

Taro Aso: third Japanese prime minister in two years

An offbeat image

John Chan**27 September 2008**

The lower house of Japanese parliament, the Diet, endorsed Taro Aso as Japan's new prime minister on Wednesday, after he won the post of president of the ruling Liberal Democratic Party (LDP) on September 22. Aso takes over from former Prime Minister Yasuo Fukuda, amid low support for the LDP government, a global financial crisis and signs of recession in the Japanese economy.

With the LDP having lost control of the upper house in 2007, Aso, like his immediate predecessors, confronts legislative obstruction by the opposition Democratic Party of Japan (DPJ). In fact, the upper house rejected Aso's appointment, naming DPJ leader Ichiro Ozawa instead, but was overridden by the lower house. Aso is likely to call an early snap election for the lower house to take advantage of any bounce in the polls for the new cabinet.

Fukuda abruptly resigned on September 1, just a year after taking over from Shinzo Abe, who also lasted only a year. Support for both Abe and Fukuda plummetted from their initial poll ratings fuelled by opposition to the government's military support for the US occupation of Afghanistan and concern over rising prices and deteriorating living standards.

A year ago, Aso had appeared to be the frontrunner to replace Abe, but was pushed aside by the party's factional powerbrokers, who regarded Fukuda as a safe pair of hands. Fukuda was able to patch up relations with China, which had deteriorated badly under Abe and particularly his predecessor Junichiro Koizumi. Aso, who had been foreign minister under Koizumi and Abe, was known for his hostile stance toward China, which is now Japan's largest trading partner.

Aso won Monday's poll easily, with 351 out of 525 votes. Kaoru Yosano, a fiscal conservative who advocates a doubling of the unpopular sales tax and huge cuts to public spending, trailed a long way behind with 66 votes. Yutiko Koike came third, with 44. She was endorsed by Koizumi to be Japan's first female prime minister and to revive Koizumi's aggressive "free market" reform programs. Two other candidates—Nobuteru Ishihara, the son of Tokyo's right-wing governor, and former Defence Minister Shigeru Ishiba—received 37 and 25 votes respectively.

Aso gained almost 98 percent of the 141 votes from the LDP's prefectural chapters. He is an advocate of traditional LDP economic policies—government spending packages that provide a boost to the party's rural base and allies in the construction industries. Aso is seeking to immediately pass a supplementary budget to authorise a new stimulus package but faces upper house opposition. He has ruled out any increase in the consumption tax.

In choosing his cabinet, Aso has emphasised unity—a sign that he is preparing for an early election. All his rivals have been included in cabinet, with the exception of Koike who was offered a post but turned it down. Yosano remains economic minister despite his opposition to increased public spending. Ishiba is agricultural minister and Ishihara was appointed as a deputy to the powerful position of LDP secretary general.

Koike's refusal to join the cabinet points to continuing sharp divisions within the LDP. Koike has adopted much of the anti-establishment rhetoric of Koizumi in her push for savage market reforms, declaring during last week's debates that her role was "to reform or destroy Kasumigaseki". Kasumigaseki is the Tokyo district that houses the state bureaucracy. "Voters will ask us a big question. Will we return to a situation like the one that existed prior to Koizumi's reforms, or continue with the reform drive?" she asked. Her lack of support inside the LDP, particularly the prefectural chapters, reflects concern at the deepening popular hostility to the social impact of these reforms.

Big business on the other hand is frustrated that Koizumi's agenda is not proceeding. An *Asahi Shimbun* editorial on September 24 expressed concern that "Koizumi's powerful message of reform has completely disappeared from the LDP's main policy narrative". The newspaper warned the LDP it was on the verge of losing office by turning its back on Koizumi's program of "destroying the LDP," that is breaking the grip of the party factions and state bureaucrats. The editorial insisted that savage cutbacks to public spending and social welfare, although "painful," were necessary to boost productivity and global competitiveness for Japanese corporations. Japan has the highest level of public debt of any OECD country—currently

standing at 180 percent of GDP.

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One obvious factor in the LDP's choice of Aso was his high rating in opinion polls compared to his rivals. He has deliberately cultivated an offbeat image, designed to appeal to the country's alienated youth, by declaring himself to be a great fan of manga or Japanese comics. According to the *Japan Times*, "lawmakers took notice of Aso as a prospective president of the ruling Liberal Democratic Party after his legendary speech in Tokyo's Akihabara district in September 2006, which drew the attention of young manga buffs".

The façade is superficial, however. Aso is very much part of the Japanese political establishment. Born in 1940, Aso comes from one of the country's most powerful families. He is the great-great grandson of Okubo Toshimichi, one of the three aristocrats who led the Meiji Restoration in the 1868 that paved the way for the vast expansion of capitalism in Japan. His mother is the daughter of former Prime Minister Shigeru Yoshida, his sister is married to the emperor's cousin and his wife is the daughter of another prime minister, Zenko Suzuki,

Aso's family owned a mining conglomerate that exploited forced labour during World War II. He studied economics in Japan before being sent to Stanford University in the US. He returned home early, however, because his conservative family feared he was becoming too "Americanised". He later studied at the London School of Economics before joining his father's company and becoming company president from 1973 to 1979. He was elected to the lower house in 1979 and developed close relations with former Prime Minister Yoshiro Mori, who named him economic and fiscal minister in 2001.

Aso rose to prominence in 2003 when Koizumi appointed him internal affairs and communications minister and then foreign minister in 2005. He was the mouthpiece for defending Koizumi's highly unpopular dispatch of Japanese troops to Iraq and aggressive foreign policy in North East Asia, particularly toward China. In openly racialist terms, he argued that Japan could expand its influence in the Middle East because, while hostile to "blond, blue-eyed" Europeans, the Arab masses were not so suspicious of "yellow faces". He angered Beijing on several occasion by denying Japan's wartime atrocities and speaking of the "threat" posed by China's military modernisation.

Aso's cabinet reflects his traditional bias. He has named Shoichi Nakagawa, an advocate of aggressive stimulus spending, as minister of finance and of financial services. In the 1990s, the financial service agency was established to deal with Japan's heavily debt-laden banks, leaving the finance ministry in charge of international monetary policy. Aso declared that

this division was no longer compatible with the urgent need to coordinate policy in the face of the global financial crisis. Defending the latest stimulus package, Nakagawa warned that Japan would be the "laughing stock of the world" if it pushed ahead with the public debt reduction when the economy was on the verge of recession.

Takeo Kawamura has been appointed chief cabinet secretary. Like Aso, Kawamura is known for his antagonism to China. In May, he sponsored legislation authorising Japan to use outer space for military purposes as a direct response to China's anti-satellite missile test last year. Faced with pressure from big business, however, Aso has taken a more pragmatic stance, declaring: "China and the Republic of Korea are each important partners of Japan." He has appointed as foreign minister, Hirofumi Nakasone, the son of former Prime Minister Yasuhiro Nakasone, who is known for advocating a strong US-Japan alliance, but also good ties with China.

Many analysts expected the LDP will lose control of the lower house in the next elections. Despite Aso being the most popular choice as LDP leader, his cabinet has not received the boost that was expected. A poll conducted by Kyodo news agency showed that just 48.6 percent approved Aso—much lower than Fukuda's 60 percent when he was installed last year.

Yasunori Sone, a political professor at Keio University, told Reuters: "They [the LDP] have been talking about a November 2 election. I thought if support was 50 percent or above he [Aso] would call an election and if it were under 50, he couldn't. But if he waits, things are not going to improve. They will just get worse. He will probably try to do some skillful performance and go ahead with a snap election... but the question is, can they win?"

With the exception of a brief period in the 1990s, the LDP has held power for more than 50 years. The fact that it stands on the brink of losing office reflects disillusion among the corporate elite that the party is capable of pushing through the required restructuring agenda, and at the same time broad popular anger and alienation at the impact that the reforms already enacted have had on the living standards of ordinary people.



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