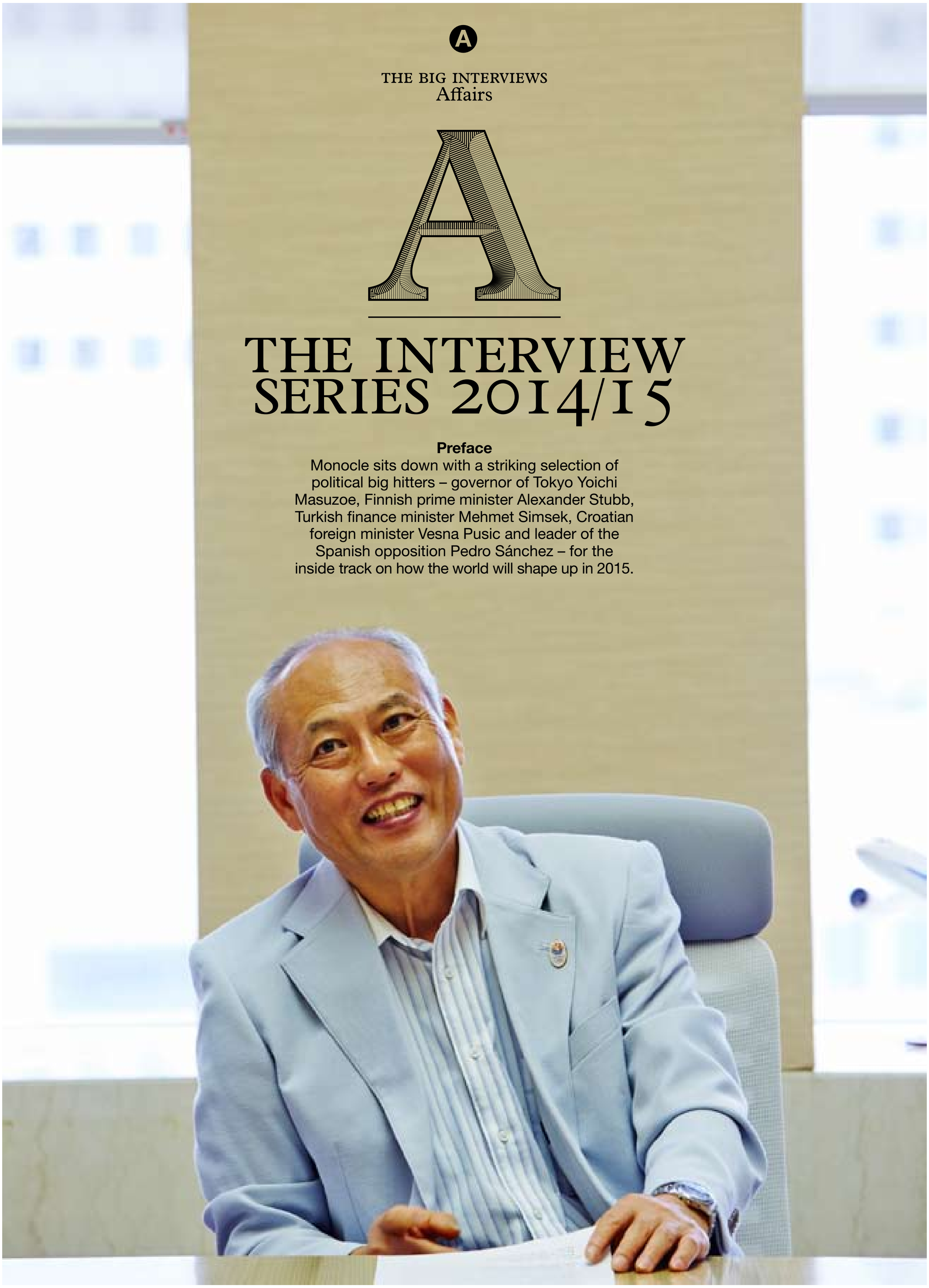


THE BIG INTERVIEWS
Affairs

THE INTERVIEW SERIES 2014/15

Preface

Monocle sits down with a striking selection of political big hitters – governor of Tokyo Yoichi Masuzoe, Finnish prime minister Alexander Stubb, Turkish finance minister Mehmet Simsek, Croatian foreign minister Vesna Pusic and leader of the Spanish opposition Pedro Sánchez – for the inside track on how the world will shape up in 2015.

01

Yoichi Masuzoe

Governor of Tokyo

Preface
Faced with dilemmas over creating disaster-ready infrastructure, care for an ageing population and the use of nuclear power, Tokyo's governor has progressive plans to take the city to the 2020 Olympic Games and beyond.

WRITER
Fiona Wilson

PHOTOGRAPHER
Taro Terasawa

A former academic, television personality and cabinet minister, Yoichi Masuzoe was elected governor of Tokyo in early 2014. Despite being expelled from the conservative Liberal Democratic Party in 2010, his campaign received its backing in the election. In his campaign, Masuzoe, who once served as minister of health, labour and welfare, promised to address the crisis of Japan's low birth rate and care for Tokyo's ageing population but, inevitably, his first term is being dominated by preparations for the Olympic Games, which will be held in Tokyo in 2020. Masuzoe has also visited Beijing and Seoul to build city alliances at a time when diplomatic relations between Japan's neighbours China and South Korea are as tense as they have been in a generation. He lived in Europe for several years and is a fluent English and French speaker.

Monocle: *The 1964 Olympic Games were a turning point for Tokyo. Do you think that 2020 will also be a defining moment for the city?*
Yoichi Masuzoe: The Games marked the end of *sengo* [the post-war period]. Economic growth started and we got the *Shinkansen* [bullet train]. I was a high school student at that time. It was the turning point from the nightmare of the war to the dream of the future. When our children and grandchildren look back to 2020 I hope they will say that Tokyo changed fundamentally; that it became a city where you could live a healthy life with good welfare, sports facilities, new transportation systems and no air pollution. A life that's not just about money.

M: *What changes are planned for the city?*
YM: By 2020 there will be no more telephone poles in the centre of Tokyo; we're putting everything underground. Also, many cars have to come into Tokyo just to go out again so we're building three loop roads that will be completed by 2020.

M: *Other changes you'd like to make?*
YM: One of the negative legacies of 50 years ago is the overhead highways. If you go to Nihonbashi [the historic district in the centre of Tokyo] you see an overhead road instead of open sky. If we cut the number of cars coming into Tokyo we can remove these [overhead roads]; not by 2020 but in the future. Another of Tokyo's weak points is access to the airport, whether that's Narita or Haneda. JR East is building a fast line from Tokyo Station to Haneda.

M: *The Tokyo Metropolitan Government (TMG) has been reviewing the cost of the Olympics. Is it a concern?*
YM: A big concern. Of course Tokyo is a rich city but there are still limits. One of the problems is the reconstruction work in Tohoku [the region in the northeast of Japan that was devastated by the earthquake and tsunami in 2011], which is pushing up the price of labour costs and materials. Some facilities will cost 10, 20, 100 times more than we expected.

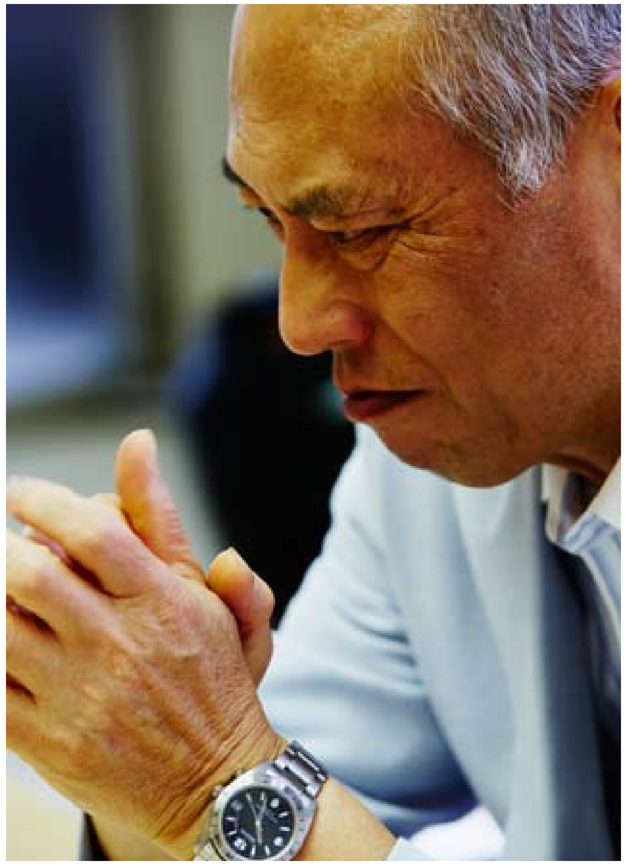
M: *What would you like to improve?*
YM: Anti-disaster measures and crisis management. We must be ready for anything: terrorism, cyber attacks and, particularly, earthquakes. In Shitamachi [East Tokyo], the roads are often too narrow for fire engines. Some smaller houses will have to give way to skyscrapers. We also need more anti-quake systems like we see at Toranomon Hills [high-rise development in Tokyo]. There has to be a compromise, preserving the good things, especially temples and shrines. We need to persuade people to accept this new kind of planning. I also want to make Tokyo a centre of international finance. Singapore and Hong Kong are the centres now and Shanghai is coming up. At the moment, if you want to start a company [in Japan] you have to prepare many documents in Japanese. Our proposal is that you only need one document that can be written in English. This kind of deregulation is essential to get foreign companies into Tokyo. By 2020, everybody should speak some English. We would like to subsidise people to study English.

M: *What are you doing to make the job environment better for working women?*
YM: There are 8,600 children on the waiting list for nursery places in Tokyo. My promise to the voters is that in my tenure the waiting list will be reduced to zero. The guidelines for *ninka hoikuen* [public nurseries] are very strict and the conditions have to be met 100 per cent. The guidelines say there has to be a garden but it's difficult to have a huge garden near a railway station, for example. We need some deregulation.

M: *Legislation opening up Japan to casinos could be passed soon. Would it have a big impact on Tokyo?*
YM: Those who are promoting casinos say that the Japanese economy cannot recover without them. That's a mistake; our economy is strong enough. There are many negatives; look at the *pachinko* parlours where people spend one month's salary in an hour. Gambling is prohibited by law here and I can foresee problems. The government hasn't responded to all the points I've raised yet.

M: *Does nuclear power have a future in Japan?*
YM: It's very, very hard but as far as the Tokyo government is concerned my plan is to create a Tokyo that doesn't depend on nuclear power. So we're looking at renewables such as solar energy and wind energy. Tokyo is only using 6 per cent renewable energy. My promise is take that up to 20 per cent.

M: *Are there any cities you particularly like or city leaders you admire?*
YM: I lived in Paris for a long time. It was a very dirty city back then. Jacques Chirac really changed it. That's my favourite city to visit. London has also changed so much from how I remember it as a young man. — (M)



02

Alexander Stubb

Prime minister, Finland

Preface
Navigating 'Boat Finland' through troubled waters and a forthcoming election next April are top of the agenda for the leader of a country increasingly having to keep an eye on noisy neighbour Russia.

WRITER
Elna Nykänen Andersson

PHOTOGRAPHER
Johannes Romppanen

Alexander Stubb rushes into his office in Helsinki's neoclassical Government Palace, grabs his suit jacket from the back of a chair and asks his assistant to find him a banana. Stubb, who became the head of Finland's centre-right National Coalition party and the country's prime minister in June when his predecessor unexpectedly stepped down, is a busy man. The economy is struggling, Finland's neighbour, Russia, is causing problems while Stubb's own political coalition is under threat from the populist right-wing Finns party.

No wonder then that Stubb needs the odd banana to stay focused. But if you thought that was his lunch, you're mistaken. The prime minister would never skip lunch and also lives by the credo: "One hour of exercise equals two hours of extra energy." But Stubb, who speaks five languages fluently also seems to have another motto and it goes something like: "We have to be able to talk about it." His solution to most problems, be it Russia, the economy or the Finns party, starts with communication and open dialogue.

Monocle: *Given the recent incidents in the Baltic Sea and in Finland's air space, are you more worried about Russia now?*
Alexander Stubb: Not after isolated events like this [the alleged intrusion of a Russian submarine into Swedish waters]. The violations of our airspace are naturally regrettable and we have to be able to talk about them openly with the Russians, which we have done. I'm more worried about Russia's foreign-policy doctrine in general. It's based on a zero-sum game: if you win, I lose.

M: *Does Finland's position as Russia's neighbour mean that it needs to be more cautious in its comments than other countries?*
AS: No, it doesn't. Finland is part of the EU. Our relations with Russia are good but Russia's actions are wrong and we need to be able to say that.

M: *But Finland has been criticised for appearing weak in its statements.*
AS: Finland's position has been clear from the start. We've condemned Russia for two reasons. The first is that it has conquered an area within a sovereign state, Crimea, and the second is that it has destabilised another area within a sovereign state: eastern Ukraine. And we've also backed the only instrument we can use, meaning the sanctions.

M: *The possibility of Finland joining Nato has come up again due to these events. Will Finland join Nato within, say, five years?*
AS: We're not preparing for a membership during this mandate period. But I'm sure the discussion will continue.

M: *Only a quarter of the population support membership; will the people decide this issue?*
AS: Yes. We live in a democracy and can't make decisions about our foreign and security policies against the people's will.

M: *Sanctions against Russia have a big impact on the Finnish economy; how much are they to blame for the current downturn?*
AS: Our economic situation would be easier if the Russian economy was working. But it was already in bad shape before the sanctions; Russia's economy is still based on oil and gas, and that's why it's in trouble. A 3 per cent decline in the Russian economy means a 0.5 per cent decline for Finland because of exports.

M: *What are the other main factors for Finland's problems?*
AS: Finland is a very export-dependent country so the global economic downturn has had a big effect on us. The second factor is that our two big industries, the forest and the IT trade, got into trouble around 10 years ago. And thirdly, there's a structural problem. We've over-dimensioned our welfare society. We've had six poor years and we'll have four more but we'll come back. We need a change in the economic cycle, economic growth, structural reforms and a bit of luck, too.

M: *The next elections are in April and polls show the Finns party gaining support. Why is that?*
AS: This is a European phenomenon. What's behind it is a combination of the economic situation and the fact that politics is broken at the moment. People don't believe in political institutions. Over the years, politics has tried to create an illusion of itself as omnipotent, something that can solve any problem. And people are smart enough to see that it's not true. In this era of globalisation, when everything should be open and possible, people are turning inwards. The independence referendum in Scotland is an example of that. Globalisation is moving so fast that people are looking for security somewhere else and I think the Finns party is a part of that phenomenon.

M: *Are you changing your party's course in any way in order to win votes?*
AS: No. I believe in an open society, in liberal democracy, in a social market economy and internationality. Those are the ingredients that will put Finland back on its feet again. We need more immigration in this country. Their line is the opposite of mine but that doesn't mean that we can't have a dialogue.

M: *With the elections in April, your term may be a short one. If that's the case is there anything specific you want to achieve?*
AS: At the moment I'm focusing on one thing only: changing the course of "Boat Finland". First, we must start implementing all the structural and budgetary decisions we've taken. The second stage is mapping out a survival strategy for Finland. And the third is getting people to work again, getting the economy growing again and rescuing the Finnish welfare society. We need to restore people's faith in politics and I can't promise the Finns more good things; I'm only promising toil, sweat and tears. — (M)

03

Mehmet Simsek

Finance minister, Turkey

Preface
Amid the many challenges facing Turkey's economy – geopolitical tension, corruption and the urgent need for infrastructure spend – the country's cool-headed finance minister remains ebullient.

WRITER
Joseph Dana

PHOTOGRAPHER
Erbil Balta

Mehmet Simsek is not your typical Turkish politician. For one thing, it is hard to find people who speak badly of him. Mention his name to anyone, from taxi drivers to journalists, and you will be inundated with accolades describing his honesty and intelligence. Given the challenges facing the Turkish economy, these are the types of qualities one would hope for in a finance minister.

Of those challenges, many observers believe corruption is the biggest. A series of damning allegations targeting president Recep Tayyip Erdogan and his closest associates have rocked the Turkish political spectrum. The lack of any formal investigation has led to many prominent regional journalists asking whether the rule of law remains intact in Turkey. Not the most encouraging debate for investors to see unfold in a delicate emerging market.

"Corruption in Turkey is not a negligible problem," says Simsek over a modest cup of Nescafé in his carefully appointed office in Ankara. However, Simsek argues that the scale has been exaggerated. "Like many other countries, you may have corrupt elements but corruption has actually declined in the last decade."

The allegations against Erdogan's allies, including claims that business associates close to the president helped Iran avoid international sanctions, were "politically motivated", says Simsek. "While it doesn't mean that we are perfect or done with these types of issues… no, that is not the case."

Despite the gravity of the allegations, Erdogan's Justice and Development party (AKP) won key municipal elections. Erdogan himself won the Turkish Republic's first direct presidential election in August. In the subsequent cabinet reshuffle Simsek kept his post: a sign that Erdogan is happy with the way he is handling the economy, despite the recent fall in growth.

Born in the predominantly Kurdish town of Batman in eastern Turkey, Simsek is relaxed considering his position at the helm of the turbulent Turkish economy. Making light of the fact that the colours of his tie – muted navy blue and yellow – could be mistaken for support of Fenerbahce, one of Istanbul's conservative football clubs, Simsek speaks with clarity about the various challenges facing his ministry.

Having previously worked as an economist and strategist for Merrill Lynch in London before his appointment as minister of finance in 2009, Simsek, along with deputy prime minister Ali Babacan, is widely regarded as one of the most adept politicians in Erdogan's ruling party.

With the recent Isis advances in Iraq and Syria, the Turkish economy has been hit particularly hard by the aftermath of the Arab uprisings. "Geopolitical tension has had some negative impact on Turkish macro performance over the past couple of years," says Simsek. "It has been more pronounced in 2014 simply because Iraq is our largest surplus market. Our trade surplus in Iraq is almost $12bn [€9.5bn] and at some point there was a significant disruption to trade routes following the Isis advances in central Iraq. Had there not been a disruption in Iraq, our trade gap and therefore our current-account deficit would probably have been a little narrower."

Like other emerging markets, Turkey's overstretched dependence on foreign capital makes the country particularly sensitive to changes in global liquidity. Throughout the interview, Simsek's comments circle around the country's current account deficit. In February, amid the fevered debate about regional instability, Turkey posted a higher-than-expected current-account deficit of $65bn (€51bn) for fiscal year 2013. One culprit of Turkey's recent economic performance is its over-exposure to the whims of the US Federal Reserve. Turkey, along with other leading emerging markets, is facing a tough year ahead because of possible interest rate hikes by the Fed.

Economic reforms will be crucial for Turkey to regain the impressive growth of the late 2000s. "We have identified more than 2,500 micro-level reforms that will help transform Turkey and boost long-term growth potential," says Simsek. Some may be controversial but despite fresh elections scheduled for 2015, Simsek believes there is no time to waste. "My view – and the prime minister is on board with this – is that we should push some of these reforms through before the elections."

One solution to Turkey's delicate economic position and current-account deficit woes is the attraction of foreign investment through the creation of first-rate infrastructure. Turkey has invested heavily here – especially in the realm of transportation – over the past decade of Erdogan's rule.

"Good infrastructure is important for development. The amount of work that we have done over the past decade has sometimes been two or three times more than what was done in the previous 80 years of the Turkish Republic's history," says Simsek. "The third airport, for example, is not a luxury project: it is way overdue. We need it this year. In the late 1990s, when the existing airport in Istanbul was completed, we had about eight million passengers going through the facility; it was designed for 32 million passengers. This year, that airport will handle 60 million passengers. Between now and 2018, when the third airport is expected to start operating, we are really wondering how we will handle the traffic.

"Istanbul is a natural hub; 46 per cent of the passengers that Turkish Airlines carries are transits. We collect people in Africa and Asia and transfer them all over the world. This is very successful and we do make money from it. The least that we can do is provide the logistical base to maintain that and, therefore, these projects are essential." — (M)

04

Vesna Pusic

Foreign minister, Croatia

Preface
Croatia is a young nation still experiencing some of the growing pains of a multicultural society learning to get along. At the centre of much of its recent social progress has been productive politician and academic Vesna Pusic.

WRITER
Guy De Launey

PHOTOGRAPHER
Andreas Jakwerth

Keeping Croatia on course over a frequently turbulent 13-year passage to EU accession would have tested the most fervent of true believers. Vesna Pusic can laugh about the tribulations now but a passionate belief in the values represented by the EU has both defined her life and increasingly influenced the society of a young country that emerged from the Yugoslav wars and surrounding ethnic hatred of the 1990s.

For much of the accession process Pusic was at the helm, leading the national committee that oversaw a decade of rigorous negotiations. Finally, with Croatia's membership in sight, she became the combined foreign and European integration minister in 2011.

Before entering politics in earnest in 1997, Pusic had a substantial academic career as a professor of sociology at universities including Zagreb, Georgetown and Chicago. She was a co-founder of both the liberal Croatian People's Party (HNS), which she now leads, and the Erasmus Guild think-tank, which promoted democratic ideas in the newly independent and generally authoritarian republics of the former Yugoslavia. Back in the days of Marshal Tito, she also ruffled feathers by setting up Croatia's first feminist organisation, Zena i Drustvo (Women and Society).

Now 61, Pusic has lived to see many of her long-held ideals become reality. Hearing a midnight chorus of "Ode To Joy" echoing round Zagreb's main square last summer marking Croatia's entry into the EU was a proud moment. But the battle to convince her compatriots to share her principles continues.

Despite regular bumps in the road, Pusic is convinced that her country is heading in the right direction. "The EU works as a state-building project," she says. "Basically, I don't think anyone in Croatia now thinks we could be anywhere but in the EU."

Monocle: *Croatia can be a very religious, conservative country whereas you are an atheist, feminist, gay-rights supporter…*
Vesna Pusic: How did I trick them? I entered politics very consciously – and I was weird in the Croatian political scene at the beginning. At certain points I would be the only one in elected politics advocating something. Sometimes you think you're pushing a rock up a hill. It takes a lot of energy and time but that changed. Standing for what you believe in – although it might seem completely hopeless – actually makes sense and produces results. As a country, we're still not everything we should be – far from it. But a lot of things that would have been unthinkable 15 years ago are conventional wisdom now.

M: *In speaking up for the EU and the values that it represents, do you ever have the feeling that you have dragged everyone round to your way of thinking?*
VP: I've not dragged everybody. But it shows that even when lots of people don't speak out, these people do exist. Contrary to what those who have not been through a war might think, even at the most difficult times there are still people with common sense, who think straight and use those muddy waters to achieve something. It's very important – especially in difficult times – to provide a public voice, even when you don't get immediate support. No society is ever one-sided. There are always people of different opinions and persuasions. The more stable and secure people feel, the more free they feel to speak their minds, think differently and confront others with their opinions.

M: *Since Croatia has joined the EU there has been a successful referendum against same-sex marriage and a campaign to ban the Cyrillic script used by the ethnic-Serb minority in Vukovar. How do you tackle these things that go against your principles and the values of the EU?*
VP: Yes, this is completely contrary to what I believe should happen. There is an element of harvesting the general disappointment with the pace of change and living standards. People expected these things to go much faster and they are frustrated about it. So you can harvest general discontent and channel it in one direction. We need to define issues which should not be subject to referendums – such as basic human rights and civil liberties. This is the malaise of a beginner state. In human-life terms, 24 years is a long time; in state-building terms it is the blink of an eye.

M: *Zagreb Pride named you the "gay-friendly person of the decade" in 2011.*
VP: I was proud of that. I participated in Croatia's first gay-pride march here with my then teenage daughter, which looked pretty scary at that time: people yelling, lots of police, people chasing marchers through the side streets. Now, 11 years later, my daughter says she doesn't want to go because it's just showing off and Pride is universally accepted. I don't think it's that good yet but certainly I have lived to see lots of people marching in a Pride event where you can window-shop on the side, leave to go to cafés and then rejoin the parade. It has become very relaxed and normal in Zagreb and that's extremely important. Not just because of gay rights but because of the self-image of a society.

M: *You have been quoted as saying that you got into politics because "people who were worse than me, dumber than me and crooks, unlike me, were not going to decide on my country and my life".*
VP: That's my way of saying that in any country – but especially a small country – it is the responsibility of everybody who feels they can make things even a little better to put all they have into it and get involved. The attitude that someone else will take care of things, or that everything is horrible and I don't want to do anything about it, or that "they" should do it? There is no "them", only us. — (M)

05

Pedro Sánchez

Leader of the Spanish opposition (PSOE)

Preface
The rise and rise of a new opposition leader in Spain has given voters an alternative voice to engage with. His clear strategies and bold vision for the future may yet win them over.

WRITER
Liam Aldous

PHOTOGRAPHER
Victor Garrido

Political disenchantment is rising in Spain. As Mariano Rajoy's government continues to fumble its way from one scandal to the next, the Socialist opposition (PSOE) has been busying itself with a new process of primaries to elect a fresh leadership. The result: Pedro Sánchez. Relatively unknown in Spanish politics, the 42-year-old boasts a PhD in economics, is fluent in English and French, and even knows what it's like to be unemployed. In his first few months he has embarked on an unconventional media blitz to push an ambitious vision for Spain. He has talked to a variety of television audiences about sweeping constitutional reform, a realignment of economic policies and a dash of good old-fashioned hope.

Monocle: *Why assume leadership now when the country is facing so many problems?*
Pedro Sánchez: Three years ago I had left politics, was lecturing at a university and working in the private sector. When faced with the opportunity to return, I asked myself the same question. The answer: my country deserves a better present and future.

M: *How can you regain public confidence?*
PS: One of the ways is to turn words into facts. People are tired of hearing politicians say, "When I'm in office…" This is why I've already implemented an ethical code for my executive and institutional representatives across Spain. Spanish politicians need to be exemplary.

M: *Are you worried that voters are going to vote for [grass-roots leftist party] Podemos?*
PS: People are looking for politicians that build something up, not destroy what we have accomplished over the past 35 years. It is true that we need to change a lot of things. But I would say that it is possible to effect change from within.

M: *One of the consequences of Spain's crisis is that the country has stopped talking about a common goal for the future. What are you offering?*
PS: Spain has a lot of positive prospects: modern infrastructure and a lot of SMEs. It's not a problem of resources but a lack of political will and vision. I propose a triple transition. Political: democratic regeneration and cleaning up corruption; economic: to reindustrialise our economy; and social: to address child poverty.

M: *The population is showing zero tolerance towards corruption. Why haven't Spain's institutions and government followed suit?*
PS: Our state is functioning. So is the justice system: these cases are being investigated, albeit slowly. The problem is that the entire executive has been tainted by these scandals and hasn't responded in an exemplary way. Apart from establishing a strict code of conduct for ministers, I would like to end the revolving doors between politics and the private sector.

M: *You're the first PSOE secretary-general to be selected via open primaries. Would Spain benefit from being able to directly elect all of its MPs?*
PS: We need to reform our electoral law. In the UK there are smaller constituencies but not in Spain. In Madrid my constituency is six million people. Even if I worked 24 hours, 365 days a year, it would be impossible to be in touch with every voter. We need to change that.

M: *Would tackling high youth unemployment be top priority for a Sánchez government?*
PS: Absolutely. Many of my own friends have emigrated due to lack of opportunities in Spain. We're working on creating fiscal incentives for hiring skilled workers and encouraging people to come back.

M: *Can you inspire voters with hope?*
PS: Bill Clinton once said that pessimism doesn't create jobs. Spain is an optimistic country and politics should mirror this optimism in a constructive way. I would like to help create a better national mood because we have a lot to be proud of. After six years of crisis, all people want is to regain confidence and a sense of optimism. This is what we need to improve with politics. — (M)