Koizumi's Party, Backing Reforms, Wins by Landslide

By NORIMITSU ONISHI

TOKYO, Sept. 11 — Prime Minister Junichiro Koizumi’s Liberal Democratic Party won by a wider than expected landslide in Japan’s general election on Sunday, earning a popular mandate to push through market reforms in the world’s second-largest economy.

The magnitude of the victory reversed the decade-long decline of the Liberal Democratic Party, which has ruled Japan nearly continuously for 50 years but had depended increasingly on its junior coalition partner, the New Komeito Party, to govern effectively. The results were a devastating setback for the Democratic Party, the main opposition, whose gains in recent elections had raised expectations that Japanese democracy was maturing into an era of two-party rule.

The results, reinforced by a high voter turnout, also amounted to a huge personal victory for Mr. Koizumi, who called an early election last month after rebellious members of his own party had rejected his bill to privatize Japan’s postal service, the world’s largest financial institution with $3 trillion in assets and an important part of the Japanese postwar political and economic structure.

In an election that Mr. Koizumi had successfully framed as a referendum on restructuring the postal services and making other economic reforms, his triumph suggested that voters agreed with his vision of invigorating Japan’s economy, which has only started recovering from years of stagnation.

The Liberal Democratic Party won 296 seats in the 480-seat lower house of Parliament, up from 249 when the election was called. The Democratic Party’s share of seats dropped to 113 from 175.

Along with the 31 seats held by the New Komeito Party, the Liberal Democratic Party will have more than the two-thirds of the lower house’s seats to overrule decisions by the upper house, which vetoed the postal bill.

“I thought it would be O.K. for the L.D.P. to get a simple majority, but people gave us even better results than we had expected,” Mr. Koizumi said of his party. “I’m overwhelmed with gratitude.”

“I think the people handed down a verdict that postal reform is right,” he said from the party’s headquarters.

The victory by Mr. Koizumi, who has been one of the strongest backers of the American-led war in Iraq and enjoys a personal relationship with President Bush, will be welcomed in Washington. But it is likely to be greeted with caution in Asia, especially in China and South Korea, which view with trepidation the rightward tilt and rising nationalism in Japan on Mr. Koizumi’s watch.

Mr. Koizumi’s repeated visits to Yasukuni Shrine, the memorial where war criminals are deified, have harmed relations with China, whose booming economy has lifted Japan’s. After his victory on Sunday, Mr. Koizumi, who has pledged to visit the shrine every year, said he had not changed his position.

During the 12-day campaign, Mr. Koizumi succeeded in narrowing the electorate’s focus to postal reform and domestic issues. The main opposition Democratic Party — which opposed the Yasukuni visits, pledged to withdraw Japanese troops from Iraq and repair relations with China and South Korea — failed to widen the focus to issues that could have hurt Mr. Koizumi at the ballot.

“I firmly believe our stance on issues was not wrong,” said the Democratic Party leader, Katsuya Okada. “Our message didn’t reach the people.”

Mr. Okada announced that he would step down as party leader because of the loss. Analysts have said that a big loss could lead to the breakup of the Democratic Party, which was formed in 1998 by former Liberal Democrats, Socialists and other members.

Other parties vying in the election opposed postal privatization but, in an appeal to the deep-rooted popular feeling that Japan needs to transform itself to move forward, said they supported political and economic reforms. But by making postal privatization — an arcane issue little understood by most voters — a litmus test for reform, Mr. Koizumi was able to paint its opponents, including the Democratic Party, as reactionaries.

“This election shows how Koizumi is in a league of his own in his political skills and media savvy,” said Gerald Curtis, an expert on Japanese politics at Columbia University who is visiting Tokyo. “He did the impossible. He managed to convince the electorate that his party, which was opposed to his own reforms, was for change, and that the Democratic Party, which was a party founded for reform, was against change.”

Mr. Koizumi wants to break up and privatize Japan Post, which in addition to delivering mail holds $3 trillion in savings and life insurance deposits that politicians have dipped into for decades to finance public works and reward their backers. He has said that it is the prerequisite for further, if vaguely defined, reforms in the Japanese economy, the world’s second largest behind that of the United States.

In his four years in office, Mr. Koizumi’s economic policies, including reductions in public spending and a cleaning of bad loans from the banking sector, have been faulted by some economists for not going far enough. But there is also a sense in Japan, which has always had ambivalent feelings toward American-style capitalism at home, that the policies have hurt the Japanese and helped create a society of economic losers and winners.

Opponents of postal reform said Japan’s peculiar postal system, for all its faults, also helped create an egalitarian society by spreading wealth from urban to rural areas.

“If things keep going like this, this will be the end of Japan,” Shizuka Kamei, a postal rebel who was expelled from the Liberal Democratic Party by Mr. Koizumi but was re-elected as a member of a new party, said Sunday night on Japanese television.

By replacing postal opponents with younger, mostly female candidates, Mr. Koizumi succeeded in changing the image of the Liberal Democratic Party, long associated with old men in dark suits. The strong results suggested that Mr. Koizumi had made his party more attractive to the same younger and urban voters who had handed the opposition Democratic Party victories in cities in previous elections.

“We’ve destroyed the old L.D.P.,” Mr. Koizumi said.