

**THE POST-FUKUDA ERA:
THE CONTENDERS WAITING IN THE WINGS**

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Executive Summary

The three most likely candidates in the race to be the next leader of Japan in the post-Fukuda period are Taro Aso (麻生太郎 former foreign minister), Yuriko Koike (小池 百合子 former defense minister) and Kaoru Yosano (与謝野 馨 former chief Cabinet secretary). The first two candidates are characterized as hawks while the third is seen as a technocrat. Of the three, Aso looks set to become Prime Minister barring unforeseen circumstances.

Dark horses in this race include son of flamboyant rightwing Tokyo Governor Shintaro Ishihara (石原 慎太郎), Nobuaki Ishihara (former chairman of the LDP's Policy Research Council). He is spreading his wings after becoming a member of the old China-hand Taku Yamasaki (山崎 拓, ex-LDP vice president) faction.

The second dark horse is Koichi Kato (加藤 紘一, former LDP secretary general) who enjoys strong liberal support. The third might come as a surprise: former Prime Minister Junichiro Koizumi (小泉 純一郎) who has publicly and repeatedly said he has no intention of returning to politics.

Nevertheless, the policy abilities of some of the candidates remain under scrutiny. For example, Yosano's exceptional technocratic talent is well-known and recognized by former PM Fukuda. Japan, which has one of the fastest-ageing populations in the world, is particularly sensitive about the needs of the elderly and will give Yosano political mileage if he demonstrates effective leadership.

Besides Yosano, Koike also has strengths which may be beneficial to Japan's economy, including her fluency in the Arabic language, which might become an asset useful for Japan's energy negotiations with the Middle East. She can also bring her defence portfolio to the PM position as Japan's first Minister of Defence and Special Advisor to the Prime Minister for National Security Affairs in 2006.

In terms of foreign policy, Aso is notorious for making politically incorrect verbal gaffes. In contrast, liberal Kato is in favor of harmonious relations with rising powers like China and India. Regardless of who wins, the current momentum for Sino-Japanese rapprochement is unlikely to be fundamentally derailed since some sources of Sino-Japanese tensions have recently been eliminated. It would take a fundamentally disruptive gesture such as Koizumi-style high profile Yasukuni visits to reverse this trend of rapprochement. While a return to the Koizumi era is unlikely, Aso may be equally idiosyncratic in his own way.