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Abenomics boosts LDP ahead of upper house elections

By Jonathan Soble in Tokyo

Four years ago, after Japan's conservative Liberal Democrats suffered their first general election defeat in half a century, one senior strategist asked whether his party had "passed its use-by date".

Some even speculated that the humiliated Liberal Democratic party would break apart. With its aura of invincibility destroyed, it faced at best a future of grinding competition and stints in opposition – the normal lot of parties in other countries.

Yet just one election cycle later, the strategist Yoshihide Suga is chief spokesman for a popular LDP government that has a solid majority in parliament's lower house and enjoys historically high poll ratings. The party looks set to consolidate power in a contest for the legislature's upper chamber this month.

The return of the LDP and its leader, Shinzo Abe, has been welcomed by many, especially in the business world, and has raised hopes for revival in the world's third-biggest economy. Tokyo share prices are up by one-quarter from their level when Mr Abe took power in December, even after a rocky past month.

At the same time, the extent of the comeback – and the matching collapse of the opposition – has raised concerns. Some fear that Japan is experiencing not just a swing in the fortunes of its political parties, but rather the end of an all-too-short experiment with competitive politics.

"Is the '1955 system' on its way back?" the Nikkei business daily asked last week, referring to the era of entrenched LDP rule that began that year.

Gerald Curtis, an expert on Japanese politics at Columbia University, speaks of "total implosion" and "unprecedented weakness" in the opposition camp. "There is no party that's capable of coming to power that's getting any support," he says.

The LDP presided over Japan's "miracle" postwar recovery. But its long hold on power contributed to frequent corruption scandals and dithering over economic reforms after growth sputtered in the 1990s.

Many hoped that sustained competition from the centre-left Democratic Party of Japan, which beat the LDP in 2009 and ruled for three tumultuous years, would keep such failings in check.

Yet six months out of power, the DPJ is polling at around 8 per cent. It is struggling to stem a tide of defections and is having trouble finding enough candidates to contest every district in the July 21 election. Analysts expect the LDP and its partner Komeito to win handily.

“The transition to a two-party system was never completed,” says Masayoshi Honda, an independent political analyst. He blames the inherent fragility of the DPJ, a coalition of ex-Socialists and more conservative LDP defectors that was prone to infighting and policy reversals. “It looked like one party but it wasn’t.”

The sense of a return to the past deepened after municipal elections in Tokyo last month. All 59 Liberal Democratic candidates were elected, while the DPJ lost two-thirds of its council seats and finished fourth, behind the LDP, an LDP coalition partner and the Communist party.

The Democrats are not the only troubled opposition group. Restoration, a rightwing populist party that came a close third in lower-house elections in December, has sunk to less than 5 per cent support in voter surveys. It has been hurt by gaffes by one of its leaders, Toru Hashimoto, the Osaka mayor, who was quoted defending sexual abuses by Japan’s wartime military.

Opposition groups are also belatedly probing for weakness in “Abenomics”, the prime minister’s programme of loose monetary policy, fiscal stimulus and liberalising reforms – the last of which remains mostly talk.

In the DPJ’s “manifesto” for the upper house elections, *manga* cartoon characters fret about inflation and ebbing job security, as well as Mr Abe’s ambition to rewrite Japan’s anti-war constitution.

So far, the fervour for Abenomics is based mostly on hope. The same polls that show two in three voters approve of the administration suggest that only one in six have benefited directly from its policies.

Japan’s next general election is not scheduled for three more years, but having ejected a government once in 2009, voters could seek to do so again if they become disappointed with Mr Abe’s rule. “The question,” says Mr Honda, “is will there be an opposition left to take advantage?”