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LEFT BEHIND BY THE REFORM BANDWAGON: OZAWA'S POLITICAL STRATEGY

Hiroshi Hoshi

Ichiro Ozawa is a politician with two faces. He has immersed himself in a power struggle while seeking to reform Japan's politics, economy and foreign policy. This article traces back Ozawa's reform ideas and considers the trouble that they are facing now.

The views expressed in this piece are the author's own and should not be attributed to The Association of Japanese Institutes of Strategic Studies.

Ozawa was born in 1942. After his father's death, he was first elected as a member of the House of Representatives in 1969. Ozawa aligned himself with Tanaka Kakuei, then a rising star within the ruling Liberal Democratic Party (LDP), assisting him when Tanaka assumed the premiership in 1972. Tanaka restored diplomatic relations between Japan and China, and led Japan into high economic growth by introducing massive public works projects, as Ozawa described in his book *Blueprint for a New Japan*. However, Tanaka was forced to resign as prime minister amid his own money scandal and rising public criticism of inflation. He was later arrested in the Lockheed scandal and found guilty of bribery.

Tanaka's protégé Ozawa opposed Tanaka's maintenance of latent influence over political circles after his arrest. He backed Noboru Takeshita for the LDP presidency, contributing to the advent of the Takeshita administration in 1986. During this period, Ozawa seldom spoke about his reform ideas. Ozawa became the LDP's secretary general in the Kaifu administration, which was formed in 1989. Prime Minister Toshiki Kaifu's political influence was small because he came from a small faction. Ozawa took up the most influential political post in Japanese politics at the age of 47 by leading the LDP's largest faction, the Takeshita faction, during the Kaifu administration.

The Takeshita faction, however, split up after the arrest of its boss, Shin Kanemaru, on charges of income-tax evasion. Ozawa failed in his attempts to draw enough supporters and ended up in a non-mainstream faction. It was at this time that Ozawa started advocating reform. He insisted that the chief culprit of the stagnation of Japanese politics and the LDP's faction politics was the multiple-seat electoral system, and argued that Japanese politics could only be revamped if single-seat constituency and two-party systems that would enable a change of government were introduced. Such was Ozawa's reform logic.

Ozawa emphasized "reform" in his *Blueprint for a New Japan*, published in 1993, in which he argued for economic deregulation and the dispatch of the Self-Defense Forces abroad for the purpose of post-conflict reconstruction. He also accused those who opposed reform, such as LDP heavyweights and bureaucrats, of being "old guards." However, he was unable to form a majority

within the LDP and defected from the LDP by voting for the successful no-confidence motion against the administration of Kiichi Miyazawa along with some 40 Lower House members in 1993.


Ozawa and the LDP defectors formed their own party, the Japan Renewal Party. After the general elections, Ozawa named Morihiro Hosokawa, the leader of the tiny Japan New Party, as prime minister, finally forcing the LDP out of power for the first time since its founding in 1955. The Hosokawa administration introduced the single-seat constituency system by passing relevant laws. However, the anti-LDP coalition broke down in just 10 months due to the growing frustration with Ozawa's autocratic style, which eventually caused the Social Democratic Party of Japan to leave the coalition. Ozawa again attempted to create an anti-LDP coalition by founding another party, the New Frontier Party, in 1994, but it was short-lived as well. He then founded the Liberal Party as yet another pro-reform party. The party once formed a coalition with the LDP, but differences of opinion eventually forced the party to leave the coalition. In 2003, Ozawa joined with the Democratic Party of Japan, hoping to make the party strong enough to take over power from the LDP.

After becoming the DPJ's leader, Ozawa led the party to an overwhelming victory in the 2007 Upper House election by promising among other things to narrow economic disparities, increase the amount of subsidies to the agricultural industry, and introduce a child allowance. It was an all-inclusive agenda different from the type of reform that Ozawa had long been advocating. Noting that Prime Minister Junichiro Koizumi's structural reform had widened economic disparities and sent rural cities on the decline, Ozawa intended to emphasize differences from the LDP to win the election. In short, a power struggle took precedence over reform.

With the Upper House victory, Ozawa got down to preparing for a change of government. Ozawa resigned as the DPJ leader in May 2009 after his secretary was arrested in a political finance scandal, however, and was succeeded by Yukio Hatoyama. The DPJ finally realized a change of government in the August 2009 general election, having won 308 seats compared with the 119 seats won by the LDP. With Hatoyama becoming prime

minister, the DPJ formed a coalition with the Social Democratic Party and the People's New Party. Ozawa has maintained the No. 2 position as the party's secretary general.

The DPJ's political funding scandals have continued nonetheless. Prime Minister Hatoyama recently paid 600 million yen in gift tax on 1.2 billion yen that he received from his mother over seven years through 2008. Some of the money was recorded as political donations to Hatoyama from fake donors. Three former secretaries to Ozawa, including one DPJ Lower House member, were arrested for alleged mismanagement of political funds, increasing calls for Ozawa to resign to take responsibility. These scandals, together with the unrealized campaign pledges of cutting the budget by 7 trillion yen and eliminating the ¥2.5 trillion annual gasoline tax, have contributed to further declines in popular support for the government and the DPJ. The initial popular support rate for the Hatoyama government, which stood at 70% when it was formed last September, has fallen to nearly half that in just six months. When a candidate officially supported by the DPJ was defeated by a candidate supported by the LDP and Komeito in the Nagasaki gubernatorial election on February 21, it was considered as a sign of stalemate for Ozawa's strategy.

The LDP is, of course, heightening its criticism of Ozawa, but even some within the DPJ are calling Ozawa's political measures "archaic." There are voices within the government calling for the revival of true reform policy. Ozawa initiated political reform and a change of government, but the Japanese people want more than what he is doing now. Ozawa is being left behind the reform bandwagon that he helped set in motion. 

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