

To prevent a slowdown in consumption and economic growth, fiscal reconstruction without tax increases is needed

Fiscal reconstruction without a reliance on tax increases is fundamental to the path of a new Japan. However, those still trapped in the mindset and choices of the 1970s economic boom are calling for higher taxes and asking how increasing social security needs will be financed.

Over the past 5 years, individual income taxes were increased by a total 3.9 trillion yen. In a country facing an annual population decline of 800,000, equivalent to residents in Tokyo's Setagaya Ward, further tax increases will not only dampen consumption and economic growth, but also flame public insecurity.

Unless we retool our mindset and choices based on our current reality, and restructure the existing system, we will be unable to overcome the challenges of a rapidly declining and aging society. The simplistic and bureaucratic approach of responding to budget reductions by decreasing the size and number of projects must be replaced with the more corporate approach of cutting costs while maintaining those projects. Four years ago, Yasuo Tanaka, known as the "Anti-Bid-Rigging Governor", implemented an open and transparent competitive tendering system in various fields.

The unprecedented move made it possible for local companies, which were previously subcontractors of major corporations, to participate directly in public tenders. This resulted in pushing down the average successful bidding rate of over 97 percent before I took office, which was clear evidence of bid rigging, to the lowest nationwide of less than 80 percent. By eliminating discretionary contracts and selective tendering, which was the breeding ground for rigged bids, the cost of one project was cut from 1 million yen to 800,000 yen, allowing us to stop the opaque flow of tax funds.

The cost savings from these public tenders were then redirected to welfare, medical, educational, environmental and tourism industries that benefit the public and help create community-based jobs, as is vital in the 21st century.

The logging, lumbering, manufacturing and installation of our self-developed "wooden guardrails", which have the same strength as conventional steel, were all handled by local companies. The project boosted local employment by 5 times while maintaining the same project cost. This bore fruit under the spirit of my "No more dam = No more waste" efforts, which is symbolic of my environment-friendly approach necessary in the 21st century.

Nagano was the first nationwide to introduce elementary school classes limited to 30 students. This was made possible as we secured independent revenue sources by reducing our outstanding debts for 6 consecutive years by a total of 92.3 billion yen and achieving back-to-back primary surpluses.

If it is an acceptable excuse to say that population scales differ between country and prefecture, then countries like the US and China, where populations are significantly larger, will forever be unable to undertake new challenges. "Lead by example." There is no high road to fiscal reconstruction and job creation.