

The Weekly Observer

July 26-30, 2021

The 14th edition of the weekly newsletter aggregating news on Japanese politics! This week focuses on the newly expanded COVID-19 state of emergency, expert predictions on the spread of the virus, Japan-U.S. high-level meetings, the inaugural strategic dialogue between Japanese, American and Taiwanese lawmakers, Japanese reactions to the Russian prime minister's visit to the Northern Territories, the IMF's economic outlook for Japan, preparation for Lower House and LDP Presidential elections, the decision by a prosecution committee to reinvestigate ex-prime minister Abe's cherry blossom scandal, and more.

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I. News of the Week

1. State of Emergency Expanded to Include Greater Tokyo Area and Osaka

- The government decided Friday to expand the state of emergency currently in place in Tokyo and Okinawa to Kanagawa, Chiba, Saitama and Osaka prefectures.
- All six prefectures will be under a state of emergency until August 31. Hokkaido, Ishikawa, Kyoto, Hyogo and Fukuoka will be placed under pre-emergency measures (*man-en bōshi-tō jūten sochi*), a step below a state of emergency.
- This comes on the heels of Japan topping 10,000 daily cases nationwide. On Thursday, Tokyo reached a record-high of 3,865 cases, followed by Kanagawa (1,164), Osaka (932), Saitama (864), Chiba (576) and Okinawa (392).
- Prime Minister Yoshihide Suga said on Friday that he is prepared to make this the last state of emergency. He also told reporters on Thursday that he did not believe the Olympic Games had caused the spike in cases.
- The health ministry's expert panel reported Wednesday that Japan is experiencing an "unprecedented spread of the virus" across the nation. It also said that the "delta" strain and a rapid increase in people's movement are causing the spread.

2. Experts Predict Further Increase in Cases

- On Friday, some members of the government's coronavirus expert panel called for the consideration of legislation that will enable the government to introduce a lockdown. Suga said later in the day that a lockdown isn't the suitable solution and that the only way forward is pushing the vaccination drive.
- According to the Cabinet Office, as of Friday, around 84 million shots have been administered across the country. Of the total population, 38 percent have been vaccinated once, while 28 percent have been vaccinated twice.
- Following the rapid increase in cases, nine medical organizations including the Japan Medical Association issued a statement Thursday calling on the government to declare a nationwide state of emergency and complete vaccination of those between the ages of 40-64 who account for a higher proportion of total cases.
- Government data shows that those in their twenties and thirties make up roughly half of total new cases, while only accounting for 10 percent of severe cases. Half of severe cases are now accounted for by those in their forties and fifties.
- Shigeru Omi, head of the government's expert panel, said at Thursday's out-of-session Diet examination that, without a common sense of crisis across society, case tallies will spike and worsen the burden on medical institutions.

- According to government data, as of Wednesday, only 47 percent of Tokyo's hospital beds set aside for COVID-19 are occupied, but 64 percent of beds for patients with severe symptoms are already occupied.
- The Tokyo Metropolitan Government's expert panel expects 2,962 cases on a seven-day average next week, and 4,532 cases in two weeks if case numbers continue to increase as is.

3. Japan-U.S. Relations

- Defense Minister Nobuo Kishi had a phone call with Secretary of Defense Lloyd Austin on Friday, in which Kishi welcomed the U.S.'s deepening involvement in the security of Southeast Asia, as well as confirmed the need to further strengthen Japan-U.S. cooperation to achieve a free and open Indo-Pacific.
- Kishi also said Friday that the defense ministry will request U.S. cooperation to conduct a landing and takeoff test for the state-of-the-art F-35B stealth fighters off of aircraft carrier JS Izumo by the end of the year.
- On Wednesday, Takehiro Funakoshi, the director-general of the foreign ministry's Asian and Oceanian Affairs Bureau, spoke on the phone with U.S. Special Representative for North Korea Sung Kim.
- The two welcomed the restoration of the hotline between South and North Korea on Tuesday as a step toward improving relations.
- They also confirmed bilateral and trilateral cooperation with South Korea to resolve issues including North Korea's nuclear and missile programs and the abduction issue.

4. Japan-U.S.-Taiwan Lawmakers Hold Inaugural "Strategic Dialogue"

- The cross-party Japan-Republic of China Diet Members' Consultative Council (*Nikkakon*) held an inaugural "strategic dialogue" online between Japanese, U.S. and Taiwanese lawmakers on Thursday.
- Participants included the council's chair and LDP lawmaker Keiji Furuya, former U.S. ambassador to Japan Bill Hagerty, and You Si-kun, president of Taiwan's Legislative Yuan. Former prime minister Shinzo Abe attended as a special guest.
- According to *Nikkei*, the discussion focused on responding to Chinese military pressure, promoting a free and open Indo-Pacific, possible U.S. and Taiwan accession to the CPTPP and Taiwan joining WHO as an observer.
- Former prime minister Abe, who serves as an adviser of *Nikkakon*, spoke about the threat China poses on Taiwan's democracy, saying "what happened in Hong Kong must never happen in Taiwan."

- He added that he finds China's unilateral attempts to change the status quo in the East and South China Seas concerning. He called on the U.S. and Taiwan to joint CPTPP and expressed support for Taiwan to join the WHO as an observer.
- The group will deepen cooperation by setting up separate forums for discussion on themes such as security, intellectual property rights and human rights.

5. Foreign Policy Developments

- Foreign Minister Toshimitsu Motegi said at a press conference on Friday that he will be attending the Japan-ASEAN and ASEAN+3 (Japan, South Korea, China) Foreign Ministers Meeting on August 3, the East Asia Summit on August 4, and the Mekong-Japan Foreign Ministers Meeting on August 6 next week.
- He looks forward to discussing ways to deepen cooperation with Southeast Asian countries to achieve a free and open Indo-Pacific, as well as the dispatch of a special envoy to Myanmar to help defuse the crisis caused by the coup.
- On Wednesday, Prime Minister Suga delivered a video message in commemoration of the 65th anniversary of the normalization of diplomatic relations between Japan and the Philippines.
- Suga said the strategic partnership is founded on shared universal values such as freedom, democracy, and the rule of law, and that it has entered a "golden age". He expressed his intention to continue promoting cooperation to achieve FOIP.
- *Sankei* reported Wednesday that Abe indicated an interest in traveling to Taiwan once the pandemic subsides to visit former president Lee Teng-hui's grave site on the anniversary of his death. The Taiwanese foreign ministry and President You Si-kun of the Legislative Yuan welcomed this development.

6. Russian Prime Minister Visits Northern Island Claimed by Japan

- On Monday, Russian Prime Minister Mikhail Mishustin stepped foot on Etorofu Island (Northern Territories), land which is claimed by Japan.
- This came after President Vladimir Putin ordered Mishustin to prepare a new proposal for joint economic activity on the four Northern Territories last Friday.
- The so-called "unprecedented proposal" (according to Putin) is viewed as a move by Russia to achieve a breakthrough in negotiations over a peace treaty and what it views as a territorial dispute with Japan over the territories.
- Foreign Minister Toshimitsu Motegi issued a statement on Monday which called the move unacceptable, incompatible with Japan's position on the territories and hurtful to the public sentiment. Vice Foreign Minister Takeo Mori also summoned Russian Ambassador Mikhail Galuzin to protest strongly against the move.

- The foreign ministry remains skeptical that the new proposal will yield anything, calling it Russia's "usual tricks". Skeptics also point out that Russia amended its constitution in July 2020 to ban ceding of territory to other countries, as well as the fact that it has conducted military exercises in the territories.

7. State of the Economy

- On Friday, the Nikkei Stock Average (225 of largest companies) and Tokyo Stock Price Index (all companies in TSE's first division) both fell significantly following an expansion of the COVID-19 state of emergency to four other prefectures.
- The Nikkei Average in particular fell ¥440 from the previous day to ¥27,300. It seems the lack of prospect for the economy returning to normal weighed heavily on the performance of the index.
- The finance ministry announced Friday the general account balance sheet for FY 2020. Of the ¥175 trillion appropriated for the coronavirus response, more than ¥30.78 trillion, the largest amount ever, was left over and carried over to this year.
- The IMF's World Economic Outlook published on Tuesday showed that Japan's GDP growth rate for 2021 is 2.8 percent, down 0.5 percent from the previous calculation in April.¹
- The impact of the pandemic and state of emergency pushed Japan's growth rate to the lowest among developed countries. The IMF did, however, revise Japan's growth rate for 2022, up 0.5 points to 3 percent, as it expects the economy to improve in the second half of the fiscal year.

8. Parties Prepare for Fall Elections

- In an interview published on Monday, Prime Minister Suga said he is "extremely greedy" when it comes to the victory line for the upcoming Lower House election.
- He stated that elections are always unpredictable but nothing will change in terms of how the party prepares for the election. The interview proves to some that the prime minister remains unfazed despite plummeting cabinet approval ratings.
- Former foreign minister and CDP lawmaker Katsuya Okada told reporters Thursday that, although it is regrettable the CDP and DPP could not merge before the fall election, he hopes to do so before the Upper House election next summer.
- Akira Amari, chairperson of the LDP Research Commission on the Tax System, said Sunday on a TV program that the LDP presidential election scheduled for September could be postponed until after the Lower House election.

¹ "World Economic Outlook Update, July 2021: Fault Lines Widen in the Global Recovery," International Monetary Fund, July, 27, 2021, <https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>

- He argued that it would be better to call the Lower House election in September or October after the vaccination drive progresses further. He also “100 percent” denied rumors that he could be named the next secretary-general.

9. Other Noteworthy News

- **Prosecution Committee Deems Decision to Not Charge Ex-PM Abe Over Dinner Party as Inappropriate:** Tokyo’s First Committee for the Inquest of Prosecution—comprised of eleven members chosen by lot from citizens listed on the electoral register—decided on Friday that prosecutors’ decision to not indict former prime minister Abe for violating the Public Offices Election Act at the dinner party prior to the cherry blossom viewing party (hosted annually by the prime minister to celebrate distinguished people in their respective fields) was inappropriate given a lack of investigation into the matter. Abe was accused of paying part of the cost for a dinner party with voters from his district before the cherry blossom viewing party. This was allegedly covered by campaign funds, a violation of the Public Offices Election Act. Reports eventually revealed that of the ¥23 million (≈\$210,000) used for the dinner party over five years, at least ¥8 million (≈\$73,000) was covered by the office. However, prosecutors ended up dropping charges as they could not find sufficient evidence. Abe’s former chief public secretary, then-president of the “Shinzo Abe Supporters Association” (*kōenkai*), which hosted the dinner, was served a summary order (*ryakushiki meirei*) of one million yen last December for violating the Political Funds Control Act, failing to note around ¥30 million (≈\$273,000) in the political funding balance report between 2017-2020. Prosecutors later dismissed this case too, arguing that it could not obtain a copy of the report for 2017 and therefore had insufficient evidence. A separate committee for the inquest of prosecution decided in March this year that prosecutors should reinvestigate the matter, but it yielded nothing. This time, the committee argued that the decision to not indict the prime minister and his secretary was inappropriate because 1) prosecutors had only asked for testimony from a portion of the attendees and 2) there was clear evidence, including testimony from the secretary, that the office compensated a portion of the cost for the event using campaign funds. With this decision, the Tokyo District Public Prosecutors Office will launch a reinvestigation to decide whether or not to indict Abe. If they find him not guilty again, investigations will be ended, and the committee will not conduct another review on the case. For his part, Abe says that he and his office cooperated with the prosecutors and was found not guilty based on a rigorous investigation. He says he will closely watch how the prosecutors respond to this decision by the committee.

II. Public Opinion Polls

- A *Nihon Keizai Shimbun*/TV Tokyo poll released Monday showed a 34 percent approval rating for the Suga cabinet, down 9 percent from June, and a disapproval rating of 57 percent, up 7 percent.²
 - 41 percent of respondents aged 18-39, 32 percent of those aged 40-59, and 32 percent of those aged 60 and older support the government.
 - 53 percent of respondents said they disapproved of the government due to a lack of leadership, while 35 percent said it was due to poor management of the government and party.
 - 57 percent of respondents are dissatisfied with the government's handling of the coronavirus, down 7 percent, while 39 percent are satisfied, up 8 percent.
 - 65 percent of respondents said the government's vaccination drive is not going smoothly, up six percent, while 29 percent said it is going smoothly, down 9 percent.
 - 59 percent of respondents said the Olympic Games should continue to be held, while 37 percent said it should be postponed or cancelled.
 - 33 percent of respondents said the games should be held without spectators; 22 percent said it should be held with 10,000 spectators; and 4 percent said it should be held as originally planned.
 - 38 percent of respondents said they support the LDP, down 5 percent; 9 percent support the largest opposition CDP; and 35 percent of respondents identify as independent, up 4 percent.

² “*Naikaku Shiji, Saitei no Sanjūyon Pāsento Honsha Yoron Chōsa* 内閣支持、最低の34% 本社世論調査” [Cabinet Approval Down to Lowest at 34% Nikkei Opinion Poll], *Nihon Keizai Shimbun*, July 26, 2021, <https://www.nikkei.com/article/DGKKZO74169020W1A720C2MM8000/>.