

## New Koizumi Cabinet Review: All the PM's Men

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On September 27, Prime Minister Koizumi reorganized his cabinet, launching the second Koizumi cabinet. Mr. Koizumi replaced 11 of his 17 ministers. Prior to the cabinet shuffle, the prime minister replaced the three senior LDP officers.

### **A Cabinet to Privatize the Postal Savings System**

In reorganizing his cabinet, Koizumi's first priority is his pet project--the privatization of the postal system, which is being resisted by powerful elements in his own party. At a press conference, the prime minister presented a cabinet-approved outline and said that the cabinet would submit a privatization bill to the Diet next year.

Koizumi's cabinet and party post choices were designed to achieve this goal. His choice for LDP secretary-general, former minister of agriculture Tsutomu Takebe, was not regarded as a strong party leader, but is a strong supporter of Koizumi reform. His popular predecessor, Shinzo Abe, moved down one notch in the party hierarchy to help Takebe.

His retention of Heizo Takenaka as minister for economic and fiscal policy, and his appointment of Takenaka as minister in charge of postal reform was also designed with reform in mind. Takanaka's clout was greatly enhanced when he won a seat in the Upper House in the June election.

The appointment of Taro Aso as minister for general affairs, supervising the postal service, and the retention of Hiroyuki Hosoda as chief cabinet secretary, both of whom are strong supporters of reform, are two other important indications of the importance Koizumi attaches to postal service reform.

As to factional balance, it is worthy of note that only three members of the Hashimoto faction, which opposes postal system reform were appointed. In making these appointments Koizumi ignored the customary deference to the faction's leaders and to seniority. Two are in their forties and one is from the Upper House. This is both a reflection of Koizumi's push for reform, and of the weakness of the Hashimoto faction (still the biggest) in the wake of serious scandal.

### **Strong Commitment to Foreign and Security Policies**

Koizumi's strong commitment to alliance with the U.S. is reflected in his choice of foreign minister and director-general of the Defense Agency. While many were surprised not to find any mention of the former chief cabinet secretary, Yasuo Fukuda, who only a few months ago was regarded as the de facto foreign minister, the appointment of Nobutaka Machimura signifies a strong commitment to continuity in Japan's foreign policy. Machimura is well qualified. He has served as parliamentary vice minister for foreign affairs and as the chairman of the national defense committee of the LDP. In addition, he did graduate work in the U.S., served

in a JETRO office here, and is well known to American officials.

The appointment of Yoshinori Ohno as defense minister also illustrates Koizumi's commitment to the alliance with the U.S. He has had much foreign experience as a Ministry of Finance official, and a long-term association with U.S.-Japan parliamentary exchange programs.

### **Where is the coordinator?**

Facing rapid and confusing change in U.S. overseas deployment plans, the Japanese government has been relatively slow in reacting during the past year. Several observers have pointed out the lack of political and inter-ministerial coordination after the resignation of former chief cabinet secretary Fukuda and administrative deputy cabinet secretary, Tejiro Furukawa, who has stayed in the position since 1995.

The second Koizumi cabinet is impressive since the appointments show a clear departure from the LDP's traditional vested interest and seniority-based system. But the real issue in both domestic and foreign policy is how Koizumi will coordinate many diverse interests. Keeping the largest LDP faction out of major cabinet positions will not help coordination. This is especially crucial in resolving Okinawa base issues where the government is faced with balancing powerful general contractor interests with those of local landowners and residents as it seeks to resolve the long-pending Futenma base relocation problem. In addition, whether the privatization of postal service would lead to drastic liberalization of Japan's financial market by encompassing the postal saving and postal insurance systems remains unclear. It also requires sensitive political coordination. Perhaps the challenges for Koizumi have only just begun.

### **Second Koizumi Cabinet (as announced September 27)**

Junichiro Koizumi ®	Prime Minister
Taro Aso ®	Ministry of Internal Affairs and Communications
Chieko Nohno ©	Minister of Justice
	Minister of State for Youth Affairs and Measures for Declining Birthrate
Nobutaka Machimura ®	Minister of Foreign Affairs
Sadakazu Tanigaki ®	Minister of Finance
Nariaki Nakayama ®	Minister of Education, Culture, Sports, Science and Technology
Hidehisa Otsuji ©	Minister of Health, Labour and Welfare
Yoshinobu Shimamura ®	Minister of Agriculture, Forestry and Fisheries
Shoichi Nakagawa ®	Minister of Economy, Trade and Industry
Kazuo Kitagawa ®	Minister of Land, Infrastructure and Transport
Yuriko Koike ®	Minister of the Environment
	Minister of State for Okinawa and Northern Territories Affairs
Hiroyuki Hosoda ®	Minister of State, Chief Cabinet Secretary
Yoshitaka Murata ®	Minister of State for Gender Equality
	Chairman of the National Public Safety Commission
	Minister of State for Disaster Management
	Minister of State for National Emergency Legislation
Yoshinori Ohno ®	Minister of State for Defense
Tatsuya Ito ®	Minister of State for Financial Services
Heizo Takenaka ©	Minister of State for Economic and Fiscal Policy
	Minister of State for Privatization of the Postal Services

Seiichiro Murakami ® Minister of State for Regulatory Reform  
Minister of State for Industrial Revitalization Corporation of Japan  
Minister of State for Administrative Reform  
Minister of State for Special Zones for Structural Reform  
Minister of State for Regional Revitalization

Yasufumi Tanahashi ® Minister of State for Science and Technology Policy  
Minister of State for Food Safety  
Minister of State for Information Technology

® indicates that he/she is a member of the House of Representatives

© indicates that he/she is a member of the House of Councillors.

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