



日本国際交流センター

JAPAN CENTER FOR INTERNATIONAL EXCHANGE

US Congressional Staff Exchange Program

22nd Congressional Staff Delegation to Japan

August 2013

DURING AUGUST 3–10, six senior Congressional staff taking part in JCIE's delegation to Japan participated in a series of meetings, roundtables, and site visits related to US-Japan relations, regional affairs, and the state of recovery in the devastated Tohoku region. During the weeklong program, they exchanged views on a broad range of issues with more than 80 national and local elected officials, diplomats, policy analysts, military officers, business executives, NGO staff, and community members.

Participants

Alice James	<i>Press Secretary and Scheduler, Senator Lindsey Graham (R-SC)</i>
Brian Oszakiewski	<i>Legislative Director, Representative Dan Lipinski (D-IL)</i>
Michael Ratner	<i>Specialist in Energy Policy, Congressional Research Service</i>
Laura Swanson	<i>Deputy Staff Director, Senate Bank- ing, Housing, and Urban Affairs Committee (Tim Johnson, D-SD)</i>
Meghan Taira	<i>Legislative Director, Senator Chuck Schumer (D-NY)</i>
Megan Whittemore	<i>Press Secretary, House Majority Leader Eric Cantor (R-VA)</i>

Summary of Discussions

In recent years, Japan's political turmoil and the rapid turnover of prime ministers has stymied policymaking and challenged US-Japan relations, so it was no surprise that the prospects for greater political stability came up first in most of the delegation's discussions with Diet members and political

analysts. The ruling coalition's lopsided election victory in July allowed it to seize control of the Upper House and ended the divided government that has persisted in recent years. Several ruling and

opposition party members noted that this development and the unusually long period of three years before the next national elections will give Prime Minister Shinzo Abe a strong chance to break the pattern of short-lived premiers and allow him several years to focus on implementing his agenda.

Many of the political leaders and experts that the group met argued that, so far, Prime Minister Abe has been skillful in managing domestic politics and rolling out policy initiatives, but four much bigger tests face him this autumn on the economic front.

STRUCTURAL REFORM: There was a strong consensus that the first two pillars of the "Abenomics" initiative to revitalize Japan's economy—unprecedented monetary easing coupled with fiscal stimulus—have worked remarkably well, but the third pillar (or "arrow" as the prime minister calls it) of structural reform will be a major challenge. One Diet member who is deeply involved in economic policymaking noted that legislation to reform corporate governance this autumn will be one of the keys to the success of the third arrow, adding that



*Diet members discuss the implications of the July elections
(l-r: Hon. Keisuke Suzuki, Hon. Tsutomu Okubo,
& Hon. Takao Ochi)*

About the US Congressional Staff Exchange Program

- Over the past four decades, more than **1,000 leaders** have taken part in JCIE's political exchange programs.
- Since its inception in 1982, **158 participants** have traveled to Japan on the US Congressional Staff Exchange Program.
- Prior to departure, delegation members took part in two briefings, one on US-Japan security relations with James Schoff (Carnegie Endowment for International Peace) and one on regional affairs with Mireya Solis (Brookings Institution).

the main difference with previous reform efforts is the deep personal involvement of the prime minister in the legislative process this time. However, business executives and analysts noted it will be especially difficult for the government to increase labor mobility, which is also necessary for structural reforms to succeed.

TAX HIKES: The second major issue that Prime Minister Abe faces is the decision whether to proceed with the planned increase in the country's consumption tax from 5% to 8% next April, and eventually to 10%. Many analysts and business leaders favor an increase to reduce Japan's national debt, but others feel it will undermine the government's efforts to escape deflation and spark economic growth. Even the prime minister's party is deeply divided, with several Liberal Democratic Party (LDP) Diet members telling the delegation that the tax hike should be postponed while others insisted that it is necessary and efforts to retreat from a tax increase will be regarded by voters as a betrayal.

TRANSPACIFIC PARTNERSHIP (TPP): In the spring, the prime minister also took the bold step of committing Japan to join the TPP, and Japan's chief trade negotiator told the delegation that it is crucial to wrap up negotiations this autumn to avoid losing momentum for approval of the trade pact

within Japan. Japan and the United States share common interests on many key issues in the negotiations, including intellectual property rights and strong enforcement mechanisms, but there are a number of areas which will pose domestic political challenges for Japan, especially trade liberalization of rice, beef, and dairy products. Unfortunately, one analyst noted, the rural constituencies that are most threatened by agricultural

liberalization consist largely of senior citizens who will also be the biggest losers from a consumption tax increase.

ENERGY: After the Fukushima nuclear disaster, all 50 remaining nuclear reactors were shut down, depriving Japan of 30% of its electricity supply. Efforts are underway to shift to other energy sources, particularly LNG exports from the United States, but the Abe government feels it is necessary to take the politically difficult step of restarting many of the shuttered reactors in order to support the economic recovery. Several analysts explained that the government needs to make key decisions on the restarts in the next few months.

On the foreign policy front, the media has focused on Japan's troubled regional relations in recent months. However, a range of Japanese and American analysts and diplomats argued that Japan's dealings with China and its other neighbors over the past year have actually been highly professional, adding that now the government's focus should be on promoting economic growth and avoiding any missteps that may further inflame regional tensions. One leading Japanese expert noted that the single greatest foreign policy challenge ahead for Japan is to create the right approach to China. This will require a concerted effort to downplay the Senkaku



Kamaishi Mayor Takenori Noda briefs delegation members



Delegation with Diet Fukushima Investigative Committee Chair Kiyoshi Kurokawa



Roundtable with evacuees in the Tohoku disaster zone

Islands dispute, he remarked, since there is no room for Japan to make concessions and China is unlikely to do so as well.

Prior to the July elections there also had been considerable discussion of constitutional reform, in part to loosen the restraints on Japan's use of military force. However, the experts who spoke with the delegation were unanimous in insisting that, now, it is politically impossible to amend the constitution, at least in the short term. Nonetheless, we are likely to see a reinterpretation of the constitution to allow some degree of collective self-defense so that Japanese forces can aid their US allies if they come under attack. There was considerable disagreement about how broad the scope of reinterpretation is likely to be, but all of the analysts agreed that it generally should help strengthen US-Japan alliance cooperation. Some commentators noted, however, that US budget politics, especially the sequester, are undermining confidence that the United States will continue the current level of investment in regional security and the defense of Japan.

The delegation members gained a very different view of national affairs when they left Tokyo for Iwate Prefecture to speak with local level officials and ordinary citizens coping with the aftermath of the massive 3/11 disaster. In a range of meetings with community leaders, they encountered deep skepticism about national politics and a degree of dissatisfaction with the speed of the recovery. One local official tried to put things diplomatically, noting that "of course, the central government is moving as fast as they can to

help us, but it is just not as much as we need nor as quick as we need."

The group also met with the organizers of a number of innovative community initiatives that could be emulated to deal with disasters in the United States and elsewhere. In Rikuzentakata, where the tsunami washed away several school buildings and killed nearly 10 percent of the population, officials from the local board of education explained how evacuation drills designed to empower schoolchildren to take the initiative to help one another in the case of disasters ensured that no students attending schools that day lost their lives. Meanwhile, in Kamaishi, they spoke with NGO leaders who were managing creative community gardening projects and operating fleets of food trucks as part of sophisticated efforts to rebuild a sense of rapport in their communities. Many of these projects were supported by US donors, and local officials described how overseas funding and the expansion of grassroots international exchange programs have been playing an important role by giving inspiration and hope to disaster survivors and by helping members of these communities feel that they are not alone in their struggle to recover.



A Tohoku fisherman describes steps to revitalize the seafood industry

.....
 The 2013 Congressional Staff Exchange Program in Japan has been made possible with support from the Japan-US Friendship Commission and many friends of JCIE.