

Uncertainty clouds Koizumi's victory

By Sarah Buckley
BBC News

The sweeping victory of Japan's Liberal Democratic Party (LDP) in Sunday's election should have brought a sense of certainty to the country's politics.

But while it is certain that Prime Minister Junichiro Koizumi's first move will be to privatise the post office - he called the election to win a mandate to do so - nobody is sure what happens after that.

This is partly because Mr Koizumi took care to focus the campaign on the post office, dodging questions about his other priorities.

And Mr Koizumi's own future is unclear, since he continues to insist he will step down as LDP leader, and therefore prime minister, in September 2006.

Of course, reforming Japan's behemoth post office, which also acts as the country's main savings bank, is no small task. Mr Koizumi wants to split it up and privatise it, leading to potentially huge job losses.

The plan was blocked in Japan's upper house in August, with the help of members of Mr Koizumi's own party. Many opposed it because post office savings have been used to fund public works projects which act as powerful vote winners. But Mr Koizumi wants those funds freed to give the economy a boost.

His large majority - combined with coalition partner New Komeito, the LDP has 327 seats in the 480-seat house - should ensure the postal reform gets approved.

After that, opinion polls suggest the Japanese public want Mr Koizumi to concentrate on reforming its health care and pensions systems, both of which are straining under the demands of an ageing society.

Christopher Hood at London's Royal Institute of International Affairs said he thought Mr Koizumi would respond to this demand.

"We will see an attempt to privatise [health care] or at least release funds in that area," he said.

But other analysts said they were not sure Mr Koizumi was really interested in other reforms, noting that he had not detailed any other plans on how to tackle them.

"I don't think Koizumi is serious about reforms," said Tsuneo Watanabe, at the Mitsui Global Strategy Institute in Tokyo.

" I don't think Koizumi is serious about reforms "
Tsuneo Watanabe, Mitsui Global Strategy Institute

"He's [just] interested in privatisation of the postal service."

Christopher Hughes at Warwick University agreed, saying that he thought Mr Koizumi was attracted to post office reform for its political, rather than economic, benefits.

On other issues, analysts agreed that Mr Koizumi would visit the Yasukuni Shrine again this year - a controversial move, because the shrine honours several convicted war criminals among Japan's millions of war dead - and seek to bolster the US-Japan strategic alliance.

He may also begin the reform of Japan's constitution. The LDP has indicated it wants to change the section that renounces war in order to allow Japan to take a more active role in international affairs.

All these moves are likely to inflame Japan's already difficult relations with China and South Korea.

Resignation

How much Mr Koizumi can achieve depends on how long he leads the LDP. He said before the election that he would step down as the party's leader in September 2006, and said on Monday that this remained his plan.

Analysts are divided over whether he will keep his word.

"I think he probably will step down," said Mr Hughes. "When he says something he tends to do it, and he's quite happy to go out in a blaze of glory."

But Mr Hood said he thought Mr Koizumi would bow to pressure from within the LDP to stay on, now he has won such a strong mandate. "He will let people persuade him," he said.

If Mr Koizumi does decide to step down, the LDP would lose an extremely valuable asset.

Already Japan's longest-serving prime minister in two decades, Mr Koizumi's flair and charisma are almost unique among Japan's normally staid politicians, and there is no natural successor within the party.

Whatever happens, the LDP's grip on power looks assured. In office for almost all the last 50 years, Mr Hood believes the party will be in office for the next decade, following the opposition Democratic Party of Japan's (DPJ) poor showing.

"The DPJ is finished for at least 10 years. Once you're facing a huge majority you cannot possibly turn that around in the next election," Mr Hood said.

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