

# Abe Administration Launched

– Facing the Challenge of Mending Ties With China and S. Korea –

by Okabe Hiroshi

**L**IBERAL Democratic Party President Abe Shinzo was elected Japan's 57th prime minister on September 26. At 52, Abe became the country's youngest prime minister after World War II. He is also the first prime minister born after the war. Abe says he "will accelerate and reinforce" the structural reform promoted by the government of his predecessor, Koizumi Junichiro. At the same time, he says one of his Cabinet's top priorities is education reform. On the foreign policy front, Abe, who sees the Japan-US alliance as the basis of Japan's diplomatic and national security policies, has moved to mend soured ties with China and South Korea, visiting Beijing and Seoul for talks with

top leaders of the two countries in his second week of office.

The Koizumi administration, which set sail in April 2001 amid the worsening banking crisis and deflationary pressure, worked on the privatization of postal services and the reduction of public works spending under the slogan, "No economic growth without reforms." Five years and a half have passed since then. The Japanese economy has overcome the tough issue of banks' swollen nonperforming loans and is headed for its longest uninterrupted postwar expansion in November. But Japan suffers from such "chronic illnesses" as a declining birthrate and the graying of society, and worsening debt-ridden state

finances. To cope with these problems, the new prime minister has come up with a fresh slogan, "No fiscal reconstruction without economic growth." To manage the Japanese economy under that slogan, the Abe administration is to pursue a growth strategy aimed at helping Japanese corporations to foster vitality and thus boosting the nation's economic competitiveness.

In the ruling coalition, voices are gaining momentum for a hike in the consumption tax rate from the present 5% in order to finance increasing social security costs amid the graying population and to avoid a collapse of state finances. But the Abe administration intends to put priority on rebuilding the state finances by cutting fiscal expenditure before discussing tax hikes. The new administration plans to assist unemployed people and managers of failed firms in order to honor Abe's pledge to create a society where struggling people can have "second chances" of employment and business management. The move reflects the Abe administration's attention to criticisms that income disparities are widening in Japan due to the Koizumi administration's structural reforms.

On the foreign policy front, the biggest issue is to improve Japan's relations with China and South Korea that have deteriorated due chiefly to a dispute over Koizumi's repeated visits to the war-linked Yasukuni shrine in Tokyo, where Class-A war criminals are honored along with the war dead. Abe had indicated he was willing to meet with the top government leaders of China and South Korea, saying, "Japan's door is always open. Precisely because there are conflicts of interest between the countries, it is important for the top leaders to have heart-to-heart talks."

Meanwhile, Abe appointed five special advisers to the prime minister on the key themes of national security, economic and fiscal policies, North Korea's abduction issue, education reform and public relations activities, beefing up the premier's office to implement policy management like Washington's White House.

Photo: Kyodo News



Prime Minister Abe Shinzo (center) and his Cabinet

# 1st Heir in 41 Years to Chrysanthemum Throne

## – Debate over Revising Imperial House Law Shelved –

PRINCESS Kiko, the wife of Prince Akishino, gave birth to a baby boy on September 6, the first heir born to the Chrysanthemum Throne in 41 years. The boy, named Prince Hisahito, is the Emperor's first grandson. stands third in line to the throne after Crown Prince Naruhito and Prince Akishino. The birth of the baby boy has led to the shelving of debate over revising the Imperial House Law to allow females and their descendants to ascend the throne. Article 1 of the 1947 law says Imperial successors are limited to males who have emperors on their father's side. Based on the law, the Imperial throne has been taken over by "Y chromosomes" for as long as 2,000 years – a unique feature of Japanese culture that is different from the royal succession system in Europe.

The falling birthrate has become a serious issue not only for the Japanese public but for the Imperial Family as well. The fact that no baby boy had been born

for as long as 41 years generated concerns about the continuity of Japan's Imperial line, thereby prompting the government to set up a panel in 2005 to discuss revising the Imperial House Law. The panel has since recommended changing the law to make the emperor's first child succeed the throne irrespective of its sex, a move allowing females to ascend the throne.

Now that the continuation of Japan's Imperial line has been secured for now, the government is set to put on hold the discussions about the legal amendment. The number of Imperial Family members, however, is destined to decrease in the years ahead, because Princess Aiko, Crown Prince Naruhito's daughter and only child, and other female family members will have to relinquish their royal title following their marriages in accordance with the Imperial House Law. Some Japanese people maintain that females should be allowed to ascend the

throne from the viewpoint of gender equality. Thorough and calm discussions may be necessary to make a final decision on the matter.

*Photo: Kyodo News*



*Princess Kiko holding the new-born Prince Hisahito*

# Tokyo to Bid for 2016 Olympics

## – Plans to Stage "Compact Olympics" –

THE Japanese Olympic Committee (JOC) has nominated Tokyo as Japan's candidate to host the 2016 Summer Olympic Games. The Tokyo metropolitan government underlined the city's functions featuring a high degree of urban accumulation that makes it possible to stage "the most compact Olympics in the world." Specifically, it said 26 of the 28 sports competitions can be staged at venues to be located within a radius of 10 km. Tokyo's big name and large budget, combined with the JOC's wish to pick an internationally competitive city, led to the selection of Tokyo.

The 1964 Tokyo Olympics, the first such Games held in Asia, paved the way for the Japanese economy to follow its high-flying growth. Tokyo Governor Ishihara Shintaro says he wants to "put together the wisdom and expertise of a number of people" in order to win the selection process by the International Olympic Committee (IOC) and host the Games for the first time in 52 years. Tokyo faces a test of its ability to come up with ideas that can be highly rated internationally.

The IOC is set to choose the host city for the 2016 Olympics at a general meet-

ing slated for October 2009 in Copenhagen. The United States is widely viewed as Tokyo's most prominent rival because no Summer Olympics have taken place since the 1996 Atlanta Games. Three US cities are vying to host the 2016 event – San Francisco, Los Angeles and Chicago. In addition, Brazil's Rio de Janeiro strongly hopes to become the first city in South America to host the Games. A fierce global competition is expected in the final selection process.

Okabe Hiroshi is a business news editor at Kyodo News.