

JAPAN

Introduction

Japan, a country of 117 million people, is the 7th most populous country in the world with 70% of the population living in urban areas. It is a highly homogenous society (99.2% ethnic Japanese) and virtually 100% literate. Japan possesses the world's second largest free market economy made up of a large, efficient and well-motivated labour force, of which only about 10% work in agriculture, forestry or fishing. An industrial giant, the country is energy and resource poor, and governments have consistently sought to ensure supplies of raw materials and foodstuffs, increasing self-sufficiency where possible. Japan's bicameral parliamentary system has been dominated by the conservatively oriented Liberal Democratic Party (LDP) since the 1950's, although factional politics within the LDP are also an important feature of political life.

Domestic Political Situation

The election of Yasuhiro Nakasone as President of the Liberal Democratic Party (LDP) and Japan's seventeenth post-war Prime Minister on November 30 filled the gap which arose when Prime Minister Zenko Suzuki announced that he would not seek re-election. The LDP majority in the Diet means that the party president is assured of becoming Prime Minister. On the same day, after a period of intra-party bargaining, Mr. Nakasone announced his first Cabinet which strongly reflected the present balance of power within the LDP and the political debts he accumulated in the process of being elected.

Mr. Nakasone is a tough, professional politician who has been a potential leadership candidate for nearly a decade. Although his faction is only the fourth largest in the LDP, unlike his predecessor he was not a compromise candidate for the party presidency. Throughout his career he has displayed both ambition and style and will clearly exert more of a presence than Mr. Suzuki, even within Japan's consensus oriented society. There has been much speculation that Mr. Nakasone may be just a "Tanaka man", reflecting the influence and power of former Prime Minister Kakuei Tanaka who still controls the LDP's largest faction despite his current indictment for bribery in the Lockheed scandal. Given his personal attributes, however, as time goes by it is possible that Mr. Nakasone increasingly will be able to put his own stamp on his administration and distance himself somewhat from his benefactors.