

If only strongmen could also be wise men

“Strongman” has become a worldwide media buzzword. For instance, a U.S. magazine in May this year featured photographs of four foreign leaders on the cover with the title “Rise of the Strongman.” This summer, media reports elsewhere stated that a Southeast Asian leader had joined the world’s “strongman club” by having his ruling party sweep all parliamentary seats in a general election.

The emergence of strongmen of late is not limited to un-



INSIGHTS
into the
WORLD

By Hiroshi Watanabe

democratic countries ruled by so-called authoritarians. Some democratic countries whose leaders are elected under the universal suffrage system have experienced situations immensely different from the past — the rise of strongmen of their own.

In those countries, income growth has lost momentum and the inequality of income and asset distribution has increased for different reasons depending on local conditions. Many democracies uphold the tradition of having “all matters decided by public discussion,” as the Oath in Five Articles put it in 1868, at the start of the Meiji era. This process ensures that diverse opinions from various parts of society can be reflected on important matters as much as possible with fair decisions to follow. However, in many cases, it tends to take too long to reconcile contradicting interests, so there are no palpable improvements, which only irritates the public further.

Against such a background, there is an increase in the number of voters attracted to new leaders campaigning on quick decisions and swift action, promising to immediately address voters’ pent-up discontent with the existing governments and to implement policies largely in line with voters’ preferences. In fact, voter support for candidates with such behavioral traits has been on the rise recently.

When the Lehman shock of 2008 triggered what is now called the world’s Great Financial Crisis and ensuing deep recession, many countries were badly slow in adopting effective countermeasures. In contrast, China quickly introduced a massive stimulus package, successfully buoying its economy. Confidence in and thirst for Western-style democracy among some Chinese people receded as a result, while the regime enjoyed a reputational boost for its ability

to swiftly and decisively carry out necessary measures despite the uncertainty of the crisis.

Up until then, many Chinese intellectuals said they wanted their country to transform itself into a democracy but, as one of them put it, “Considering the huge population and poverty, we ask other countries to patiently wait for such a day to come.” A sea change was seen in the years after the Lehman shock. There was an increase in the number of Chinese saying boastfully, “We often feel that our system is superior in terms of coping with a national crisis.”

Suppose that democracy, too, has an undercurrent that a certain level of authoritarian rule may be permissible for an elected leader over a limited period between elections. If this is the case, it will not matter if a political leader keeps others out of his decision-making process in an emergency so as to prioritize quick implementation of measures based on his own arbitrary judgments. Such leadership may even deserve appreciation as a kind of crisis management. It may be possible to call such a leader a “strongman.” If the emergency measures are implemented timely and bring forth effective results, such a leader may also be praised as a “wise man.”

But if “authoritarian rule” is extended beyond a limited period, tightening the leader’s prolonged grip on the country, the leader will have to be evaluated in a completely different way. Regrettably, history tells us that the probability of a strongman concurrently being a wise man is considerably low.

Teaching of Confucianism

Some commentators note that the growing number of voters who eagerly yearn for a leader pandering to the public indicates the decline of idealism amid the rise of realism.

It will not matter if “pipe-dream idealism” ebbs, but it will make no sense if “capricious realism” becomes rampant. It is imperative for idealism backed by specific ideas to lead to the realization of a vision on the basis of an accurate assessment of the relevant situation and a make-it-happen ability.

If there is a person of intelligence and ability to realize such idealism, it may be acceptable for him to promote himself as a strongman over a limited period of time to convince not only the people of his own country, but also those of other countries to approve his addressing a particular agenda by any means necessary, even if his approach may bring disadvantage to them. However, reality is far from such a scenario.

In the real world, many political leaders narrowly stay in

power by garnering short-term voter support through pork barrel politics or budgetary allocations in favor of certain constituencies. They are hardly capable of leading the nation with their own “strengths,” such as ability, intelligence and broadly defined charisma.

There are cases in which leaders up for election often offer lavish budgetary outlays and adopt short-term spending plans with no consideration for the maintenance of a medium- to long-term fiscal balance. Such myopic use of the budget is obviously good enough for politicians to increase their reelection chances but, from a long-term perspective, it is harmful to the population’s welfare.

It should also be pointed out that political leaders’ emphasis on the superiority of the people of their own land — and the other side of that coin, disdain for their neighboring countries — only undermines stability in a given region. Needless to say, morality, or the quality of

being honest, right and decent, is essential in the political sphere. Confucius says, “those who wish to rule the land” can “bring peace to the land” only after they “first cultivate themselves, then manage their families, then govern their provinces.” The ancient Chinese philosopher’s mantra has weighty meaning. By the word “land,” he means, at best, a nation-state, not the world or globe. But, since we now live in the age of internationalization, we need to

look beyond one country — we need to have an overview of the Earth as a single planet.

Globalization is associated with a negative image. Critics of globalization say the global system is ruled by the law of the jungle with the weak falling prey to the strong and multinational corporations behaving domineeringly. Nevertheless, in order to make people’s lives better, it is imperative to ensure the “smooth flow of people, things, money and information” around the world, just as the word “globalization” intrinsically means. What is also important is to continuously endeavor to identify what one should do in the age of internationalization based on level-headed analysis of the advantages and disadvantages.

If a leader is unable to comprehend exactly what circumstances he and the people of his country are now in and honestly persuade them to address such circumstances as they are, his policies will become less and less consistent.

We are mirrors to each other. We need to always keep this in mind as a behavioral guideline, while ensuring that the surface of each mirror is smooth and even. If we — including political leaders — fail to continuously recognize the existence of such mirrors, we will get headed into desol-

ate isolation.

In 2006, when Singapore announced a decision to lower its corporate tax rates in tandem with a decision to raise its value-added tax rates, the leadership of the country issued a statement, saying, in effect:

“The reduction in the corporate tax rates is necessary to lure foreign companies to our country and encourage them to be here to stay. Those foreign companies have chosen to have operations here not necessarily because they like our country. They have been here because our country has adopted a system that meets their needs to minimize their tax burden as reasonably as possible.

“Nonetheless, now that our country’s relative superiority has been eroded in the face of other countries’ moves to reduce their corporate tax rates, it is inevitable for our country to lower its tax rates further... While we go ahead with the lowering of the corporate tax rates, this measure entails a massive loss of tax revenue. To keep the state fiscal house in order, we cannot afford to leave the fiscal gap unattended. To make up for the loss, we would like to raise the goods and services tax (GST) rate. We appreciate your understanding and cooperation.”

In the above case, what the leadership did was quite unusual in connection to the area of corporate taxation, where ordinary people would hardly bother to raise opposition to changes in tax rates. Nevertheless, the statement honestly addressed the reasons for lowering the corporate tax — the latest state of the situation the country was in and precise information about the behavioral qualities of foreign firms taking advantage of the lower tax burden. At the same time, the leadership refrained from touching specifically on the exact state of the country’s competitive superiority and the irrational aspects of foreign companies. The leadership then told the nation of the need to offset the loss of tax revenue with an increase in the GST rate, which would impose a bigger tax burden on ordinary people, in order to maintain the soundness of the country’s fiscal conditions.

Of course, I would like the leadership above to seriously reflect on the fact that its decision has had other countries embark on an international competition to lower corporate tax rates. That said, I also would like to give high praise to the leadership for honestly explaining to the people of the country about the challenge — the loss of tax revenue — it had to cope with immediately. I believe that really powerful politicians and leaders should behave like the leadership of Singapore.

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