Carrots and Sticks:
the limits of compensation politics for shoring up US bases in Japan.

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Abstract
In Japan, the contestation over the nature and extent of the US military footprint in the prefecture of Okinawa has now entered into a third decade following the 1995 rape incident that triggered it. Several times over this timeframe, Tokyo ‘persuaded’ local constituencies or their elected representatives to support the relocation of the Futenma Air Station, through a mixture of burden-reduction concessions and economic incentives. However, whilst compensation politics proved effective in the past, and continues to shore up support in other communities in Japan, it no longer appears effective in Okinawa. Despite promises of a large largesse offered in return for acceptance and support of realignment plans, Okinawans recently chose to replace their pro-base governor with a candidate who pledged to oppose Tokyo in any way he could. Why has the efficacy of compensation politics decreased in Okinawa? In this paper, I argue that the earlier success of this strategy has created a number of incentives for different groups of Okinawans to resist the proposed changes to US facilities in the prefecture. These unexpected consequences have important implications for current strategies for managing basing politics in the US-Japan alliance.

Introduction
In Japan, the contestation over the nature and extent of the US military footprint in the prefecture of Okinawa has now entered into a third decade. In September 1995, the violent rape of a 12-year old schoolgirl by three U.S. servicemen triggered large local protests, leading to negotiations between Washington and Tokyo in which they resolved to consolidate and relocate US facilities in the prefecture in order to “reduce the burden” that the bases placed on nearby residents. However, although Tokyo has ‘persuaded’ local constituencies several times to support these base reduction measures,

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ostensibly through a myriad of economic incentives, the most contentious objectives—particularly the relocation Marine Corps Air Station Futenma (hereafter MCAS Futenma) to a more rural part of Okinawa—remain incomplete more than 20 years later. In December 2013, policy makers in Tokyo and Washington cautiously celebrated once again when Prime Minister Shinzo Abe struck a deal with governor Hirokazu Nakaima, whereby the latter would approve the relocation in exchange for a number of concessions, including the guarantee of an increased budget allocation until 2021. However, many in the prefecture criticised the governor for his betrayal, and replaced him at the next election in November 2013, with Takeshi Onaga, who has since been using various means at his disposal to obstruct the relocation. Both the promise of greater largesse and threats of budget cuts—which have since been carried out—failed to persuade many voters to change their minds. If it was indeed these economic incentives that have helped maintain the base presence in Okinawa, then why has the efficacy of this strategy decreased?

In this paper, I argue that whilst this strategy of compensation politics has indeed been effective in the past, its very success has meant that it has grown less effective over time. The structures of compensation politics created during the U.S. administration of Okinawa were strengthened when the prefecture reverted to Japanese administration in 1972. The monetary flows that were set up and the plans for economic develop that Tokyo later initiated created incentives for a range of local actors and interest groups—particularly political leaders, landowners and those involved in the construction and entertainment industries—to support or at least acquiesce to the U.S. military presence. This strategy has been institutionalised throughout Japan through the establishment of mediating agencies designed to deal with the payments as well as base-related issues such as noise pollution. Although some groups remained ideologically opposed to the bases, and despite an effort by progressive groups to bring about change in the early post-Cold War period, the promise of largesse and threat of economic sanctions has seen so-called ‘pro-base’ politicians elected in local and prefectural elections through to the late 2000s.
Kent Calder attributes this strategy of “compensation politics” as the primary reason behind the stability of the U.S. military presence in Japan.¹

On the other hand, compensation policies appear to have lost its efficacy in recent years, as Okinawan voters have shifted to electing a majority of ‘anti-base’ political leaders. A number of commentators, bureaucrats and policymakers attribute this change in sentiment to former Prime Minister Yukio Hatoyama’s misguided attempt to review the agreement to relocate MCAS Futenma in 2009-10. Hatoyama’s failure to carry out his promise to move the facility “at least outside of Okinawa” increased distrust for Tokyo and Washington’s assertions that the Marines had to remain in the prefecture. Some have also suggested that even ‘pro-base’ actors like landowners and politicians are using anti-base sentiment to increase the level of payments. However, I contend that increased affluence in the prefecture, coupled with the increasing attention that Okinawa’s press and civil society groups on the deleterious consequences of the military presence, has turned a significant proportion of Okinawans against the base-related economy. This reframing of Okinawa’s economic future to problematise base-related economic incentives and seek alternative means for further development have played an important part in the continued opposition to the Futenma relocation agreement.

The history of compensation politics in Okinawa

In terms of national and regional security, ideally, basing changes should be made according to strategic considerations, that is, factors at the international level. However, domestic politics is often important as well. The departure of the US from the Subic Bay and Clark facilities in the Philippines in the early 1990s may be the most renown example of domestic politics affecting basing policy, but it is not the only case. Even prior to the War on Terror, access to

facilities in Middle Eastern countries like Saudi Arabia was predicated upon
the Saudi monarchy’s domestic considerations;\(^2\) over the course of the war,
surges and drawdowns of US personnel have been affected not only by
perceived strategic necessity but also by US domestic politics.\(^3\) However,
whilst it is difficult to examine the basing situation in the Middle East because
of the nature of ongoing conflict, domestic politics has also been influential
even within one of America’s staunchest allies in the Cold War and post-Cold
War periods. Training ranges and other facilities in Japan and South Korea
have been returned following *opposition* from domestic groups and politicians.
Conversely, the closure of facilities in Germany and even the US itself (as part
of the Base Realignment and Closure (BRAC) process have been laboured
because of domestic *support* for those facilities.\(^4\) These contrasting dynamics
arguably stem from a core framework that the U.S. and its allies have used to
maintain support for military facilities in host communities: compensation
politics.

Compensation politics is a strategy by which governments convince local
communities to host large, public facilities that may have negative
consequences on groups and individuals in their vicinity.\(^5\) Like the tool of
“compensation” that private companies use when siting ‘public bads’ such as
power stations, waste plants and dams, it involves providing material benefits
to individuals and groups that will bear the negative effects of the facility in
question.\(^6\) These benefits can be positive: incentives rewarding compliance,
such as the provision of subsidies; or negative: sanctions for non-compliance.
Even where other forms of coercion are available to the state, such as powers

\(^2\) Ibid., Chapter 6.
\(^3\) Paul D. Miller, "Obama’s Failed Legacy in Afghanistan," *The American Interest*,
February 15 2016.
\(^4\) Calder, *Embattled Garrisons: Comparative Base Politics and American Globalism*,
\(^5\) Aurelia George Mulgan, "Managing the US Base Issue in Okinawa: A Test for
\(^6\) Daniel P. Aldrich, *Site Fights: Divisive Facilities and Civil Society in Japan and the
of eminent domain that allow the government to appropriate private property for public use, the provision of monetary payments or other kinds of compensation can help reduce opposition to the projects, thus lowering the political cost to the government and smoothing the way for the proposed developments. Unsurprisingly, this is more effective in communities that are less well off, particularly rural areas that are dropping in population as younger generations move to the cities for better opportunities.

The post-WW2 Japanese state has relied heavily on this strategy of compensation, partially because more coercive means of persuasion have not been available to it. The Defence Facilities Administration Agency (DFAA) that has managed relations between host communities, the Japanese government and the U.S. government and military for most of the last 70 years evolved from an organisation set up during the U.S. Occupation. The Special Procurement Agency provided for the needs of U.S. Forces and their host communities from 1945 until 1962, after which it was merged with an agency that oversaw construction for Japanese Self-Defense Forces (SDF). However, post-war backlash from progressive domestic forces curbed the efforts of conservative politicians to reestablish more forceful means of suppressing domestic dissent. The national police forces and the military had both disbanded during the Occupation in an effort to prevent the possibility of a relapse into the militarism that had led it into the war. Although they were effectually reestablished (as the National Police Reserve and the SDF) in the 1950s as the U.S. turned its attention to the Korean War, attempts to strengthen these organisation to enable the forceful suppression of political demonstrations were heavily opposed in the Japanese Diet. Even the state’s powers of eminent domain are relatively weak compared to other countries: there is at least one property that continues to block the completion of the second runway at Narita Airport in Tokyo, because the Japanese government

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7 George Mulgan, "Managing the Us Base Issue in Okinawa: A Test for Japanese Democracy," 166.
8 Aldrich, Site Fights: Divisive Facilities and Civil Society in Japan and the West.
does not have the ability to forcefully remove their owners from their homes. Nevertheless, the DFAA succeeded in establishing close links with base-hosting communities, and thus provided a means through which the ruling conservatives maintained a sufficient level of domestic acquiescence for the U.S. military presence in mainland Japan.

The establishment and solidification of the compensation framework in Okinawa

The structures of compensation politics in Okinawa evolved somewhat differently from mainland Japan. They originated during the U.S. military administration of the prefecture, beginning in the 1950s when the Americans sought to expand existing facilities and develop new ones. Okinawans had expected their lands to be returned to them following the end of the war; instead, the military government established permanent bases and sought to provide compensation so as to legalise their use of the land. The military government initially offered to buy any private property through a lump-sum payment; Okinawan opposition forced them to shift to an offer of land leases to be renegotiated every few years, but the low rents and the desire of land owners to return to their former lives, coupled with a broader anti-military ideology united the prefecture in opposition to this development. This standoff, known as the first “All Okinawa” movement, lasted several years until the U.S. military administration in Okinawa persuaded villagers in the northern village of Henoko to lease their lands for a new facility. Their decision precipitated acceptance of the offer for compensation in other communities, and the island-wide protest movement was broken. This marked the first occasion where Okinawans were persuaded by economic compensation to accept the presence

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10 Calder, Embattled Garrisons: Comparative Base Politics and American Globalism, Chapter 4.
of the U.S. Military presence: the start of base-related compensation politics in the prefecture.\textsuperscript{11}

However, the compensation that the U.S. provided to Okinawa prefecture was relatively low. The “Price Act” that was passed by Congress in 1953 established a ceiling of $6 million dollars per year for economic aid to the prefecture, directed through the United States Civil Administration of the Ryukyu Islands (USCAR).\textsuperscript{12} In practice, however, this ceiling was never reached, and was concentrated in communities surrounding the bases.\textsuperscript{13} Despite the conclusion of several high level U.S. officials that it should be revised upwards in order to help “maintain the bases in Okinawa,” Congress raised the ceiling to just 12 million dollars instead of the recommended 25 million when revising the Price Act in 1962, and only 6.9 million dollars was provided the following year.\textsuperscript{14} Growing discontent because of the inequality that this base-related structure of compensation helped cultivate a desire for reversion to Japanese rule that was exacerbated by the use of Okinawan facilities during the Vietnam War. Concerned that the increasing volatility in the prefecture would constrict the use of its facilities, the U.S. government resorted to cooperating with the Japanese government so that Tokyo would be able to provide funds to help with development and maintaining social stability.\textsuperscript{15} Following on from this process, the Washington and Tokyo negotiated to return Okinawa to Japanese administration, so that the situation could be better controlled.

The reversion of Okinawa to Japanese control in 1972 brought Okinawa under the structures of compensation that had earlier been set up on the mainland. Post-reversion payments for land increased by 6-fold, which helped tamp down the anti-base and anti-U.S. sentiments that had been building in the prefecture.\(^\text{16}\) In preparation for reversion, Tokyo had also set up policies for ‘shinkou’ (promotion) and ‘kaihatsu’ (development), including the 1971 Okinawa Promotion and Development Special Measures Law, under which successive 10-year developmental plans were created and implemented in order to improve the infrastructure of the prefecture, with all the attendant economic benefits that this would bring.\(^\text{17}\) The Japanese government also institutionalised these initiatives by setting up several DFAA branches in Okinawa and bringing U.S. military facilities under the management of the system, thus enabling the allies to deal with local civilian grievances in a case-by-case manner “case-by-case mediation of local civilian grievances.”\(^\text{18}\)

However, it was several years before these measures began to show their effect. The reformists, starting with Governors Chobyo Yara (1972-1976) and Koichi Taira (1976-1980), called for an end to the dominance of the central government (chūō shihai) and an increase in the level of local autonomy (chiho jichi no kakuritsu). However, even after two terms in power, they were unable to find solutions for the economic stagnation in the prefecture. For example, the World Expo held in Okinawa from July 1975 until January 1976 had been expected to bring 4.5 million visitors to the prefecture, but actual numbers fell 1 million short of the target. The lost return on investment in this project coupled with other issues such as the 1973 oil shock to double unemployment in the prefecture from 3.5% at reversion to 6.8% in 1977.\(^\text{19}\) The election of

\(^{16}\) Rabson, "“Secret” 1965 Memo Reveals Plans to Keep U.S. Bases and Nuclear Weapons Options in Okinawa after Reversion".


Junji Nishime as governor in 1980 came as Okinawan voters sought to establish closer links between the prefecture and Tokyo, so as to have better access to central government funding as a means of reviving the economy and bringing them back in line with the mainland, which had continued to enjoy the boom. Thus, these developments can be interpreted as a backlash against the reformist politicians and policies that had held sway in Okinawa in the early years post-reversion, and a growing acceptance of base-related compensation as a means for advancing the prefecture’s economy.

The establishment and consolidation of the structures of compensation politics were instrumental in reducing opposition to the bases and U.S. military presence. During the 12 years that Nishime was in office, the governor sought to increase economic support from the central government, initiated large-scale construction projects targeted at improving industry and development and built up both tourism and overseas cultural exchanges. Nishime was also able to use his links with the national LDP to push for Okinawan initiatives in the major ministries and government bodies, such as the Foreign Ministry, the Japan Defence Agency, and the Ministries of Finance and Transportation. His efforts showed great success, with, for example, a 21.4% year-on-year increase in the 1979 budget allocation for Okinawa.20 The number of landowners that opposed the strategy of compensation had also gradually been whittled down to less than 100 out of approximately 27,000 in total, from 3,000 at the time of reversion and 500 in 1977. The remaining landowners, who opposed the U.S. Presence on ideological grounds, reacted by parceling off small portions of their land to other like-minded people, who became known as one-tsubo land owners. This strategy allowed them to increase their numbers to around 3,000

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by the 1990s, when the 1995 incident triggered a crisis involving the system of rental of rental payments.\textsuperscript{21}

**Masahide Ota’s failed challenge to the system: compensation politics in Okinawa 1990-1998**

The first indication that the efficacy of compensation politics in Okinawa was starting to weaken came after the end of the Cold War. For three gubernatorial cycles, Okinawans had elected Nishime, a conservative politician supported by the LDP, choosing economic development and acquiescence of the U.S. Military presence. However, the end of the Cold War late in 1989 saw the reformist factions begin to once again seek a base-free future. Since the USSR was no longer perceived to be a major threat, Okinawans began to hope that the “peace dividend” that would also be granted to them, in the form of a reduction and eventual removal of the U.S. Presence.\textsuperscript{22} The following year, the reformists asked Masahide Ota, a professor at the University of the Ryukyus who was an expert on the Battle of Okinawa, to run for governor. Although he had turned down the request four years earlier to focus on his research, Ota chose to run this time out of concern for the direction that twelve years of conservative leadership had taken the prefecture. Both international and domestic politics had also turned the wind in the reformists’ favour: Saddam Hussein’s invasion of Kuwait and the Japanese government’s bill to send the Japanese SDF to the Gulf War reawakened fears that Okinawa and its citizens would again be entangled in a major war. Nishime’s endorsement of the UN Peace Cooperation Bill that would authorise the SDF’s deployment also hurt his chances at being reelected, and threw the support of the Komeito Party behind Ota.\textsuperscript{23} These developments returned a reformist-backed leader to the

\textsuperscript{23} Ibid., 36.
governorship, as Ota defeated Nishime by a margin of 30,000 votes. Another important factor was that the twelve years of base-related subsidies and development had greatly improved the economy and living standards in Okinawa. Ota’s objectives, which included removing the military bases, improving medical facilities and increasing international links meshed with voters’ preferences for greater quality of life.²⁴ He also sought a revision of the bill for Special Measures Relating to the Use of Former Military Land and the Conversion of Military Land in Okinawa, also known as the Guntenpo. The aim was to extend the period of lease payments for returned military land, because previous experience had shown the prefectural government and landowners that redevelopment for other uses could take up to a decade or more.²⁵

However, the governor’s ability to implement his preferred policies was hindered by fact that the prefectural assembly remained in the control of conservatives. In refusing to approve Ota’s first choice for a second vice-governor, the new prefectural administration remained incomplete for eight months, which forced the governor to deal with many issues on his own. One of these was the renewal of the base leases for the land on which U.S. facilities were situated. Private land is rented by the Japanese government on behalf of the U.S. Government under the Special Measures Act on Expropriation of Land for US Military. This legislation provides for the land to be leased on five-year renewable contracts; however, if landowners do not agree to the contract, the municipal leader—the mayor of the village, town or city—is able sign on their behalf. If the mayor also refuses to sign the contract, it would fall to the prefectural governor to act as a proxy for the non-cooperative landowners.²⁶

This included the first time that the land leases came up for renewal. In 1991, the mayors of five towns and cities refused to sign, and Ota eventually chose to sign on their behalf, pointing out that the prefecture did not have the ability to

²⁴ Ibid., 37.
²⁵ Ibid., 45.
fight the government when the case when to the courts.\textsuperscript{27} Despite the concessions he obtained from Tokyo, including a confidential agreement to make progress on returning unused facilities, this was seen as a betrayal of his election promise. Ota arguably had success on the front of base return—in additional to the longstanding promise to return of Naha Port, Tokyo announced in 1992 that it would return the Onna Communications Site, the Range 21 training centre at Camp Hansen, and Part of the Northern Training Area.\textsuperscript{28} However, the ‘betrayal’ and other difficulties that Ota was having in setting up his administration arguably contributed to the conservatives increasing their majority to 27-21 in the next prefectural assembly elections in June 1992.\textsuperscript{29}

The reorganisation of national political parties in Japan also hindered Ota’s efforts. In the third year of Ota’s first term as governor, the LDP fell out of power for the first time since 1955 when it failed to win the majority of seats in the House of Representatives in the 1993 general election after several factions broke away to form other political groupings. An eight-party coalition took their place, with former LDP party member Morihiro Hosokawa chosen as Prime Minister, but it only lasted ten months. The Socialist Party was one of the two that left this coalition, and it ended up forming a grand coalition with the LDP, abandoning its long-running position opposing both the U.S.-Japan Treaty and the existence of the Japanese SDF.\textsuperscript{30} These upheavals at the national level were arguably one of the factors behind the Japanese government’s failure to act on its promises to Okinawa regarding the reduction in the bases. In order to bring these issues back into the minds of policy-makers in both

Tokyo and Washington, Ota took the opportunity presented by the rape incident and decided not to renew the land leases that were set to expire in April 1996.\(^{31}\)

Ultimately, Ota did not succeed in making significant progress towards the ultimate stated goal of removing all the bases from Okinawa. Although he fought the Japanese government all the way to the Supreme Court, he was compelled in September 2006 to sign the leases. In the meantime, the Naha Bureau of the DFAA applied for a six-month emergency extension on the least, whilst Chief Cabinet Secretary Seiroku Kajiyama announced on April 1 Tokyo’s position that “it couldn’t immediately be called a violation.” However, the Okinawa Prefectural Committee on Expropriation rejected that application on May 11, on the grounds that the government had “failed to explain adequately the urgency and obstacles which would pertain if the site could not be used.” Shortly afterwards, the Naha District Court provisionally ruled to allow prominent anti-base landowner Shoichi Chibana access to his property, and accompanied by family and supporters, he entered the base and celebrated for two hours on May 14.\(^{32}\) This was a mini-victory for Ota and the reformist forces in the prefectures. However, in order to prevent the recurrence of this crisis when the next base leases expired the following year, the Japanese government had also initiated a revision to the expropriation law to allow the Japanese Prime Minister to sign on behalf of the land-owners. In other words, Ota’s actions ultimately removed one means of protest from the anti-base faction.

However, Ota’s resistance and his policy objectives can be said to have affected the efficacy of compensation politics in the prefecture. For example, Governor Inamine took up the issue of revision of the Guntenpo law to extend land rental payments following base return, which was finally achieved in


\(^{32}\) Funabashi, Alliance Adrift, 312-13.
Furthermore, Inamine was forced to take a position that accepted the relocation of MCAS Futenma within the prefecture, but only on the conditions that it would be a joint-civilian military facility with military use restricted to 15 years. In other words, whilst Inamine was focused on restoring the economy of the prefecture through the framework of compensation politics, he also took up the reformist aim of ultimately reducing the U.S. military presence in the prefecture, albeit to a lesser degree. The new governor and successive Nago mayors also emphasised that the facility be built entirely offshore on reclaimed land, so as to minimise noise pollution and the danger of accidents for the local population. The combination of conditions proved to be detrimental to Tokyo’s efforts to implement the recommendations of the SACO report, especially pertaining to MCAS Futenma. The Japanese government worked with Okinawa and Nago’s leaders to develop the 2002 Basic Plan for the Futenma Replacement Facility. However, the U.S. side was not willing to consider the time limit, and the offshore plans made it possible for anti-base activists to hinder a required environmental assessment for the proposed facility. These developments would eventually contribute to a larger change in sentiment from 2009, after which the economic argument in favour of the bases lost much of its potency.

The reversal of the economic argument


34 Inoue, *Okinawa and the U.S. Military: Identity Making in the Age of Globalization*, 202. The conservative commentator, Megumi Ryōnosuke, has argued that Inamine only added the 15-year limit one year after the election, thus suggesting that Okinawans had in fact been willing to accept a permanent new offshore facility. However, news reports from the election year mention the 15-year limit (see Patrick Smith, "Can Okinawa Live without the U.S.?," *Time Magazine online*, November 9 1998.)


As the tussle over the bases continued to play out in the 2000s, reformists started to find cracks in the argument that the base-driven economy was beneficial for Okinawa. First, developments on several parcels of returned land were completed and started to take off. As the Okinawa Prefectural Government would detail several years later, areas such as Mihama American Village in the town of Chatan and Shintoshin in Naha City saw revenues increase between 10 and 200 times compared to those formerly obtained from based-related economic activity such as land rents, the renumeration of Japanese citizens employed on the bases, and consumption of U.S. personnel stationed at the former facilities. On the other hand, as Kunitoshi Sakurai, president of Okinawa University, pointed out, the income gap between the prefecture and the rest of Japan had remained at approximately 70% of the national average since the 1980s. The unemployment rate had also risen from 3% in 2003 to 8 percent in 2005. This was in spite of the government subsidies that had been poured into the prefecture in association with Inamine and Nakaima’s administrations.

Okinawan scholars attribute this paradox with the restrictions that the central government placed on how many of the economic subsidy programs could be used. As a prefectural official noted in 2012, many of the earlier funds were earmarked for public spending projects. However, buildings and other structures need to be maintained, and the various municipal and prefectural governments often had to pay for this out of their ordinary budgets. Furthermore, many of these public structures were not actually needed by the municipalities; they thus became liabilities instead, eating into limited budgets.

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37 Okinawa Prefectural Government, "U.S. Bases and Okinawa’s Economy."
that may have been used to generate economic in other ways.\textsuperscript{40} For example, new sporting and recreational facilities in the villages of Kunigami and Ginoza, base-hosting communities in the north of the prefecture, were operating at a loss several years after they opened.\textsuperscript{41} Although village officials expressed confidence that tourist numbers would grow, the north of the prefecture remained quiet except during major events such as the Cherry Blossom festival at the start of the year.

Against this background, the Democratic Party of Japan (DPJ)’s landslide victory in the 2009 general election was important in furthering the changing sentiment in Okinawa. In the year leading up to the election, Yukio Hatoyama, who eventually took over the DPJ leadership and became Prime Minister, stated several times that he would seek to review the agreement to relocate MCAS Futenma, suggesting that he would push for the base to be moved “at least outside of Okinawa.”\textsuperscript{42} Although Hatoyama stepped down in May 2010 after failing to achieve this goal, the damage had arguably been done. The January 2010 mayoral election in Nago City, the municipality that would host the relocated base, was won by Susumu Inamine, who campaigned on a platform opposing it.\textsuperscript{43} Discontent against incumbent mayor Yoshimizu Shimabukuro’s leadership had been building due to the failure of previous subsidies to benefit those in occupations unrelated to the construction industry.\textsuperscript{44} Inamine attracted votes not only for his anti-relocation stance, but also by promoting a development vision founded on agriculture, environmental tourism and light industry instead of base-related subsidies. Inamine assured

\textsuperscript{40} Interviews with Sakurai Kunitoshi and Sato Manabu, Okinawa, November 2014.
\textsuperscript{41} Takehiko Kambayashi, "Okinawa Projects Have High Costs, but Low Returns; Japan Continues to Throw Money into Area to Balance U.S. Military Presence," \textit{The Washington Times}, 26 October 2006.
\textsuperscript{44} "Base Relocation Now Iffy," \textit{The Japan Times}, 26 January 2010.
the Nago community that the DPJ would provide 7 billion yen of developmental assistance unrelated to the bases. A Kyodo poll taken at several of the polling sites offers further indication that many voters no longer believed that the planned construction would help develop the local economy.

These trends can also be observed in the Okinawan gubernatorial election of October 2010. Pressured by the build-up of anti-base sentiment, Governor Hirokazu Nakaima based his bid for reelection on a platform seeking relocation outside the prefecture. Ohe governor’s opponent, former Ginowan Mayor Yoichi Iha, demanded that the base be relocated outside Japan. Unlike previous elections, the political climate did not allow for any candidate to offer even conditional support for the FRF. Nakaima’s reelection seemed to offer hope for resolving the impasse due to his willingness to negotiate. Indeed, in December 2013, the governor signed a necessary permit for reclamation off the coast of the Henoko district, allowing offshore construction work to begin. Whilst Tokyo and Washington welcomed the decision, those against the relocation regarded this as a betrayal on Nakaima’s part (754, 765, 1159, 1157).

However, by this time the changing political climate had rendered the choice between economic development and anti-base opposition redundant for many Okinawans. In 2011, the DPJ government had introduced a subsidy program in 2011 that had no restrictions on use. A concurrent increase in the funding available to subnational governments in Okinawa for the development of the local economy meant that meant that some localities had difficulty developing

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46 "55% of Nago Voters Expect New Mayor to Reject Futemma Relocation."
projects that would utilise all of the their allocated funds (1548). This situation gives further indication of how the prefecture’s reliance on government subsidies gave rise to an unsustainable form of economic development. Indeed, the argument that base-related subsidies and development projects provided by Tokyo have failed in promoting genuine economic growth had increased, as Okinawa continues to have the worst unemployment and per capita income rates in the country. In a backlash against Nakaima, voters replaced him with Takeshi Onaga in the November 2014 gubernatorial election. Formerly a member of the local chapter of the LDP, and a supporter of the relocation agreement, Onaga had changed his mind and campaigned against it following Hatoyama’s broken promise. Following his election, Onaga has been reaching out to China, seeking to promote more avenues for economic exchange. Business leaders in Okinawa also came together to promote tourism and other industries as the primary means of growing the prefecture’s economy. More recently, there was even an uproar amongst Okinawan prefectural officials when the government approved a textbook stating that “the level of dependence of the prefectural economy on the bases in extremely high.” These changes in the local political debate clearly show how the framework of compensation politics practised by the Japanese government has slowly lost its efficacy buying acquiescence of the U.S. military presence in Okinawa.

Some caveats


51 “Textbook Says Okinawa Reliant on U.S. Bases, Uproar Ensues."
The evidence that Mayor Inamine and other reformist cite has some potential flaws. For instance, even though the economic production of areas such as Shintoshin has increased compared to the income they brought through the land lease payments, no studies have been conducted to verify how much of this economic activity has been generated anew, and how much of it has simply shifted from other areas in the prefecture. One potential concern for the owners of the properties and businesses that have sprung up in the returned areas lies in looking at some of the older returns. For example, when I lived in Okinawa from 2007 to 2010, Mihama American Village in Chatan Town was quite a bustling economic area, especially on the weekends. Having been constructed on land returned in the 1980s, and redeveloped into a resort area and shopping mall, the new commercial area saw 8.3 million visitors in 2003 and was regarded as a successful case of redevelopment. However, the area was far quieter on a more recent trip. As others have pointed out, these new developments are all competing for a limited number of customers, one that will decrease further once the transferring marines and their dependants relocate to Guam. Furthermore, concerns remain over the length of time required to develop the land. The development of Hamby Town, for example, took over a decade from the time it was returned in 1981.

Others have presented different factors that may explain the turnaround in the prefecture. For example, Catalinac argues that the change in the Japanese electoral system in 1993 has meant that pork barrel politics has given way to policy-based platforms. The previous multimember districts single non-transferable vote system meant that politicians could be elected to the House of Representatives even if they only achieved 15 to 20% of the vote, depending

52 Travis J. Tritten and Chiyomi Sumida, "Ready or Not, Okinawa Aims to Wean Itself Off of Military Dollars," *Stars and Stripes*, October 24 2011.
on the number of candidates and seats in particular voting district. This meant that candidates from the same party would target different constituencies, typically by promising material benefits such as construction projects. The change to 300 single-member districts with 200 seats according via a proportional representation vote (now reduced to 295 and 180 seats respectively) made it more effective for parties to campaign under a united, broad policy platform. This could conceivably have contributed to the decrease in salience of compensation politics in Okinawa, since it is similar to pork barrel politics in that it is targeted to specific groups such as landowners and those involved in the construction industry. However, this does not mean that economic development has been dropped from platforms in favour of the base issue. Instead, as pointed out above, local politicians and their supporters have emphasised the negative impacts of the base-related economy, promoting instead the development of tourism and other industries.

**Conclusion**

In this paper, I have examined how the use of compensation politics in the U.S.-Japan alliance with reference to the military facilities in Okinawa. In the first period, from the time of administration under USCAR through to the end of the Cold War, the material incentives provided by the U.S. and Japanese governments were relatively successful at quelling opposition and cultivating acquiescence to the bases in the prefecture. However, the governorship of Masahide Ota started a slow transition in the debate over the efficacy of compensation politics, eventually leading to more assertiveness from local political and business leaders in seeking alternative ways of development, so as to lessen Okinawa’s dependence on the base-related economy. In recent months, the central government has sought to modify the institutions for compensation in an effort to bypass this challenge. The outcome of this shift is still in flux. In response to Onaga and Inamine’s stringent opposition, Tokyo is now seeking to bypass Nago City to provide funds directly to three local
districts that have acquiesced and even welcomed the FRF: Henoko, Toyohara and Kushi.  

There are also other groups of citizens, including landowners and those contracted to work on the bases, who would be negatively affected if the U.S. completely withdrew from the prefecture.  

However, the decreasing efficacy of compensation politics in Okinawa suggests that this strategy cannot continue forever. Tokyo and Washington may need to find other ways for ensuring the stability of the U.S. military presence in the prefecture.


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