will help to see where they want to go and how they intend to get there:

Aso Taro, a failed ex-prime minister with little economic expertise, became Finance Minister. Aso too is a dynast with genealogical ties to leaders of the Meiji Restoration, to the prewar court group through his great grandfather, Count Makino Nobuaki, and to the leaders of big business through his ownership of the family business, Aso Cement. Aso’s mother was the daughter of Yoshida Shigeru, prime minister during the U.S. occupation and formulator of the strategic doctrine of never getting ahead of the U.S. in foreign policy matters.<sup>6</sup> Aso would like to improve relations with China and South Korea, yet he is also a neo-nationalist and proponent of official visitations to Yasukuni Shrine.

Amari Akira, an advocate of restarting nuclear

reactors and building new ones despite widespread public opposition, became Minister for Economic Revitalization. Inada Tomomi, known as the “heroine of rightwing magazines,” became Minister of State for Regulatory and Administrative Reform, charged with advancing deregulation. Katayama Satsuki, noted for her passionate advocacy of reducing “livelihood protection” in Japan’s increasingly geriatric society, became a ministerial aide (*somu seimuka*). Shindo Yoshitaka became Minister of Internal Affairs and Communications, and Shimomura Hakubun took the post of Education Minister, heralding a more resolute LDP intervention in education. Onodera Itsunori, a professor before turning LDP politician, continued as Defense Minister.

The Foreign Ministry went to a relatively young man who does not speak English and must operate through an interpreter when negotiating with Americans. Kishida Fumio is a former minister of state for Okinawa and a specialist on territorial disputes who had served in Abe’s first cabinet. He believes strongly not only in strengthening the Japan-US military alliance but also in Japan’s own military self-strengthening.<sup>7</sup> Like most neo-nationalists, Kishida decries a “Tokyo Trial view of history” that has unfairly depicted Japan’s actions in its wars with China and the imperialist West and allegedly diminished Japanese pride as a nation.

Tanigaki Sadakazu, a lawyer-turned-politician

and key member of Abe's "kitchen cabinet", was appointed Justice Minister. He has worked steadily to rewrite the Constitution, retaining only parts that he regards as good. Tanigaki established the committee to restore the LDP to power (*seiken koso kai*) after the voters repudiated it in 2009. Like Abe, Tanigaki does not give the impression of being rigidly doctrinaire. Yet neither is he prepared to accept the constitution's separation of politics and religion. He belongs to the Diet Members Association to Worship at Yasukuni Shrine and other right-wing associations of which Abe is a member.

A year ago on April 27, 2012, Tanigaki presented to the world the LDP's formal draft of an "autonomous constitution" (*jishu kenpo*).<sup>8</sup> He timed his announcement to coincide with the sixtieth anniversary of the coming into force of the one-sided San Francisco Peace Treaty, signed in 1951 by Yoshida Shigeru, three years before the LDP's birth. The San Francisco treaty restored Japanese independence at a cost that many neonationalists find onerous. Chapter 1, Article 1 of the LDP draft stated "The emperor shall be the "head of state" (*genshi*) and the symbol of the unity of the people, deriving his position from the will of the people with whom resides sovereign power." The elevation of the emperor's status from "symbol" (*shochō*) to "head of state" (*genshi*) was the only change proposed to this particular article; but it suffices to reopen for

public debate the long dormant question of the monarchy. Since the symbol monarchy is actually a symbol of Japan's subordination to the U.S., and Abe's cabinet is intent on turning the SDF into an offensive force destined someday for foreign battlefields, a term such as *genshu* seems more appropriate to conservatives.

Over time, this change is bound to alter the conventional understanding of the emperor and open the way to a future expansion of imperial authority.<sup>9</sup> One cannot help speculate, however, that the LDP's real aim is to increase the emperor's participation in ceremonies and use him to revise or, if possible, entirely rewrite the Constitution.<sup>10</sup>

In his press conference of March 13, 2013, Tanigaki apparently did not spell out the complete LDP agenda for constitutional change. Instead he stressed the need for authorizing three new essential articles: one concerning the national flag and anthem, another specifying the right of self-defense, and a third establishing the "emergency situation."<sup>11</sup> The LDP also contemplates the insertion of a clause in Chapter 3 on the "Rights and Duties of the People," obligating citizens to defend the country's sovereignty and independence, preserve its territory and air space, and ensure its resources.

Ishiba Shigeru, the LDP Secretary-General, an Abe rival and possible successor should he fail again, must be included in this lineup of political



elites even though he is not a cabinet appointee. Ishiba was a former defense minister and has a long-standing interest in military affairs. In a lecture given in Sendai on March 10, he pointed out that the Constitution “lacks a provision for the military to defend the country’s independence.... For it was made when Japan was not an independent state. After regaining independence the number one aim of the LDP was to make a Constitution that has essential articles.” He went on to declare that the prime minister’s authority should be strengthened by giving him the power to declare the existence of an emergency situation.<sup>12</sup> Ishiba, like Tanigaki, did not use the term “emergency state power” (*kokka kinkyukō*) but did speak of an “emergency situation article” (*kinkyū jitai jokō*), which is analogous. Ishiba conveyed his views a day after Abe reiterated his intention to revise Article 9, which stipulates “the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes.”

Two years ago, however, when the Democratic Party leader Kan Naoto confronted the “nuclear emergency situation” (*genshiryoku kinkyūu jitō*) in northeastern Japan, he did not reach for dictatorial power because the Constitution does not allow it. Instead he acted on the basis of Article 15 of the “Nuclear Power Disaster Countermeasures Special Law.” Even if Japan had a constitution that provided for a system of

emergency power, it would have been utterly useless in the face of an overwhelming nuclear crisis. If an important lesson of Japan’s defeat in World War is that sacrificing civil rights and liberties to preserve the state sets a nation on the path to even greater catastrophes, then the LDP has not learned that lesson. The real foundation for the existence and defense of the Japanese or any other state is not executive discretionary power-- whether broadly or narrowly defined-- but preservation of democratic principles rooted in the rule of law ideal and the constraints it places on power.

In short, the insertion into the Constitution of a provision for the exercise of prerogative power by a single individual at the top of the power structure is a hidden danger confronting Japan. While few people pay heed, this is just as important as revision of Article 96, defining the conditions for amending the Constitution, or revision of Article 9, prohibiting the maintenance and exercise of offensive military force. In fact, over time a prerogative power clause would render the latter meaningless.

Moreover, to unbind the executive power, giving the prime minister more discretion in declaring an emergency and setting aside the law, is to enact a further growth of secrecy. The Fukushima nuclear reactor meltdowns showed how ruinous it was to have denied the Japanese people the necessary information they needed in order to decide on matters essential to their lives, such as

the siting of nuclear reactors, or the stationing of U.S. bases and service members on Okinawa, where they have repeatedly harmed local residents.

The meltdowns also demonstrated Abe's poor judgment in 2006, when in response to the concern voiced in the Lower House by Hidekatsu Yoshii, a Kyoto-University-trained nuclear engineer and JCP parliamentarian, about how the government would handle a blackout of power at a nuclear reactor site, Abe replied dismissively, "There are no examples of a nuclear generator stoppage because of trouble with diesel power generators." He was certain that highly destructive nuclear power plants with diesel backup generators, located below ground level at the Fukushima nuclear site, were completely safe.<sup>13</sup>

Before, during, and even after the meltdowns when fetuses and small children in the northeast were exposed to the risk of radiation, most of Japan's leaders displayed poor judgment. Now, boxed in by the Security Treaty system, LDP leaders display even worse judgment in strengthening military ties to an imperialist superpower that has defined its national security in ways that require it to permanently wage war on other nations, constantly interfere in their political affairs, and declare repeatedly that the president of the United States has the authority to assassinate enemies of the American state anywhere in the world.

Nor should it be forgotten that for half a century the LDP maintained a relatively strong version of imperial Japan's doctrine of state secrets. LDP prime ministers lied to the nation about Japan's secret agreements with the U.S. Unwanted disclosures usually came from American politicians. High-ranking Japanese officials never owned up to the existence of the agreements. Only popular protest on Okinawa forced the base issue to the fore, where it remains. Hereafter, activists opposing U.S. bases on Okinawa, like opponents of nuclear power in mainland Japan, can expect the Abe cabinet to follow the template established by Bush II and Obama and take a more hostile stance to public protests.<sup>14</sup> Just as the Obama government misuses law to punish whistle-blowing critics who try to expose its illegal, immoral actions, we can see in Japan early signs of a similar reflex in the way the Japanese government monitors and often mistreats peaceful anti-nuclear activists and critical journalists intent on probing nuclear issues.

Familiar with the Abe cabinet and its aims, we can now turn to the current stage of both Japan's political economy and the global, complex, differentiated movement termed "neoliberalism" or "the Washington consensus".

### **The Abe Economic Program**

The advent of the Abe cabinet triggered a fall in the yen exchange rate and anticipation of a new round of trickle-down economics--a policy that

Abe dubbed “Abenomics” and proclaimed while in Washington.<sup>15</sup> Economist Richard Katz was quick to observe that a weak yen will help Japanese exporters but not pull Japan out of recession or restore its economy to health because “The yen rate is determined in global markets, not in the offices of the Bank of Japan.”<sup>16</sup> Abenomics, being a form of anti-Keynesianism, would test that assumption. It would reject the thesis of its critics that Japan needs to swiftly improve wages and living conditions by making political reforms that put money into consumers’ pockets rather than into bank balance sheets. Abenomics offers instead huge profits for banks and large corporations, a rise in consumption taxes starting in 2014 for hard-pressed Japanese households, and cuts to social programs.

Resistance to Abenomics came first from within the LDP itself as well as from the Finance Ministry and sectors of the Japanese economy that need protection from foreign competitors. As Katz noted, 163 “of the 294 successful LDP candidates in the recent lower house election got the endorsement of the farm lobby by promising to oppose participation in the Trans-Pacific Partnership.”<sup>17</sup> A domestic battle over the TPP that Abe is promoting, could not only alienate the LDP from its rural base, but also threaten support in the urban white-collar work force, which will suffer from neo-liberal measures that strip it of protections.



### Neoliberalism—the Universal Conventional Wisdom of Ruling Elites

Japan’s current neoliberal program can be traced back to the LDP cabinet of Nakasone Yasuhiro (1982-86), whose tenure coincided with the militant chauvinism, anti-union policies, and market fundamentalism of Margaret Thatcher in Britain and Ronald Reagan in the U.S.<sup>18</sup> Over the next two decades, Japan relied heavily on a neoliberal economic policy of monetarism and deregulation. This led to a bubble economy based on inflated real estate and stock prices, which eventually collapsed. All the while income distribution became more unequal, unemployment and the number of people living in poverty slowly increased. The divorce rate also rose and single mothers performing as heads of households experienced a decline in income.<sup>19</sup> Japan’s relative poverty rate, which stood at 14.9 percent in a 2004 OECD survey of 30 nations, rose to 15.7 percent in 2007, the year the Ministry of Health, Labor and Welfare for the first time acknowledged the problem.



By 2007-2008 the entire advanced industrial world was shaken by the financial crisis resulting from the uncritical acceptance of neoliberal policies and American-style capitalism. Two years later Japan--the third largest economy after the U.S. and China--had over 20 million of its citizens living below the poverty line and ranked fourth among OECD countries in its rate of poverty after Mexico, Turkey, and the U.S. Americans had a 17.1 percent rate or an estimated 41 million citizens living below the official U.S. poverty line as well as one of the highest rates of child poverty and infant mortality in the developed world.<sup>20</sup>

Abe's neoliberal policy line differs from his predecessors in relying much more heavily on monetary manipulation through the Bank of Japan, and in trying to combine cuts to social welfare with tried-and-true public spending on construction projects. Ideologically, it seems to differ from current American and European neoliberalism in not being as extreme. Abe and his team embrace the conventional wisdom of the most affluent Western societies, yet their rhetoric avoids positing, in the manner of the late Chicago University advocate of ultra laissez-faire Milton Friedman or the *New York Times* ideologist Thomas Friedman, an "intimate connection between capitalism and freedom."<sup>21</sup>

When previous Japanese leaders confronted external pressure to liberalize their markets, they may have recalled Meiji Japan's nineteenth-

century practice as a late-developing nation, intent on protecting its new industries. Bureaucrats too may have been influenced by Japanese cultural values of harmony and paternalism. Additionally, there was the "developmental state, which came from Japan's long political tradition of authoritarianism, and from notions of economic planning which once captured the imagination of "new bureaucrats" and military officers.

Now, in the era of globalized capitalism and neoliberalism, with communism discredited and the cold war ended, the conservative elites who drive politics and policies in Japan and other zones of capitalism incline toward corporatism, hostility to democracy, and authoritarianism in the sense of ignoring the strong preferences of ordinary people for deactivating all nuclear power plants and preserving individual freedoms.<sup>22</sup> In these very general respects Japan's leaders are similar to their Anglo-American counterparts. Both rely on government power to realize *a particular type of deregulation* of financial markets on the incorrect premises that markets are self-correcting and "free markets" actually exist. Neoliberalism also denotes state intervention to bail out too-big-to-fail banks and big corporations, while leaving depositors to assume the costs of the elites' financial speculation.

Another liberal practice common to Japan and the West is the promotion of large-scale

oligopolies and concentrations of power in financial, industrial, energy-extraction, and communications' markets. Neoliberal support for the construction of nuclear power plants, like their strengthening of the military alliance with the U.S., comports with their economic analysis.

Abe has not yet gone as far as Obama in privatizing productive state assets, including public education so that corporations can reap more profits; but privatizing the internet so as to weaken its democratic potential may be in the offing.<sup>23</sup> Privatized enterprises can more easily lay off workers or set them against one another. In this way neoliberals create a large reservoir of unemployed, semi-employed, part-time, socially vulnerable workers.

Other neoliberal practices already implemented in Britain and the U.S. are on Abe's agenda. One is the rearrangement of income distribution by reducing taxes for the very richest individuals who own most of society's assets, and increasing them for everyone else; the other is cutting social spending for the poor and middle class, thereby breaking social contracts in the interests of large corporations.

Third, the forces of neoliberalism in Japan may increase corporate and government secrecy in order to hide from public view the full extent of illegal, dangerous behavior by powerful institutions and individuals. Invariably, the stashing away of massive profits in tax havens

and financial fraud are part of what gets concealed. Secrecy contributes to the achievement of neoliberal aims; it makes war crimes proliferate; without secrecy Obama could not carry out his policy of Trans-Pacific Partnership, nor Abe turn Japan into a great military power.

**In sum:** Advocates of neoliberal policies always claim to promote national dynamism and wealth. Yet their practices reveal neoliberalism to be a form of authoritarianism and an expression of one-sided class struggle from above. Chile under the dictatorship of Augusto Pinochet was the forerunner of neoliberalism in South America. Thereafter "free market" reforms spread in a discontinuous process. Brazil under Fernando Cardoso adopted elements of the neoliberal gospel, including privatization of basic industries in the late 1990s. Argentina completely embraced privatization in the late 1980s and 1990s. Only in the middle of the 2000s, with the turning away from extreme neoliberalism and from advice offered by the American-controlled International Monetary Fund and World Bank, did the people of the south reject the neoliberal gospel and American-style market reforms.

Clearly, neoliberals believe in what the London barrister and historian Daniel Stedman Jones calls "the proactive construction and protection of the conditions for the market economy."<sup>24</sup> Overall, their measures to stimulate capitalist growth have a regressive nature. *Britain and the*

US. were imperialist states long before they ever adopted neoliberal policies and practices. What the latter did in Britain and Europe was to emasculate the welfare state; in the U.S. it took the American economy back to the age of the robber barons and reinvigorated its overseas imperialist expansion. The Abe cabinet, pursuing similar policies, though subordinated to the U.S. and obstructed by its internal enemy, the peace Constitution, threatens to take postwar Japan back to its past as a major military power.<sup>25</sup> This, after all, is what becoming a “normal state” really means. Neoliberalism requires the mailed fist to work. It is no accident that a resurgence of imperialist wars and absolutely unprecedented levels of environmental destruction have accompanied neoliberal policies

Last, the Abe agenda, in addition to widening social inequality, as signaled in Japan by the slow, steady rise of poverty and insecurity, has led to other social evils such as increased alienation among various segments of Japanese society. Japan’s recent voter abstention rate of over 40 percent was the highest recorded in the postwar era. So too was the record number of voters--more than 2 million--who invalidated their ballots by writing in their own choices of candidates.

Such is the larger context in which Abe’s handlers arranged for his first meeting in Washington.

### **Abe at the White House**

leaving behind the daunting challenges he faced at home, in late February 2013 Abe flew off on a journey to advance his economic agenda and pave the way for Japan’s eventual participation in a key American global project: the Trans-Pacific Partnership (TPP), whose European analogue is Obama’s proposed “free Trade Agreement between the US and European Union.”<sup>26</sup> With the text of the TPP pact still incomplete and veiled in secrecy after three years of negotiations, union leaders, environmentalists, and independent journalists in the U.S., Europe, and Asia have criticized the project as a “global corporate takeover.” They called it “NAFTA on steroids,” a project of the Clinton and Bush administrations to help the giant corporations of eleven Pacific-rim nations avoid certain kinds of regulations, remove protectionist barriers to the penetration of their markets, and limit internet freedom.<sup>27</sup>

Leaked versions of the draft text suggest that “only two of the TPP’s twenty-six chapters . . . cover traditional trade matters.”<sup>28</sup> The TPP’s tariff schedules will certainly embrace goods on which tariffs are collected. But the TPP is primarily an agreement rooted in neoliberal premises about rules for eliminating “non-tariff-barriers” to trade and creating so-called free markets. Highly invasive in nature, it focuses on issues such as investments in financial institutions, financial services, intellectual property rights and government procurement, and the opening of the

Japanese insurance and pharmaceutical markets to American corporations. The legal texts of the draft are said to cover all aspects of commercial relations among the TPP countries. As with many other Obama initiatives, the TPP rides roughshod over the U.S. Constitution by seeking “Fast track” power for the president to negotiate and sign binding trade agreements before Congress votes on them. In other words, prioritizing international trade, it weakens Congress’s power to regulate commerce. Above all, the TPP gives large corporations new rights and privileges. Provisions on how to administer the treaty remain under negotiation.<sup>29</sup>

Abe and the LDP leadership wish to join this controversial TPP. Even more insistent on quick participation are the leaders of the Japanese business community, though whether they can join on favorable terms is uncertain. One objective of the latter is privileged access to U.S. natural gas. As Ilana Solomon, the Sierra Club’s policy analyst observed, Japan, “the world’s largest natural gas importer . . . will fundamentally change U.S. energy policy as we know it by joining the TPP.” Japanese corporations would then be able to challenge the trade rules and the environmental protection laws and policies of any governing body operating in any member state of the trade pact.<sup>30</sup> Increased natural gas production, which releases poisonous methane, and more hydraulic fracturing with dangerous chemicals promises

yet more environmental pollution.

At the White House on February 22, Abe secured President Obama’s help in dealing with North Korea. In the Oval Office, Abe told reporters he would work with South Korea because “We just cannot tolerate the actions of North Korea, such as launching missiles and conducting nuclear tests.”<sup>31</sup> Abe may also have expected to receive Obama’s support in its conflict with China over the Senkaku (Diaoyu) islets. But when he told Obama that his government was examining Japan’s exercise of a right of collective self-defense, Obama offered no encouragement for this plan and little was said in public about a special relationship. The two men shared no meal and the summit meeting concluded with this brief joint statement:

The two Governments confirm that should Japan participate in the TPP negotiations, all goods would be subject to negotiations, and Japan would join others in achieving a comprehensive, high-standard agreement, as described in the Outlines of the TPP Agreement announced by TTP Leaders on November 12, 2011.

After noting that for Japan agriculture is sensitive and for the U.S. certain industries, the statement said

more work remains to be done, including addressing . . . the automotive and insurance sectors, addressing other non-tariff measures, and completing work regarding meeting the high TPP standards.<sup>32</sup>

Ignored completely were Abe's concerns about national security issues.

The lukewarm reception that Abe received from Obama and the "Very Serious People" who establish the "Washington consensus" was surprising.<sup>33</sup> It suggests that even though the LDP had almost always done Washington's bidding, the attitude of American policy- and opinion-makers to the LDP had cooled. One message conveyed to Abe and his entourage was that the U.S. government would not welcome any unilateral action by Tokyo in handling its territorial dispute with China; another was that Abe should exercise good judgment in handling the Yasukuni Shrine and other historical issues so as not to upset Japan's relations with South Korea. Several weeks later, amidst heightened tensions on the Korean peninsula, the U.S. reportedly conveyed a similar message to South Korea's new Park Geun-hye government: do not let your response to provocations from the weak, insecure regime in Pyongyang spiral out of control and lead to renewed war.

The U.S. is nevertheless gradually moving

forward to strengthen Japan's subordinate position in the military encirclement of China; and it has blocked the restoration of peace on the Korean peninsula, where sixty years ago the U.S. fought a war that killed or wounded over a million Koreans, many of them civilians living north of the 38<sup>th</sup> parallel border dividing the two Koreas.<sup>34</sup> Obama's approach to the North's threats combines stepped-up economic sanctions with military deterrence measures. The Pentagon's planned installation of a second ground-based, early-warning radar system, this one at the ASDF's Kyogamisaki base in Kyotango, northwest of Kyoto on the Sea of Japan coast, would guard against North Korea's missiles but could not avoid being interpreted in Peking as part of Obama's Asia-Pacific redeployment of forces directed at a rising China.<sup>35</sup>

Abe believes China will not take his government seriously unless he stands absolutely firm on maritime sovereignty issues, modifies Japan's national security strategy, and builds more military power within the framework of the bilateral relationship with Washington. But for U.S. policymakers who manage many bilateral military alliances, Tokyo's concerns on security and economic issues are balanced against the concerns of other important Asia-Pacific allies. The U.S. Congress also takes for granted Japan's subservience in supporting America's military domination of the planet including the open-



ended, un-winnable war on terror. But a vassal state whose politicians whip up alarmist scenarios about China's strategic ambitions, or that is embroiled in a drawn-out, volatile dispute with China over the uninhabitable Senkaku islets and another dispute with South Korea over the Dokdo/Takeshima islets, holds out troubling prospects for American foreign policy.

Should an armed confrontation between Japan and China arise because of a decision made autonomously in Tokyo or by China's People's Liberation Army, Obama might find the U.S. embroiled in an unwelcome war if it honors Article 5 of the 1960 Japan-U.S. military alliance, which stipulates that each party "would act to meet the common danger in accordance with its constitutional provisions and processes." The U.S, however, is *not automatically* bound to being drawn into an armed clash in defense of a Japan that is widely acknowledged to be integral to containing China and maintaining the current U.S.-dominated balance of power in the Asia-Pacific region. In the worst-case scenario, whichever side Obama supported, the thesis that American military bases on Japanese soil (most of them on tiny Okinawa) were serving to discourage conflict would be tested and, once tested, exposed as the myth that it is. There are indications that China's new president, Xi Jinping, wants to avoid escalation of the Senkakus dispute, as does Abe, especially at a time when he hopes to ignite the economy. But

mutual distrust runs deep on both sides.

Neither Washington nor Tokyo or Seoul, however, is really sure of how best to handle China's reshaping of geo-politics in the Asia-Pacific region. Certainly Obama does not want to pick a fight with China over the Senkakus. Fast-growing China is too important a country, especially now when it's trade with Asia has overtaken its "total trade with the United States and Europe" and the rising giant is in close competition with the U.S. in Asian regional trade.<sup>36</sup>

What then is the political logic in Abe and the LDP provoking a rising China while binding itself still tighter to an economically weakened U.S.? And on domestic public policy one may ask other questions: Is giving big banks and transnational corporations more power than they already wield likely to benefit democracy in Japan or in any nation that joins the TPP? Will Abe and his cabinet really curb their nationalist rhetoric? Will they be any more inclined than his DPJ predecessors to bow to the U.S. Congress on trade issues?<sup>37</sup> And what about the people of Okinawa who oppose the American military presence in their cities and towns? Will they allow Abe to cut a deal on the Futenma base issue with the conservative Okinawan Governor Nakaima Hirokazu simply to please the U.S.?

#### **Abe at CSIS**

Fixated on the cold war bilateral relationship,

Abe headed from the White house straight to a warm, conservative think tank, the Center for Strategic and International Studied (CSIS), where he declared, “Japan is back” and “is not, and will never be, a Tier-two nation.” Rather, Japan must continue to be a “rules-promoter, a commons’ guardian, and an effective ally and partner to the U.S. and other democracies.” To fulfill these tasks and uphold Japan’s ranking in the order of nations, his government had to increase its military spending and the Japanese people had also to work harder and make do with less after paying more taxes.

A Congressional Research Service report to the Congress at the time of Abe’s visit, made American policy-makers aware of Abe’s anachronistic historical views including his denial of the role of the imperial government and the military in establishing and operating the system of “comfort women.” Presumably they knew about his close association with right-wing groups that regard the post-World War II war crimes trials as illegitimate and insist on statements that statements that inflame the wounds that are the legacy of Japan’s wars in China and colonial rule in Korea.<sup>38</sup>

### **Toward a New Emergency Power State?**

If the LDP triumphs in the July 2013 election for the House of Councilors, it can anticipate a lengthy stay in power, which might be accompanied by a slow militarization of Japanese

society and continued momentum toward constitutional revision. At the moment, the LDP coalition government can only contemplate drafting emergency legislation that would bring Japan closer to the sort of emergency power state that the legal scholar Kobayashi Naoki warned about in the late 1970s, when the LDP first aired such plans.

While calling for constitutional revision, however, the conservatives have learned to move slowly, step-by step. True, they exaggerate the military threat from China just as they once exaggerated a Soviet threat to Hokkaido. But in the past three months since Abe took office, a dangerous situation has developed in the Korean peninsula, which Abe has no need to misrepresent. Economically impoverished North Korea, which counts upon China for support, has been driven to increasingly dangerous behavior and inflammatory rhetoric. Stepped-up U.S. sanctions and the annual US-Republic of Korea military exercises directed against it have contributed to Pyongyang’s outbursts.

North Korean leaders, though utterly corrupt and repressive, have every right to feel threatened. They are keenly aware that regime change remains U.S. national policy, whether cloaked in the guise of “humanitarian intervention” as in Libya eighteen months ago, or today in Syria. Recently, the official North Korean news agency revealed the regime’s fears by declaring boastfully, “This land is neither the

Balkans nor Iraq and Libya.”<sup>39</sup> Nevertheless, the North’s verbal threats help its enemies to make the case that Pyongyang menaces both South Korea and Japan, not to mention antagonizing China. None of the major players in the region believe North Korean threats will lead to war, yet for domestic political reasons they require a response in the form of more American missiles on Japanese soil, more Japanese and American spending on armaments, and more rhetorical salvos.

Real dangers do exist for the Japanese people, however. At the moment these lie not so much in North Korea’s missiles nor in China’s challenges to the maritime status quo or even in the Japanese government’s disputes with South Korea. The dangers are institutional, structural, and deeply rooted.

They stem from the Security Treaty system with the U.S., which erodes Japan’s potential for democratic development and builds support for the construction of an emergency power state. And they stem from the dangers inherent in the system of unregulated, destructive capitalism. Noteworthy in this connection is the Abe government’s recent bold move to break Japan out of stagnation should be noted. The *Financial Times* hardly exaggerated in calling the announcement of the newly appointed governor of the Bank of Japan, Kuroda Haruhiko, the start of a “monetary revolution.”<sup>40</sup> On April 4 Kuroda declared his intention to print massive amounts

of money in order to make yen prices rise for around two years and replace Japan’s chronic deflation with inflation, which could then, he assumed, be controlled. He would start immediately by purchasing bonds.

Thus did Abe demonstrate his determination to end Japan’s stagnation by reverting to a more radical monetarism than his predecessors, risking hyper-inflation and misallocation of capital rather than undertaking needed structural political reforms, which could threaten LDP rule. At the same time he appeared to have ended the autonomy of the Bank of Japan and showed the world’s central bankers that he and the LDP, not technocrats, were calling the shots. To overcome “deflation”—a problem the U.S. does not have—Abe, in effect, opted to increase the amount of money in circulation to 55 percent of Japan’s national income, “far above the levels in the US and eurozones, which sit comfortably below 20 percent.”<sup>41</sup> If his bold move fails and Japanese investors move massive amounts of money to markets overseas, it could exacerbate Japan’s already serious economic situation.<sup>42</sup>

Perhaps the greatest danger remains the Abe government’s deep embrace of U.S. strategic plans, designed to sustain the American empire of troops and bases including Japan and South Korea, and its naval fleets that patrol the Pacific. U.S. actions expose Japan to the fallout from Washington’s wars and interventions. As Abe presses ahead with risky neoliberal policies,

Japan moves closer to a new emergency-power state. Only a mobilized Japanese people, advocating progressive agendas and committed to the spirit of the Constitution, will be able to prevent the LDP leaders from moving forward toward an abyss.

Herbert Bix, author of *Hirohito and the Making of Modern Japan* (<http://www.amazon.com/dp/0060931302/?tag=theaspacjo0b-20>), which won the Pulitzer Prize, is Professor Emeritus of History and Sociology at Binghamton University. A Japan Focus associate, writes on issues of war and empire.

Recommended Citation: Herbert Bix, "Japan Under Neonationalist, Neoliberal Rule: Moving Toward an Abyss?" *The Asia-Pacific Journal*, Vol 11, Issue 15, No. 2, April 15, 2013.

## Notes

<sup>1</sup>Material in this paragraph is taken from sociologist Oguma Eiji, "'Nihon o, torimodosu' ga uketa honto no riyu—seiji o kangaeru" (<http://gqjapan.jp/2013/02/04/thethoughtsonpolitics201303/>), *JAPAN GQ* Feb. 4, 2013.

<sup>2</sup>Miyano Masaru, "2012-nen shuinsen kekka no hitotsu no mikata" (<http://www.yomiuri.co.jp/adv/chuo/dy/opinion/20130115.htm>), *ChuoOnline*, Daily Yomiuri.

<sup>3</sup>Amaki Naohito, "Maebara giin ni yoru TPP kosho urabanashi no bakuro to Abe shusho no

robai," *Amaki Naohito Newslette* Nos. 180-2, March 12, 2013.

<sup>4</sup>Yahoo! Japan, Chiebukuro, No.-Dec., 2011; *Sankei nyusu* 2012.

<sup>5</sup>Richard J. Samuels, "Kishi and Corruption: An Anatomy of the 1955 System," *Japan Policy Research Institute*, Working Paper No. 83, Dec. 2001.

<sup>6</sup>Linda Seig, "Japan's Shinzo Abe: comeback kid with conservative agenda" (<http://www.reuters.com/article/2012/12/14/us-japan-election-abe-idUSBRE8BD04520121214>), Reuters.com, Dec. 14, 2013.

<sup>7</sup>Political Dynasties: Taro Aso (<http://jamesinjapan.wordpress.com/2008/09/06/political-dynasties-taro-aso-updated/>), May 27, 2007.

<sup>8</sup>Many examples can be cited showing how the alliance endangers mainly the lives and property of Okinawans and sharpens the divide between Okinawans and other Japanese citizens.

<sup>9</sup>*Nihon keizai shimbun* March 15, 2013, posted at "[http://www.nikkei.com/article/DGXNASFS0102P\\_R00C12A3PE8000/](http://www.nikkei.com/article/DGXNASFS0102P_R00C12A3PE8000/)

See the critique ([http://www.jlaf.jp/menu/pdf/2012/120823\\_01.pdf#search='%E8%87%AA%E7%94%B1%E6%B3%95%E6%9B%B9%E5%9B%A3+%E8%87%AA%E6%B0%91%E5%85%9A%E6%94%B9%E6%86%B2'](http://www.jlaf.jp/menu/pdf/2012/120823_01.pdf#search='%E8%87%AA%E7%94%B1%E6%B3%95%E6%9B%B9%E5%9B%A3+%E8%87%AA%E6%B0%91%E5%85%9A%E6%94%B9%E6%86%B2'))

) of the Japan Lawyers Association for Freedom (Jiyu hosodan), August 2012.

<sup>10</sup> *Okinawa Times*, March 14, 2013.

<sup>11</sup> “Jimin, shuinsen e ‘Tanigaki doktorin’ kenpo kaisei, zaisei saiken o meiki ([http://www.nikkei.com/article/DGXNASFS0102P\\_R00C12A3PE8000/](http://www.nikkei.com/article/DGXNASFS0102P_R00C12A3PE8000/)),” *Nihonkeizai shimbun*, March 14, 2013

<sup>12</sup> “Kenpo ni kinkyu jitai joko o—Jimin, Ishibashi, Sendai-shi de,” *Nihon keizai shimbun*, March 10, 2013. Ishiba argues that when the very existence of the state is at stake, it is only natural that any country will temporarily restrict the people’s rights in order to defend life and property.

<sup>13</sup> Yoshii Hidekatsu, “Genpatsu ‘anzen shinwa’ hansei shinai Jiminto to Amari, moto keizaisho,” posted at his website (<http://www.441-h.com>)

<sup>14</sup> A sign of the latter is the huge fine of about 11 million yen in “damages” that Abe’s Minister of Economy, Trade, and Industry has demanded of two leaders of a protest group that pitched a tent in front of the ministry and criticized the new government’s nuclear policies. *Asahi shimbun* (<http://www.asahi.com/national/update/0321/TKY201303210486.html>), March 21, 2013.

<sup>15</sup> Japan’s Abe seeks to show off alliance, gets Obama’s nod on Abenomics (<http://blog.newscred.com/article/dcfcc7357f17e9b95a381fba14a1ee5/japans-abe-seeks-to->

[show-off-alliance-get-obama-nod-on-abenomics/](http://blog.newscred.com/article/dcfcc7357f17e9b95a381fba14a1ee5/japans-abe-seeks-to-show-off-alliance-get-obama-nod-on-abenomics/)),” posted Feb. 21, 2013 at NewsCred.

<sup>16</sup> Richard Katz, “More Sizzle Than Steak,” *International Economy*, Winter 2013, p. 67.

<sup>17</sup> Katz, p. 69.

<sup>18</sup> Nakasone saw through the privatization of the Japan National Railway (JNR) and Nippon Telephone and Telegraph (NKK) but he allowed public services and social welfare expenditures to grow. The primary beneficiary of his subsidies allocated for public works was the LDP’s longtime supporter, the construction industry. Takaaki Suzuki, *Japan’s Budget Politics: Balancing Domestic and International Interests* (Synne Reiner Publishers, 2000), p. 181.

<sup>19</sup> J. Sean Curtin, “Japan, land of rising poverty, (<http://www.atimes.com>)” *Asia Times on line* posted Feb. 11, 2005.

<sup>20</sup> “Japan’s New Data on Poverty Rate Released,” *Japan Times* Jan. 26, 2010; Justin Dye, “Japan Poverty Rate at a Record High,” *Foreign Policy Association* July 14, 2011; Martin Fackler, “Japan Tries to Face Up to Growing Poverty Problem (<http://www.nytimes.com/2010/04/22/world/asia/22poverty.html>),” *New York Times* April 21, 2010).

<sup>21</sup> Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton Univ. Press, 2013), p. 121.



<sup>22</sup> This paragraph draws on Stedman Jones, *Masters of the Universe* pp. 333-337.

<sup>23</sup> Norman Solomon, "Digital Grab: Corporate Power Has Seized the Internet (<http://www.commondreams.org/view/2013/03/28-1>)," *Common Dreams*, March 28, 2013.

<sup>24</sup> Stedman Jones, *Masters of the Universe* p. 335.

<sup>25</sup> Professor Watanabe Osamu in numerous books, articles, and public lectures has fully explored the similarities and differences between Japanese and Western neoliberalism.

<sup>26</sup> John Queally, "Activists on Both Sides of Atlantic Denounce US/EU FTA's Corporate Power Grab (<http://www.commondreams.org/headline/2013/04/03-3>)," *Common Dreams* (April 3, 2013).

<sup>27</sup> "Breaking '08 Pledge, Leaked Trade Doc Shows Obama Wants to Help Corporations Avoid Regulations," Amy Goodman *Democracy Now!* interview of Lori Wallach, director of Public Citizen's Global Trade Watch, June 14, 2012; Chrystal Tacker, "Trans-Pacific Partnership, a 'global corporate takeover' (<http://cltampa.com/dailyloaf/archives/2013/03/10/trans-pacific-partnership-a-global-corporate-take-over#.UUHeFhyioig>)?" *Creative Loafing Tampa*, March 10, 2013.

<sup>28</sup> Lori Wallach, "NAFTA on Steroids (<http://www.thenation.com/article/168627/naf>

ta-steroids)," *The Nation* July 16-23, 2012.

<sup>29</sup> "Outline of TPP Agreement, Press Release of the U.S. Trade Representative, Nov. 13, 2011.

<sup>30</sup> Ilana Solomon, "Does Fracking Make You Queasy? So Will the Trans-Pacific Pact (<http://www.commondreams.org/view/2013/03/15-8>)," posted March 15, 2013

<sup>31</sup> Matt Vasilogambros, "Mr. Abe Goes To Washington: Japan PM Talks Autos, North Korea with President Obama (<http://www.nationaljournal.com/whitehouse/mr-abe-goes-to-washington-japan-pm-talks-autos-north-korea-with-president-obama-20130222>)," *National Journal* (Feb. 22, 2013).

<sup>32</sup> *Mainichi Daily News*, Feb. 23, 2013; on the Nov. 2011 "Outline of TPP Agreement (<http://www.scoop.co.nz/stories/WO1111/S00340/outline-of-tpp-agreement.htm>),"

<sup>33</sup> Dean Baker, "As Profit Shares Hit New Highs, Washington Focuses on Abuse of Disabilities (<http://truth-out.org/news/item/15450-as-profit-shares-hit-new-highs-washington-focuses-on-abuse-of-disability-system>)," *Truthout*, April 1, 2013.

<sup>34</sup> I am indebted to Bruce Cummings for these estimates. The North never disclosed its losses. See Cuming, "Korean War Games," *The Nation*, April 3, 2013, posted at

<http://www.thenation.com/article/173657/korean-war-games#>

<sup>35</sup> Amaki Naohito, "Nihon yori Bei-koku no boei o yusen suru Nichi-Bei domei no shotai o shimesu ugokanu shoko," *Amaki Naoto Newsletter* No. 176, March 11, 2013; "X-ban radar system eyed for Kyoto Prefecture," *Daily Yomiuri on line*, Feb. 23, 2013.

<sup>36</sup> Jane Perlez, "China Names New Team to Secure Its Place in Asia and Face U.S. Competition (<http://www.nytimes.com/2013/03/17/world/asia/china-names-its-new-foreign-policy-team.html?pagewanted=all>)," *New York Times*, March 16, 2013.

<sup>37</sup> Nearly a month after Abe's visit to the White House speculation surfaced in Tokyo that he would curb his historical revisionist rhetoric. It started with an interview Abe gave to a South Korean monthly magazine, *Geppo Chosen*, on March 18, suggesting that at least on the issue of sexual slavery his public position would change, though not until 2015. See Amaki Naohito, "Ianjo danwa no minaoshi o hoki saserareta Abe

Shuso," in *Amaki Naohito Newsletter* No. 192, March 19, 2013.

<sup>38</sup> Emma Chanlett-Avery, Mark E. Manyin, William H. Cooper, Ian E. Rinehart, "Japan-U.S. Relations: Issues for Congress," *Congressional Research Service Report for Congress*, Feb. 15, 2013

<sup>39</sup> Jim Lobe, "Libyan Intervention More Questionable in Rear View Mirror (<http://www.ipsnews.net/2013/04/libya-intervention-more-questionable-in-rear-view-mirror/>)," *Inter Press Service News Agency*, April 5, 2013.

<sup>40</sup> Ben McLannahan, Jonathan Soble, Josh Noble, "Japan starts monetary revolution," *Financial Times*, April 5, 2013.

<sup>41</sup> Chris Giles, "Central banks loath to follow Japan's 'massive' revolution," *Financial Times*, April 5, 2013; Bill Holter, "Quantitative Easing (<http://blog.milesfranklin.com/quantitative-easing/>)?"

<sup>42</sup> Robin Wigglesworth and Alice Ross, "BoJ plan sparks fall in Europe bond yields," *Financial Times*, April 9, 2013.