

Two Kinds of Conservatives in Japanese Politics and Prime Minister Shinzo Abe's Tactics to Cope with Them

By Akai Ohi

Shinzo Abe won the ruling Liberal Democratic Party (LDP) leadership election in September 2018, securing his third term both as leader of the party and as prime minister. How has Abe — an avowedly nationalistic and right-wing politician in terms of his political ideology — been able to maintain his grip on power for 6 years? To understand his exceptionally long administration (only three other Japanese prime ministers have reached the five-year mark), we must distinguish between two contrasting types of conservatives in the LDP and examine how Abe has maneuvered to integrate those two conservative trends.

During the period of stable one-party dominance from 1955 to 1993, the LDP managed to bundle support from big corporations and Keidanren (Federation of Economic Organizations) in the face of the socialist threat from rural regions, by providing huge public projects, and from small and medium enterprises (SMEs) by protecting them from competitive market pressures. Although the interests of big business as well as those of both rural regions and SMEs were different and sometimes contradictory, this strategy was bolstered by high economic growth from the 1960s onward.

However, as the post-bubble and industrial economy emerged in the 1990s, the contestation among these traditional LDP supporters became increasingly visible. Big business began to ask the LDP to implement a series of “reforms” that entailed cutting rural public works projects and reducing governmental regulations that protected small and vulnerable companies.

These pressures gradually created a division within the LDP between what may be called “Reformist Conservatives” and “Conventional Conservatives.” With the backing of big enterprises, the Reformist Conservative part of the LDP shifted its position, calling for a dismantling of pork-barrel politics and embarking on administrative reforms to reorganize the government. These initiatives were opposed by members of the old factions of the LDP from relatively rural constituencies, who formed the Conventional Conservative camp. Japanese politics over the past 30 years have thus been characterized by the confrontation between these two types of conservatives.

The governance focus of the Reformist Conservatives can be described as administrative and economic reforms to reduce governmental intervention in industry. Their objective in doing so was clearly to stimulate the country's “industrial metabolism.” Heizo Takenaka, an economist who served in the Koizumi administration, was outspoken in saying that the goal of structural reform was to make it easier for companies with low productivity to be smoothly kicked out of the market to make room for newly emerging industries to flourish.

The wave of Reformist Conservatives gained momentum in the late 1990s under the Hashimoto government (1996–1998). By taking advantage of the public distrust of high-ranking officials, Hashimoto was able to launch a major reform of the central government, resulting in a reduction in the number of ministries from 23 to 13. Full-scale regulatory reform (deregulation), aimed at creating a market-oriented economy, was also consistently at the top of the agenda for the LDP during the Hashimoto period.

Akai Ohi, Adjunct Lecturer at the University of Tokyo, Hosei University, and Showa Women's University, explains that “During the period of stable one-party dominance... the LDP managed to bundle support from big corporations and Keidanren... in the face of the socialist threat from rural regions.”

The biggest Reformist Conservative wave came with the structural reforms under the Koizumi government (2001–2006). The symbol of its reform agenda was postal service privatization. Koizumi eloquently argued that the deposits accumulated in the bank accounts held by Japan’s Postal Services Agency had been wasted as a resource for inefficient public projects. Koizumi’s landslide victory in the 2005 Lower House election made it possible for him to implement privatization and also to purge some veteran Conventional Conservative politicians from the LDP.

However, it also should be noted that after every surge of the Reformist Conservatives since the 1990s, a reaction from the Conventional Conservatives has followed. For every two steps forward, the reformists in the LDP have been forced to take one step back by the resilient conventional faction. Consequently, traditional pork-barrel politics and paternalistic care for vulnerable industrial sectors were intermittently ensured in the LDP.

For example, after Hashimoto imposed reforms in the late 1990s, he was succeeded by Obuchi and Mori, whose administrations postponed regulatory reform, bringing a period of pushback against the reformist trend. Even after Koizumi’s structural reforms in the late 2000s, the traditional LDP politicians tried to return to their old methods, such as expansionist fiscal policy, large-scale public works spending, and generous grants for local municipalities. Although Koizumi once proudly declared that the LDP had become a “purely reformist party,” that change was not irreversible, and the deep-rooted conventional element of the party has made Koizumi’s era seem exceptional compared to the party’s “normal” track.

Veteran politician Shizuka Kamei, who represented a rural, mountainous region in Hiroshima Prefecture, once said that the aim of the conservative is to protect the local, hard-working companies and families who underpin the Japanese economy. Because he vocally objected to postal privatization, Kamei was purged from the LDP by Koizumi, but he survived the 2005 Lower House election as an independent candidate. This shows that despite the dominant Reformist Conservative trend over the past 30 years, the Japanese public has not yet given up on the Conventional Conservative option.

To which camp, then, does Prime Minister, Shinzo Abe belong? Is Abe a Reformist Conservative or a Conventional Conservative? In the sense that he claims to support a reformist agenda while simultaneously relying on conventional Keynesian economics, he pursues policies from both categories. This stance can be seen in his economic policy, known as Abenomics, which consists of “three arrows” — aggressive monetary policy, large-scale fiscal measures, and Koizumi-like deregulation. By implementing monetary and fiscal easing, Abe satisfies the Conventional Conservative camp, and they trust that the Prime Minister is not seriously committed to reforming the more highly regulated areas such as agriculture, medical services, and nuclear energy. The Reformist Conservative also accepts Abe because he repeatedly calls for reforms and tries to present himself as a reformer. In fact, the Abe government introduced National Strategic Special Zones, in which regulations were drastically loosened. Political scientist Koji Nakakita of Hitotsubashi University describes Abenomics as “Aufheben” (sublation) in the way it handles the dilemma between the pork-barrel politics of the Conventional Conservative and the neoliberal politics of the Reformist Conservative. To put it another way, it is a deft political trick that is concealing the underlying conflict between the two camps, at least for time being.

Having been reelected as party leader thanks to recent changes in the LDP term-limit rule, Abe could potentially become Japan’s longest-serving prime minister if he successfully completes his current three-year term. Whether he can accomplish this feat depends on his ability continue playing to both sides and masking the divide between the party’s two conservative camps.

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