

## Creative destruction

*The need for change in Japan is pressing, but the callow opposition hardly seems up to the job.*

There is no revolution at the barricades, and on an early-summer Sunday the homeless in Tokyo's Yoyogi park form a polite long queue for the bento (packed lunch) boxes being handed out by a schoolgirl from a local church: the deepest bows come from those at the back who go away empty-handed. Yet as far as the problems of a rich country go, it is hard to exaggerate Japan's.

The global slump has hit the economy far harder than the famous bursting of its bubble did two decades ago. Government debt stands at twice the economy's annual output, dwarfing even Italy's. The export-led growth which drove a six-year recovery after 2002 has proved a chimera. Now, as Japan's 127m-strong population is set to fall, some predict, by more than a third over the next few decades, the working-age population will fall fastest, before a way has been found to pay for all the grey heads. Yet, under a nutty-sounding new policy the government is quietly bribing South American immigrants of Japanese extraction to return home for good. Other solutions to the crisis proposed by members of the ruling Liberal Democratic Party (LDP) include creating a brand-new currency, with which to flood the economy. Much else about the LDP is either crackpot or forlorn, suggesting that Japan's problems are political at root. And now, for the first time in Japan's post-war history, an opposition offers a feasible alternative to the LDP, which has run Japan for all but ten months since 1955.

Until this week, however, which brought the resignation of Ichiro Ozawa, imperious leader of the opposition Democratic Party of Japan (DPJ), that feasibility had once again been in doubt. Victory in the general election, which the prime minister, Taro Aso, is bound to call by September, was the DPJ's to lose. Mr Ozawa seemed determined to lose it. Not for nothing is he known as "the Destroyer". This spring he was implicated in a fund-raising scandal, in which an aide was indicted for receiving illegal donations from a construction company. That went down poorly with voters, underscoring how much Mr Ozawa's politics were still rooted in the murk of back rooms.

The 66-year-old Mr Ozawa had started out in the LDP, where his rise was as astounding as the quantities of enemies he made. Earlier than any politician, he had articulated the need for political reform and for Japan to come out from under its pacifist constitution to chart a more "normal" course in foreign affairs, shouldering more of the burden of its own defence. He defected from the LDP in 1993 and, as the DPJ's head, has turned the party into a national force not just among the urban middle classes but in rural regions too. The strategy paid off in 2007, when the party won control of the upper house of the Diet (parliament), throwing the LDP into disarray. It is on its third prime minister since.

The latest scandal, however, had turned Mr Ozawa into an electoral liability for the DPJ. Stepping down may prove to be a rare constructive act in the Destroyer's career. His successor will present a fresh start in promoting a reformist agenda of fixing the pension and health systems, providing jobs and making government and bureaucracy more accountable.

"Fresh", however, is hardly the apt term for the two contenders for the leadership, to be decided on May 16th. One, Yukio Hatoyama, the secretary-general, is closely associated with the former leader and will be backed by Mr Ozawa's henchmen. Mr Ozawa himself may expect to wield more power from behind the throne than on it. The other, Katsuya Okada, led the DPJ to a crushing defeat in 2005 by the LDP under its former prime minister, Junichiro Koizumi. Fatally, he opposed Mr Koizumi's popular plans to privatise the postal-savings system. Both DPJ contenders are charisma-light insiders. But at least Mr Okada, who has admitted his 2005

electoral blunder, has hit a nerve in promising to campaign against the practice, common among LDP political families, of treating Diet seats as heritable sinecures. Over half Mr Aso's cabinet are the offspring of former politicians.

#### Searching for the new

Even so, the DPJ hardly offers a clean break with the sordid past. Like its predecessor as pretender to the LDP's crown, the Socialist Party, it has tended to be a rather tame opposition. Many of its members, indeed, are ex-Socialists. Others, Mr Hatoyama and Mr Okada included, are from the LDP. Mr Hatoyama has a brother in the cabinet. His grandfather, Ichiro Hatoyama, was an LDP founding father and arch-rival to Japan's most notable prime minister after the war, Shigeru Yoshida. Mr Yoshida, as it happens, was Mr Aso's grandfather, so this summer's election may play out as family rivalry. Further, the political careers of both Mr Hatoyama and Mr Okada have been bankrolled by immense family fortunes, just like those of many in the LDP. Plus ça change.

With Mr Ozawa gone, establishment meddlers, such as retired prime ministers and media magnates, will redouble efforts to get the LDP to propose a post-election "grand coalition" with the DPJ. After all, many have long viewed it as merely an errant LDP faction. Elsewhere, modernisers within the LDP are pondering defecting to the DPJ. Given the DPJ's inexperience—one reason why it depended so on Mr Ozawa—they might be welcome.

So the big test facing the DPJ is to dispel the suspicion that politics in Japan, more than any other rich democracy, is a top-down business arranged by a self-selecting elite, which rarely informs the public of its actions, much less consults them. Voters, of course, have in part themselves to blame for this. To date, they have too readily accepted what they are given, even when the political bento boxes prove empty. When they line up at the ballot boxes this summer, a resounding vote for the DPJ would show Japanese politicians they are accountable after all, and offer a chance to see if the DPJ can keep its promises. It might even elicit an explanation as to how the party is to pay for them.

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