

# Wealth Redistribution Council

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**In news**— Recently, Japan's new Prime Minister Fumio Kishida launched a flagship council to work out a strategy to tackle wealth disparities and redistribute wealth to households, in what he describes as a "new form of capitalism."

## About Wealth Redistribution Council-

- **It will be responsible for strategizing how to tackle wealth disparities and redistribute wealth to households.**
- The council will **focus on the creation of a "virtuous cycle of growth and distribution" of wealth**, which was also the pillar of his election campaign.
- According to him, this can be accomplished through an updated version of the 1960 **"income-doubling plan"** behind Japan's rise as an economic power.
- It will also focus on **post-covid economic recovery**.
- The measures proposed by the panel will then **shape Kishida's policies if the ruling bloc, led by his Liberal Democratic Party, emerges as the victor of the upcoming polls.**
- This new will **replace an older growth strategy council**, which was set up last year by his predecessor Yoshihide Suga.

## Its composition-

- The panel, **headed by Kishida(PM), will comprise a mix of ministers and representatives from the private sectors.**
- At least seven private-sector members are **women**.
- It will consist of **both veterans and newer faces** with varied backgrounds.
- The panel is expected to hold its first meeting on October 26.

## Plan of the new PM-

- The new PM vowed to **help ordinary households – families with children, women, workers without full-time status and students.**
- This was the rationale behind the ambitious **30 trillion yen spending package** he proposed to aid economic recovery.
- Apart from this, he has also been a proponent of a flat **20 per cent tax on financial income, which will primarily apply to the wealthy.**
- To address the issue of stagnant incomes, Kishida proposed an **“income-doubling plan, similar to an initiative launched by former Prime Minister Hayato Ikeda in 1960.**
- His aim is to combine former Japanese premier Shinzo Abe’s pro-growth policies, also dubbed ‘Abenomics’, with heightened efforts to move wealth from companies to households.