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Issue Brief

Between Olympics and Pandemic: Abe's Run-up to 2021

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April 12, 2020

S*ummary*

Abe Shinzo is one of Japan's most consequential and longest serving prime ministers since the inception of parliamentary politics during the Meiji Restoration. 2020 was designed to be the landmark year in Abe's historic political run with two mega events - the maiden state visit by Chinese President Xi Jinping and the Olympics. But Abe's script got hijacked by the unanticipated yet overwhelming challenge of COVID-19. Whether Abe can turn the battle against this pandemic into an opportunity to demonstrate decisive leadership will define Japan's future course, as the resilience of the economy and good governance is at stake.

COVID-19, a transnational bio-security threat, presents one of the most defining challenges in Prime Minister Abe Shinzo's political fortune. Whether Abe can turn the battle against this pandemic into an opportunity to demonstrate decisive leadership will define Japan's future course, as the resilience of the economy and good governance is at stake. The biggest setback inflicted by COVID-19 on international sports is the postponement of the Tokyo Olympics 2020, now rescheduled to July 23-August 8, 2021. Japan's political manoeuvring has rescued the Games from an all-out cancellation¹ despite the provision in the Host City Contract enabling "termination" and "withdrawal of Games" in case the International Olympic Committee (IOC) has a "reasonable ground" to assess that participant's safety might be "seriously threatened or jeopardised".² However, postponing the Games is symbolic of the colossal economic and political challenges that await Prime Minister Abe.

Tokyo's Tryst with Olympics

Japan is a seasoned Olympics host. This is the third time for Japan to prepare for hosting the Games, and every time in an enormously different historical setting. Japan's bid in the 1930s to be the first Asian host for the Games was founded on the narrative of universalising the Olympic movement.³ But the 1940 Olympics suffered initially following the China-Japan War II, and eventually got shelved with the outbreak of the World War II.

The 1964 Olympics is touted as "the single greatest act of collective reimagining in Japan's post-war history".⁴ It was Japan's opportunity to prove to the international community its post-War economic marvel underscored by technological innovation and architectural sophistication. The scheduled 2020 Olympics was yet another opportunity to showcase Japan's recovery from the 2011 Triple Disaster (Great East Japan Earthquake, Tsunami and the Fukushima nuclear accident). Abe pitched the 2020 Olympics as "Recovery and Reconstruction Games".⁵ This unanticipated pandemic will test the Olympic spirit as a testament to victory over COVID-19.

Prime Minister Abe pushed for Olympics in its "full form" at the G7 summit held in mid-March.⁶ Olympics Minister Hashimoto Seiko reiterated "complete" Olympics

¹ Olympic Games suffered cancellation thrice in history. First during the World War I (1916) and twice during World War II (1940, 1944).

² "[Host City Contract 2020](#)", *Bureau of Olympic and Paralympic Games Tokyo 2020 Preparation*, 2013 (Accessed April 06, 2020).

³ J. A. Mangan, Sandra Collins, Gwang Ok, *The Triple Asian Olympics - Asia Rising: The Pursuit of National Identity, International Recognition and Global Esteem*, Routledge 2013.

⁴ David Goldblatt, *The Games: A Global History of the Olympics*, Macmillan Publishers, UK, 2016.

⁵ "[Headquarters for the Promotion of the Tokyo Olympic and Paralympic Games](#)", *The Prime Minister of Japan and His Cabinet*, June 07, 2019 (Accessed April 06, 2020).

⁶ "[Press Conference on the G7 Leaders' Video Conference](#)", *The Prime Minister of Japan and His Cabinet*, March 17, 2020 (Accessed April 06, 2020).

implying hosting the Games this summer as scheduled with audiences.⁷ However, the decision to postpone the Olympics was debated as stakeholder's exerted considerable pressure once COVID-19 gained global character. Prioritising athlete's health and safety, national Olympic Committees from the United States of America (USA), Germany, Brazil and Norway positioned themselves in support of postponing the Games while Canada and Australia refused to send their teams to Tokyo in 2020. Furthermore, USA Swimming and USA Track and Field also urged the US Olympic and Paralympic Committee (USOPC) for postponement of the Games. To support US athletes, USOPC requested US\$ 200 million in COVID-19 stimulus bill. Opinion poll covering four thousand track and field athletes from six continents reflected that 78 per cent supported postponement of the Games.⁸

The conversation on the prospects of Tokyo Olympics was not limited to the world of sports. Global leaders including President Donald Trump and the political class in Tokyo also joined the discussions. Prime Minister Abe's factional rival in the Liberal Democratic Party (LDP) and former defence minister, Ishiba Shigeru, argued in favour of weighing policy options to deal with a cancelled or delayed Olympics. Additionally, a few members directly involved with the Games including Japanese Olympic Committee executive board member Yamaguchi Kaori⁹ and member of the local organising committee, Takahashi Haruyuki, articulated postponement of the Games.¹⁰ Meanwhile, domestic public opinion polls, irrespective of the political orientation of major media houses, reflected considerable support for postponement of the Games.¹¹ However, China has extended full cooperation in "supporting Japan" in hosting the Olympic.¹²

Subsequently, on March 30, amidst international and domestic pressures, IOC, International Paralympic Committee (IPC), Tokyo 2020 Organising Committee, Tokyo Metropolitan Government and Government of Japan decided to postpone the Games to 2021. Now that the glitz and glamour of the Games has been pushed back, where does COVID-19 leave Prime Minister Abe?

⁷ **"Japan Olympics minister reiterates Abe's 'complete' games pledge"**, *The Mainichi*, March 17, 2020 (Accessed April 06, 2020).

⁸ Matthew Futterman and Joe Ward, **"As I.O.C. Deliberates, Track and Field Athletes Want Summer Olympics Postponed"**, *The New York Times*, March 23, 2020 (Accessed April 06, 2020).

⁹ Daisuke Yamaguchi, **"Tokyo Olympics should be delayed: Japan committee member"**, *Nikkei Asian Review*, March 20, 2020 (Accessed April 06, 2020).

¹⁰ Andrew Keh, **"Postpone the Olympics? Tokyo Official Backtracks After Causing Confusion"**, *The New York Times*, March 11, 2020 (Accessed April 06, 2020).

¹¹ **"Tokyo Games should be postponed, say 69% in poll"**, *The Yomiuri Shimbun*, March 23, 2020; and **"Survey: 63% of Japanese say Olympics should be postponed"**, *The Asahi Shimbun*, March 17, 2020 (Accessed April 06, 2020).

¹² **"Foreign Ministry Spokesperson Geng Shuang's Regular Press Conference on March 23, 2020"**, *Ministry of Foreign Affairs of the People's Republic of China*, March 23, 2020 (Accessed April 06, 2020).

Looming Economic Eclipse

Japan's resilience has often been tested by crises. It has resurrected from the ruins of Hiroshima and survived mammoth natural disasters and nuclear accidents. But the scale and nature of COVID-19 is unprecedented as it engulfed nations in every continent except Antarctica. The International Monetary Fund (IMF) confirmed that COVID-19 has pushed the world economy into recession, which may be similar or worse than in 2009.¹³ It has jolted globalised markets with rattled supply chains while reinvigorating the larger debate on merits of globalisation and the economic governance architecture.

The global pandemic presents a colossal challenge for the Japanese economy. Organisation for Economic Cooperation and Development (OECD) has lowered the global growth outlook from 2.9 to 2.4 per cent and Japan is likely to grow at 0.2 per cent in 2020.¹⁴ Together with the US-China trade friction, diminishing demand from China, and disorder in the supply chain particularly in manufacturing following COVID-19 is severely testing the economy. Prior to COVID-19, the economy was already struggling under the pressure exerted with an increase in consumption tax in October 2019. The Cabinet Office has confirmed that GDP for October-December 2019 indicates an annualised contraction of 7.1 per cent in real terms. The January-March GDP will likely be negatively influenced by this pandemic. Goldman Sachs estimate suggests that the economy will contract 25 per cent in this quarter.¹⁵

In one of the boldest measures, Abe injected around 20 per cent of GDP as economic stimulus package to manage the impact of COVID-19. Kishida Fumio, LDP's policy research council chairman, played an instrumental role in shaping the strategy. Earlier this year, Nomura Research Institute indicated that inbound-related losses for this global pandemic will be around ¥776 billion. These estimates are founded on the scenario that the pandemic will be under control within a few months. But then again if it continues for a year, Japan will register a GDP loss of ¥2.47 trillion.¹⁶ Some estimate suggests that postponing the Olympics may compel the nominal GDP in 2020 to fall 0.36 per cent.¹⁷

Japan's economic turnaround was contingent on the Olympics which have been peddled as the "Recovery and Reconstruction Games". Reports in December 2019

¹³ **"Opening Remarks at a Press Briefing by Kristalina Georgieva following a Conference Call of the International Monetary and Financial Committee (IMFC)"**, *International Monetary Fund*, March 27, 2020 (Accessed April 06, 2020).

¹⁴ **"OECD Interim Economic Assessment Coronavirus: The world economy at risk"**, *OECD Economic Outlook*, March 02, 2020 (Accessed April 06, 2020).

¹⁵ **"Japan to contract at 25% rate despite stimulus, Goldman Sachs predicts"**, *The Japan Times*, April 08, 2020 (Accessed April 09, 2020).

¹⁶ **"Coronavirus to Deal a Blow to Japan's GDP Due to Fewer Chinese Visitors"**, *Nippon.com*, February 06, 2020 (Accessed April 06, 2020).

¹⁷ Takahide Kiuchi, **"Postponing the Tokyo Olympics could lead Japan's 2020 GDP to fall 2 trillion yen, or 0.36%"**, *NRI*, March 26, 2020 (Accessed April 06, 2020).

indicated that Japan has perhaps expended US \$12.6 billion for the Games.¹⁸ But Japan's National Audit Board in its estimation formulated for the national legislature argued that the Games will cost higher than US\$ 12.6 billion. Meanwhile, some Japanese media projections indicate that Olympics would cost Japan about US\$ 28 billion in total,¹⁹ a substantial increase from the original US\$ 7.3 billion estimate when Japan won the bid in 2013. Moreover, Nikkei estimates that postponement in the Games will cost Japan US\$ 6 billion in economic losses.²⁰

Japan relied on the Olympics to drive foreign tourism on the one hand and thrust construction investments on the other. Corporations have spent billions of dollars in sponsorship and broadcasting rights. Now, the economy needs to absorb the harsh blow dented on the tourism industry. COVID-19 severely grimed the prospects of Japan realising the set target of attracting 40 million tourists in 2020. As per Japan Tourism Agency (JTA) records, in 2019 foreign tourists increased by 2.2 percent to 31.882 million and they spent around US\$44 billion. Amongst this, China sent 9.594 million tourists, who spent 36.8 percent of overall tourism expenditures.

The Political Quagmire

As the scale of the pandemic unfolded exponentially, it was time for bold decisions. However, initial political inertia led to lack of coordination amongst bureaucratic silos. Critics have argued that Abe's COVID-19 policy response was "too little too late" which created more confusion.²¹ Lack of leadership generated considerable dissatisfaction²² and led some to argue that Abe's policy choices are aimed at managing dent to his repute, rescuing the prospects of holding the Olympics and mitigating the stressed economy.²³ With 4,768 positive cases, as of April 9,²⁴ excluding cases from the Diamond Princess Cruise ship earlier docked at Yokohama, COVID-19 is a formidable challenge for Abe.

Even as the number of COVID-19 cases remained relatively low in Japan compared to the hotspots in Europe and the US, Abe's leadership was put to test as international attention pivoted to Japan when the discourse on flawed quarantine

¹⁸ **"OLYMPICS/Audit report says costs higher than \$12.6 billion"**, *The Asahi Shimbun*, December 20, 2019 (Accessed April 06, 2020).

¹⁹ Ibid.

²⁰ Rurika Imahashi and Francesca Regalado, **"Olympics delay to cost Japan \$6bn in economic losses"**, *Nikkei Asian Review*, March 24, 2020 (Accessed April 06, 2020).

²¹ Hiromi Murakami, **"A Japan divided over COVID-19 control"**, *East Asia Forum*, March 08, 2020 (Accessed April 06, 2020).

²² Koichi Nakano, **"Japan Can't Handle the Coronavirus. Can It Host the Olympics? How leaders' sense of entitlement breeds indifference and incompetence"**, *The New York Times*, February 26, 2020 (Accessed April 06, 2020).

²³ Satoshi Sugiyama, **"Abe's bold school closure move appears spurred by criticism of virus response"**, *The Japan Times*, February 28, 2020 (Accessed April 06, 2020).

²⁴ **"About Coronavirus Disease 2019 (COVID-19)"**, *Ministry of Health, Labour and Welfare*, April 09, 2020 (Accessed April 10, 2020).

methodology implemented in the cruise ship gained traction with the exposition of Kentaro Iwata.²⁵ US Centre for Disease Control and Prevention (CDC) in its assessment argued that quarantine measures followed in the ship may not have been sufficient to prevent transmission of COVID-19.

As Japan woke up to the crisis, it realised that its National Security Secretariat (NSS) structure is directed on traditional security challenges and has struggled in managing non-traditional threats such as the current pandemic.²⁶ The NSS does not incorporate permanent members of the Ministry of Health, Labour and Welfare (MHLW). As Japan reviewed its policy response to impede movement of pathogenic agents into the country and implemented strict immigration filters, it brought in the newly constituted economic division at the NSS to manage restrictions on movement of people considered a potential risk to national security.²⁷ Meanwhile, the Defence Ministry despatched Japan Self-Defense Forces (JSDF) to Narita and Haneda international airports with the objective of bolstering the border control measures. Japan incrementally expanded its net of border control beyond Hubei and Zhejiang provinces in China, and Daegu and Cheongdo in North Gyeongsang Province in South Korea.

Absence of a “control tower”, similar to the US’s CDC, which primarily focuses on gathering and analysing information, offering expert advice regarding travel restrictions, quarantines, and public communication, affected effective response. In the House of Councillors Budget Committee meeting, proposals came from the Japanese Communist Party to fortify the National Institute of Infectious Diseases (NIID) to fashion a system like CDC.²⁸ The Cabinet Secretariat’s crisis management operation has directed government measures against COVID-19, but it lacks experience in dealing with infectious disease countermeasures. Japan instituted COVID-19 task force two weeks after the first detection and established an expert advisory group almost a month later. The Headquarters of Novel Coronavirus Disease Control issued Basic Policies in late February which was almost immediately followed by Abe’s hasty pronouncement regarding nationwide school closure.

As Abe scrambled for projecting effective leadership, the decision to shut down elementary, junior and senior high schools to avert spreading of group infection created some confusion as institutions, corporations and working parents struggled to adapt in short notice. However, the decision was not accepted by all local authorities initially. While Hokkaido, Osaka, Ichikawa closed schools prior to Abe’s

²⁵ Reiji Yoshida, **“COVID-19 spread on Diamond Princess before quarantine, report suggests”**, *The Japan Times*, February 20, 2020 (Accessed April 06, 2020).

²⁶ Toshiya Takahashi, **“Japan’s COVID-19 national security problem”**, *East Asia Forum*, March 18, 2020 (Accessed April 06, 2020).

²⁷ **“Japan Puts National Security Office In the Forefront of Fight Against Infectious Diseases”**, *The Sankei Shimbun*, March 14, 2020 (Accessed April 06, 2020).

²⁸ **“Lack of 'control tower' in Japan's coronavirus response deals blow to Abe administration”**, *Mainichi Shimbun*, March 09, 2020 (Accessed April 06, 2020).

pronouncement, Kyoto, Kanazawa preferred to keep the schools going.²⁹ Impact on the micro, small and medium businesses became a concern due to shortage of workers as parents had to take leave. The government extended support through the Employment Adjustment Subsidies irrespective of industry.

More importantly, Abe's abrupt decision to close schools demonstrated a lack of consultation and internal fissures in the administration.³⁰ Even though Abe's tenure is defined by centralisation of political power and administration around *Kantei* and Cabinet, but lately fault lines between Abe and his Chief Cabinet Secretary Suga Yoshihide, the winning combination behind political stability over the last seven years, became apparent over COVID-19 response. Criticism following the decision compelled Abe to acknowledge in parliament that the decision to shut schools was his personal political decision. He took the decision without consultation with his Chief Cabinet Secretary Suga and Education Minister Hagiuda Koichi.

In March, Abe invested political capital in building consensus across party divides on revising special measures law to tackle new types of influenza so that it includes COVID-19 and creates scope to prepare for the worst-case scenario and declare a state of emergency if needed. It will enable the prefectural governors to issue directives regarding preventive measures, for instance staying at home. The special measures law enables the prime minister to declare a state of emergency, with a specific timeline and geographic scope, if the outbreak casts massive impact on the lives of the people and the national economy. Following the revision of the special measures law on March 13, domestic debate intensified regarding the declaration of emergency.

The conversation on declaration of emergency gained momentum as powerful voices from the medical fraternity joined forces with some in the political class urging Abe to declare emergency. For instance, Kamayachi Satoshi, an executive board member of Japan Medical Association (JMA), who is also on the government panel on COVID-19, argued that given the limitations on hospital beds there is a need to pronounce emergency. Yokokura Yoshitake, the JMA President, has articulated that since the number of beds available for infected patients is nearing its capacity, there is an urgency to consider declaring a state of emergency.³¹ Meanwhile, Osaka's Governor Yoshimura Hirofumi and Tokyo's Governor Koike Yuriko too urged that Abe should decide as Osaka and Tokyo are experiencing escalation of cases.

²⁹ **"Abe's abrupt call to close schools amid virus triggers confusion"**, *Kyodo News*, February 28, 2020; and Satoshi Sugiyama, **"Abe's bold school closure move appears spurred by criticism of virus response"**, *The Japan Times*, February 28, 2020 (Accessed April 06, 2020).

³⁰ Corey Wallace, **"Abe Departs from His Own Winning Formula in Battling COVID-19"**, *Australian Institute of International Affairs*, March 05, 2020 (Accessed April 06, 2020).

³¹ **"Calls grow for Japan PM Abe to declare state of emergency over virus"**, *The Mainichi*, March 31, 2020 (Accessed April 06, 2020).

Subsequently, as the number of cases witnessed a northward movement in early April, Abe has declared a state of emergency encompassing seven prefectures from April 7. Japan's most powerful business lobbies have extended support to Abe's decision to declare an emergency.

Abe's Road Ahead

Abe Shinzo is one of Japan's most consequential and longest serving prime ministers since the inception of parliamentary politics during the Meiji Restoration. 2020 is designed to be the landmark year in Abe's historic political run. This is a critical year to seal his legacy before his current term as LDP President ends in September 2021. Hence, he skilfully marked 2020 with two mega events - the first state visit by Chinese President since 2008 during which a fifth political document³² may have been signed to define the next phase in Sino-Japanese relations, and the global sporting extravaganza, the Olympics. Abe devoted enormous political capital and resources in meticulously planning for the success of these two events which may have paved his way for an unprecedented fourth term³³ in the party with the support of his coquetry amongst LDP factional politics. But Abe's script got hijacked by the unanticipated yet overwhelming challenge of COVID-19.

To Abe's credit, he rescued the Games from an all-out cancellation. Japan will still have the chance to live its dream Olympics at an additional cost. If Abe demonstrates incisive leadership in delivering effective governance and deft crisis-management, he will have a shot at further extending his premiership beyond 2021. In December 2012, Abe arrived in Nagatacho following the disarray in crisis management by then Democratic Party of Japan (DPJ) Government on the heels of the 2011 Triple Disaster. Abe stepped up and injected political stability and turned Japanese politics away from its legacy of revolving-door prime ministers and leadership deficit which deeply impinged on key policy matters.

Will COVID-19 punch a fatal blow to Abe administration already reeling under a few political corruption scandals? Will it intensify the political discourse on post-Abe regime? As his current term nears the finish line, Abe relied on the Olympics glitz and glam to showcase his success and divert public attention from his rather complex struggles vis-a-vis his political priorities such as the constitutional amendment, resolving the abduction issue with Chairman Kim Jung-un or settling the territorial dispute with President Putin. Conversation on snap election is gaining

³² Four basic documents lay the foundation of the Sino-Japanese relations. They include: Joint Statement of 1972, Treaty of Peace and Friendship of 1978, Joint Declaration of 1998 and a joint statement on advancing relations in 2008.

³³ Currently, LDP allows only three consecutive terms for party presidents. There are speculations that LDP may amend rules yet again to extend Abe's tenure to four consecutive terms from the present three, to empower Abe to continue as party president and prime minister.

momentum in Tokyo. The biggest favour for Abe is the weak political opposition. But factional politics within LDP may prove to be a challenge.

Political rival within LDP, Ishiba is leveraging the crisis by stepping up the critique of Abe's policy approach towards the pandemic. In a February opinion poll, Ishiba emerged as the most favoured candidate for future Prime Minister followed by Koizumi Shinjiro and Abe.³⁴ Ishiba also led the polls in January.³⁵ A right-leaning Sankei Shinbun-Fuji News Network poll in February 2020 showed approval rating for Abe's cabinet stands at 36.2 per cent, sliding 8.4 percentage points compared to the January poll results.³⁶ As political survival is at stake, Abe shook off the initial political inertia with bold policy projections. While the opposition hardly demonstrates promising policy alternatives, for the LDP aspirants, who wish to succeed Abe, stepping into *Kantei* amidst this unprecedented pandemic may be a deterrent.

In every crisis, there is an opportunity. Leader's legacy is often defined by their ability to manage watersheds. Hosting a successful Olympics in July-August 2021 just before his current term as LDP President ends may undo the public memory of the difficult challenges posed by the pandemic. Abe has skilfully utilised the pandemic to improve Sino-Japanese relations with "mask diplomacy"³⁷ even as the domestic discourse on 'Abenomask'³⁸ has raised some concerns. Japan has also demonstrated regional leadership by helping developing economies to deal with the pandemic, for instance, Tokyo extended US\$ 1.86 million to Vietnam through international organisations and US\$ 2.5 million to Pakistan through the International Federation of Red Cross and Red Crescent Societies. It has offered Avigan flu drug for free to 20 nations while being on the frontline in driving clinical research on developing a vaccine which may lead the world out of this global health emergency.

As the COVID-19 pandemic continues to alter Japan's domestic political dynamics and diplomatic slate, Abe's top priority remains to rescue Japan from this global pandemic while navigating the economic and governance challenges on the way to hosting the much awaited and deserved Olympics in 2021.

³⁴ **"Ishiba Seen Most Suitable for Future Prime Minister: Jiji Poll"**, *Nippon.com*, February 14, 2020 (Accessed April 06, 2020).

³⁵ **"LDP's Ishiba Favored as Next Japan PM, But 'None of the Above' Top Pick: Mainichi Poll"**, *The Mainichi*, January 20, 2020 (Accessed April 06, 2020).

³⁶ **"Abe Government Support Drops Sharp as Coronavirus Crisis Hits Japan-Sankei-FNN Poll"**, *The Sankei Shinbun*, February 26, 2020 (Accessed April 06, 2020).

³⁷ Cheng Li and Ryan McElveen, **"Mask diplomacy: How coronavirus upended generations of China-Japan antagonism"**, *Brookings*, March 09, 2020 (Accessed April 06, 2020).

³⁸ Yuki Fujita, **"Abe faces calls for decisive action after 'Abenomask' blunder"**, *Nikkei Asian Review*, April 03, 2020 (Accessed April 06, 2020).

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