

### A CLOSER LOOK AT PRIME MINISTER JUNICHIRO KOIZUMI

Euphoria has gripped The Land of The Rising Sun with the installation of Mr Junichiro Koizumi as the new Prime Minister, replacing the very unpopular, Mr Yoshiro Mori, who resigned in what must be considered, in Japanese terms, having lost a great deal of face.

Prime Minister Junichiro Koizumi is extremely popular, a bit of a crowd-pleaser, a snazzy dresser, and, most important, he comes on a political ticket of promising to be a reformer.

While the girls of Japan look to him as a type of modern-day idol – even though he is 59 years old – Prime Minister Junichiro Koizumi invokes, in many people, Japan's Code of Bushido -- the traditional code of the Japanese samurai, stressing, among other things, honour, self-discipline, and bravery.

But, if Prime Minister Junichiro Koizumi fails to live up to his present image, he could come crashing down to earth with a splat.

Further, he has awakened a sleeping giant in that he has set economic expectations for Japan, partly fashioned by him.

If he should fail in his endeavours, Japan may be unforgiving.

It is a certainty that the reforms that the new Prime Minister is proposing are fraught with difficulties since it is more than likely that he, still, does not know the enormity of his task in trying to reshape the second largest economy of the world.

He has inherited, by design, one of the sickest economies in the world, certainly, the sickest economy in Asia.

#### **History**

Prime Minister Junichiro Koizumi, up to the time that he became Prime Minister of the most important economy of Asia, was the head of a faction of the former Prime Minister, Mr Yoshiro Mori.

He has a 30-year history of politics in Japan, having been a Minister in 5 successive Governments.

He has been Minister for Health and Welfare on 4 occasions, and he has held the post of Minister of Posts and Telecommunications, once.

Over the past few years, he has twice attempted to be the President of the Liberal Democratic Party (LDP), but failed on both attempts (1995 and 1998).

His campaign slogan, resulting in him, adorning the kimono of power, was: '*Change the LDP!*' '*Change Japan!*'

He wants to change the 30-year, accepted modus operandi of the LDP whereby strict seniority (oligarchy) supersedes any consideration of merit (meritocracy).

In order to solve 2 of the major problems, plaguing Asia's largest economy, that of non-performing loans, and the bringing about of recoveries in the financial sector and the industrial sector, Prime Minister Junichiro Koizumi wants to implement an emergency economic reform plan.

He wants, also, to implement, where-ever possible, decentralisation and privatisation.

Also, he has made promises to contain Japanese Government bond issuances, while, at the same time, reforming the social security system.

The object, insofar as the reforming of the social security system is concerned, is to bring about a more just and equitable distribution between the generations (again, in line with the Code of Bushido).

What the new Prime Minister is suggesting is not too far off the precepts of his political party, the LDP, but they are dressed up a little differently.

Political observers have noted this as being one of the planks of his political platform.

His sweeping election victory has to be taken as a sign of the times for Japan, where the long-suffering population are tired of empty promises and apathetic leaders.

Prime Minister Junichiro Koizumi's fast rise to power is a sign of great upheaval in the dusty corridors of power of the Diet (Japan's Parliament).

His plans for capping Government debt and revamping the LDP go further than anybody else's, to date, since the other candidates for the Prime Ministership, no doubt, would have been content to maintain the status quo.

Prime Minister Junichiro Koizumi's election was seen as time to buy into Japan, in the eyes of the international financial community.

They are riding high on the premise that the new leader of 120 million Japanese will win the day.

But, if Prime Minister Junichiro Koizumi should fail, then international funding could dry up as quickly as it came to the shores of Japan.

Thus far, there has been little in the way of definition as to the methods to be used in order to bring about the Prime Minister's reforms.

This means that, though he wears the kimono of power, he, still, has to earn the respect of his peers – and the electorate, especially.

If he should fail to achieve his stated goals, then conservative LDP members will remind the populace of the importance of *'not rocking the Japanese political boat'*.

In order to put into practice all that he has proposed, he will have to co-operate with LDP factions, persuading them to come over to his side of fence.

He may or may not be successful in this endeavour, but he will not be able to carry out his reforms without the various factions' assistance.

His policies – they are, probably, still being formed – are considered revolutionary, in the eyes of many people in Japan.

Revolutionaries, the world over, are treated with considerable skepticism until they have established a track record.

The compromises that Prime Minister Junichiro Koizumi may have to make in order to implement his plans may run afoul of his promises to the electorate.

This would leave the door open to his political enemies.

The risk of a setback in Japan's financial markets remains, regardless of the seeming euphoria of the moment.

In July, there will be the Upper House Elections, at which time, the LDP will be faced with having to face up to large losses.

In order to allay the fears of the LDP, it is probable that Prime Minister Junichiro Koizumi will postpone some of his reforms until after this election in order to soften the blow.

The LDP rank-and-file would not, then, be able to make claims that the erosion of the political party's power was directly attributable to the Prime Minister's revolutionary zeal.

The postponement of reforms may be contrary to the timetables of many people in Japan, people who expected immediate action from the new broom.

So, Prime Minister Junichiro Koizumi will be faced with the conundrum of trying, on the one hand, to placate his LDP colleagues, and, on the other hand, trying to implement revolutionary economic/political policies that swept him into power.

Does he keep faith with the electorate?

Or, does he do deals with the various factions within the LDP, watering down reforms to make them more palatable and, thus, obtaining the factions' assistance, giving a semblance of keeping faith with the electorate?

### **His Cabinet**

The following are the members that comprise the new Cabinet of Prime Minister Junichiro Koizumi:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Brief Details</b>
Koji Omi	68	State Minister in Charge of Okinawa and Affairs, relating to Northern Territory/Council for Science and Technology Policy	Mr Koji Omi served as Director General of the former Economic Planning Agency during the Prime Ministership of Mr Ryutaro Hashimoto. He is a graduate of Hitotsubashi University.
Heizo Takenaka	50	State Minister in Charge of Economic and Fiscal Policy/Information Technology	Dr Takenaka is a Professor at Keio University. He is a graduate of Hitotsubashi University, too, and he has lectured at Osaka University and Harvard University.
Jin Murai	64	Chairman of the National Public Safety Commission	Mr Murai served as Parliamentary Vice Minister of the Finance Ministry and was the Number Two man in the Financial Reconstruction Commission. He is a graduate of Tokyo University.
General Nakatani	43	Director General, Defense Agency	General Nakatani is a graduate of the Japanese National Defense Academy. This is his first Cabinet position. He became a Lower House member in 1990.
Yasuo Fukuda	64	Chief Cabinet Secretary	Mr Fukuda served in this position under the unpopular Prime Ministership of Mr Yoshiro Mori. He is a graduate of Waseda University.
Chikage Ogi	67	Minister of Land, Infrastructure and Transport	Ms Ogi has held this same position in the past. Little is known of her background other than being married to Kabuchi actor Ganjiro Nakamura.
Tsutomu Takebe	59	Minister of Agriculture, Forestry and Fisheries	Mr Takebe is a graduate of Waseda University. This is his first Cabinet portfolio.
Hakuo Yanagisawa	65	State Minister in Charge of Financial Affairs	Mr Yanagisawa is a graduate of Tokyo University and is known to share the same aspirations of his mentor, Prime Minister Junichiro Koizumi
Atsuko Toyama	62	Minister of Education, Culture, Sports, Science and Technology	Ms Toyama is a graduate of Tokyo University and joined the Education Ministry in 1962 where she achieved the post of Director General of the Agency of Cultural Affairs in 1994. She was Japan's Ambassador to Turkey between 1996 and 1999.

Makiko Tanaka	57	Foreign Minister	Ms Tanaka is the daughter of a former Prime Minister, Mr Kakuei Tanaka. She is a graduate of Waseda University.
Toranosuke Katayama	65	Minister of Public Management, Home Affairs, Posts and Telecommunications	Mr Katayama is a graduate of Tokyo University and was the former assistant to Mr Kikio Aoki, former Chief Cabinet Secretary.
Nobuteru Ishihara	44	State Minister in Charge of Administrative and Regulatory Reforms	Mr Ishihara is the oldest son of Mr Shintaro Ishihara, former Governor of Tokyo. He has served as Parliamentary Vice Minister of the former Ministry of International Trade and Industry under the Prime Ministership of Mr Ryutaro Hashimoto.
Mayumi Moriyama	73	Justice Minister	Ms Moriyama is the wife of the former Transport Minister, Mr Kinji Moriyama. She was, also, the former Education Minister under Prime Minister Kiichi Miyazawa.
Yoriko Kawaguchi	60	Environment Minister	Ms Kawaguchi was in the Cabinet of Prime Minister Yoshiro Mori.
Masajuro Shiokawa	79	Finance Minister	Mr Shiokawa has served under 6 Prime Ministers: Chief Cabinet Secretary under the late Takeo Fukuda; Transport Minister under Zenko Suzuki; Education Minister under Yasuhiro Nakasone; Chief Cabinet Secretary under Sousuke Uno; and, Minister of Home Affairs under Kiichi Miyazawa.
Takeo Hiranuma	61	Minister of Economy, Trade and Industry	Mr Hiranuma is the adopted son of the late Prime Minister, Mr Kiichiro Hiranuma. He has held his present post once before.
Chikara Sakaguchi	67	Minister of Health, Labour and Welfare	Dr Sakaguchi, a Doctor of Medicine, served as Minister of Labour under Prime Minister Morihiro Hosokawa. He worked in the Cabinet of Prime Minister Yoshiro Mori

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