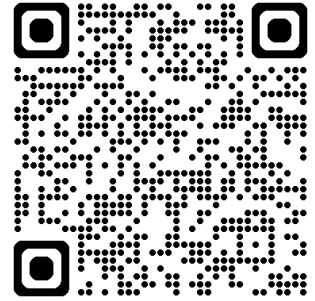


Analysis: How Japan's cost-of-living crisis weighed on voters



<https://www3.nhk.or.jp/nhkworld/en/news/videos/20250720215546770/>

Rising costs are a big deal in this election, so what more can you tell us?

Exit polls asked voters to pick their main issue. Nearly half of the respondents chose price hikes and the economy over topics like social security and the declining birth rate. There are a few things at play here. Goods are getting more expensive due to a combination of factors including the weaker yen driving up import prices as well as higher labor and logistics costs. Workers are getting pay increases, but those hikes are not cutting it. For example, Rengo, Japan's largest labor union group, says its members received an average of more than 5% wage hikes annually for the past 2 years. That's still not enough to keep pace to offset the high costs. The government has taken some measures. It's tapped into rice stockpiles to stabilize supplies, and it started a flat rate fuel subsidy program to curb rising gas prices.

Right. And two proposals we've heard for further short-term relief are either tax cuts or cash handouts right?

Right. But people are somewhat divided on which option they prefer. An NHK poll conducted this month found more than half of the respondents chose reducing or eliminating the consumption tax. The ruling party favors cash handouts. They've suggested providing 20,000 yen or about 134 dollars per person arguing it's faster than reducing taxes when it comes to delivering direct relief, but opposition parties argue that such cash payments often end up in people's savings and do little to stimulate the economy. Those in favor of reducing or even getting rid of the consumption tax claim it's a more effective way to directly lower prices. On the other hand, the ruling coalition warns doing so would put funding for Japanese social security at risk. The results of the voting could give us a picture of which pathway they hope the government chooses.

Source: (NHK World News)

Now discuss the questions with a partner.

1. Which topic would you choose as your most important if you were answering the exit poll?
2. Do you prefer reducing or eliminating the consumption tax or cash handouts? Why?
3. What other news have you heard about the outcome of the election?
4. Why might some people choose to save cash handouts instead of spending them? Do you think that's a problem?
5. How do you think economic issues like inflation affect younger people differently than older generations?