

Search For Next Prime Minister of Japan Puts Spotlight on the Economy

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TOKYO: The weakening Japanese economy emerged Monday as the focus of the battle for the country's next prime minister, with candidates clashing over taxes and how to fend off recession.

Among the front-runners, Taro Aso, secretary general of the governing Liberal Democratic Party and a former foreign minister, has come out strongly against raising the 5 percent consumption tax. Meanwhile, Yuriko Koike, a former defense minister, has pledged to push forward with market reforms.

The economy has become the most pressing issue on voters' minds after the release recently of a flurry of our finance news. Economic growth stalled in the second quarter of the year, effectively ending a six-year expansion, and fuel and food price increases have led to rising inflation.

"Japan is going through a crisis," said another candidate for prime minister, Economics Minister Kaoru Yosano, who spoke Monday from the headquarters of the Liberal Democratic Party. "I will battle the situation for the benefit of the people."

Seven lawmakers have announced their intentions to run for election on Sept. 22, following the resignation last week of Prime Minister Yasuo Fukuda, who spent less than one year in office.

The leading opposition party, the Democratic Party of Japan, re-elected its president, Ichiro Ozawa, on Monday to lead the group into general elections, which are expected to follow the selection of the new prime minister.

The opposition took control of the upper house of Parliament last year and has been clamoring since then for an early ballot in the powerful lower house, where the LDP has a three-fourths majority.

Ozawa on Monday focused on economic issues, promising to repair the troubled pension system, support allowances for families with children, revive the rural economy and raise food self-sufficiency.

"We can achieve a new life for the people and a new Japan only through these measures," Ozawa, who ran unopposed, said in a statement. "I pledge to take charge of a major project aimed at reviving Japan."

One controversial issue is the consumption tax, which has been at 5 percent since the late 1990s. While fiscal conservatives say that Japan should consider raising the tax, others say that such a move would further push the country toward recession.

Yosano, a conservative who is opposed to government spending to buoy the economy, has not yet revealed his campaign position on the tax, but he has said that the levy is not the only important issue.

Aso, who supports strong economic stimulus plans and has suggested postponing the goal of balancing the budget by 2011, is opposed to a quick tax increase. "If we have to raise the consumption tax, we'll think about it after the economy recovers," he told supporters in northern Japan on Sunday.

The spotlight on the economy marked a change in the Japanese political debate, which in recent years has centered on market reforms or more ideological issues, like the campaign by former Prime Minister Shinzo Abe to build a "beautiful Japan."

The conservative Yomiuri newspaper, the largest Japanese daily, has called for a thorough debate on the economy. "We hope the LDP lawmakers that plan to throw their hats into the ring will engage in in-depth discussions on policies to kick-start Japan's economy," the paper said Monday in an editorial.

Koike defends women's issues

With her bid, Koike, the former defense minister, is seeking to become the first woman prime minister of Japan, Reuters reported from Tokyo.

A telegenic former newscaster who is fluent in English and Arabic, Koike, 56, on Monday emphasized her plans to tackle women's issues and the environment as well as administrative reform.

"Women often want to work while still looking after their families, but it's hard for them to get the chance," Koike, who is single and childless, said. "I want to deal with women's issues on a cross-party basis. That will unleash the potential energy of women and make Japan an energetic country."

Koike lags far behind Aso in opinion polls, but she said she believed she had the support of 20 lawmakers, as required by law to qualify as a candidate.

"It is a sign of change in Japanese society, and also of her own qualities," Kuniko Inoguchi, a fellow female LDP lawmaker said after listening to Koike speak Monday.

Japanese women were granted the right to vote after World War II but only one woman has ever led a major Japanese political party, the Socialist Party. A woman currently holds the leadership of the less influential Social Democratic Party.

Source: International Herald Tribune