

# House of Representatives Election: The Future of Political Reform

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## 1. Opening remarks

(1) Hokkaido Shimbun, March 10

“The current LDP is like a snake that has had its head cut off and is flailing about.”

(2) The Future of Japanese Politics (outline)

- Political reforms to meet the needs of a high-burden society have begun.
  - Transparency of political funds is inevitable
  - The LDP have reduced their ability of self-governance, and their ability to govern in the long term defaults to the level of opposition parties.
  - The party that advances political reform gains more approval ratings and the high ability of self-governance of the party without the secret transfer of political funds will be welcomed.
  - The LDP faces extreme difficulty in advancing political reforms amid reduced governance capacity; results of the dissolution of the House of Representatives and general election are unpredictable, and the House of Councillors election next July could have severe consequences for LDP.
  - What is needed is “politics of patience”: leadership in retreat until regime change
- The immediate issue for the administration is what will be inherited from the Kishida administration?

## 2. General Election 2024

(1) Two party leadership elections

a) LDP

- Shigeru Ishiba and Sanae Takaichi were neck and neck, with Ishiba winning.
- The influence of the right-wing is evident, especially on social networking sites
- Former Prime Minister Abe's presence in the composition of anti-Abe Ishiba and Abe's successor Takaichi

-- Necessity of policy succession in the Kishida cabinet: macroeconomic policies such as foreign policy and interest rate policy

b) Constitutional Democratic Party of Japan

-- Yoshihiko Noda, a popular politician compared with other candidates was elected the president.

-- How will the presence of the oratorical president Noda increase?

-- Accumulation of dissatisfaction among leftists in the party; leftists lack the will to take charge.

**c) Both the LDP and CDPJ tend to be heavily criticized from the left and right as party leaders move toward the center.**

-- Both parties moving closer in terms of policy will increase public trust

-- Increased public acceptance of the change of government

## (2) Characteristics of the Ishiba Administration

a) Party appointments

Solidly organized

b) Ministerial appointments and policies

Inheritance of Kishida administration's economic and foreign policy

Lightweight cabinet, emphasis on security and domestic policy

c) Cabinet Secretariat (Kantei)

Stability of Chief Cabinet Secretary, Yoshimasa Hayashi

The Deputy Chief Cabinet Secretary is now a former Administrative Vice Minister of the Ministry of Internal Affairs and Communications and comes from a ministry with jurisdiction over the Political Funds Control Law.

Possibility of increasing influence of the Ministry of Finance

If the ministries are not tightened, the ministries will become more independent and the party policy subcommittee will become more powerful.

d) Overall mood

No "sense of renewal"

No generational change or female presence → Partially supplemented by general election proportional candidates

Conflict with Sanae Takaichi and extreme rightists

**The novelty of Junichiro Koizumi's cabinet ministers were civilians, women, competence, and elimination of factions.**

### (3) Political schedule

#### a) Dissolution of the Diet and general election

Dissatisfaction with the treatment of slush fund lawmakers, Unification Church, and other scandals is coming to a head

In the event that the Liberal Democratic Party and the CDPJ fall short of a majority, there will be confusion over how to deal with coalition and extra-cabinet cooperation.

What will happen to the votes for the National Democratic Party and Japan Restoration Association?

How far will the CDPJ get in proportional representation?

#### b) Political situation after the general election

It is certain that the response to political reform will be rehashed.

The situation will change greatly depending on whether or not the governing parties lose their majority→Whether or not Prime Minister Ishiba will continue in office, and whether or not the governing parties will adopt policies of opposition parties.

Prime Minister Ishiba's long-cherished wish for disaster prevention measures (measures against the Noto Peninsula torrential rains, the issue of establishing a disaster prevention ministry): If disaster strikes, it will be a tailwind

#### c) Next year's budget and regular session of the Diet

How to decide on the details of the Political Funds Control Law? Directly related to fiscal issues

Can the LDP restore governance and manage the Diet?

**Can the administration successfully deal with the lack of visibility of those responsible for economic policy?**

#### d) What will be accomplished before the House of Councillors election next July?

Possibility of a long-term government if it maintains a majority in the general election and survives the House of Councillors election

If they lose here, momentum for a change of government will increase.

### 3. What are the structural problems?

#### (1) Trends of the situation

2023.12 Abe faction political funding issue uncovered

2024.1 Prosecutors' investigation concluded

1 lawmaker arrested, 2 lawmakers indicted, Abe Faction, Nikai Faction, and Kishida Faction treasurer indicted at home

2024.1 Prime Minister Kishida announces dissolution of factions

Abe, Nikai, and Moriyama factions also dissolved

2024.2-3 House of Representatives holds a Diet ethics committee meeting.

2024.4 LDP Dispositions

2 recommended to leave the party, 3 former senior officials suspended from party membership, 3 former senior officials suspended from party positions, 39 people punished in total

2024.8 Prime Minister Kishida announces that he will not run for LDP president.

#### (2) Nested structural problems

-- Three-tier problem of individual Diet members / factions / LDP

-- Strong criticism of individual Diet members receiving kickbacks

→No parliamentary privileges allowed, no taxation, no representation for lawmakers without taxation

-- LDP problems with factional politics and use of slush fund

-- Criticism of the LDP is made aware of opportunities to pay taxes (shopping opportunities) and to prepare and submit documents

→Loss of governance capacity as a “party that can make decisions” and relationship with local lawmakers

-- Problems may emerge further in the future

Concentration of power in the hands of party executives as “party modernization

Necessity of severe punishment for violation of discipline

Thorough enforcement of the will of the president and secretary-general is inevitable.

Lump-sum distribution of funds from the executive

#### (3) Public criticism of political funds in a high-burden society

2019.10 Consumption tax 10%.

2023.10 invoice system

a) **Strong egalitarianism that does not allow political privileges**

b) The anger that wells up every time a consumption tax payment.

c) Possibility of further consumption tax hike and revision of social insurance premiums in the future

**The only solution is thorough transparency.**

Short-term “politician bashing” to continue

d) When discussing the burden on the public in the FY2026 budget, the issue of back taxes will come into focus even if there is no tax increase, etc.

**= Political reform is directly linked to fiscal issues.**

e) Significant changes in the way politicians behave are needed, and the LDP will inevitably weaken due to transparency of political funds

Will the LDP become a “party that cannot make decisions”?

Will the LDP become a party with a tyranny of the president and the lawmakers remain in a state of silence?

**(4) LDP's future, challenges for opposition parties**

a) Political fund reform must go in a radical direction

the guilty-by-association system is good for politicians as it leads to atrophy of prosecutors

The key is whether a “third-party organization” can be set up as a body to make calm decisions

Komeito's proposal is moderate.

Prime Minister Ishiba intends to set it up

b) The party remains sharply divided between Ishiba and the rightists who supported Takaichi

There is also strong opposition to the Abe faction, which was the trigger for the slush fund issue.

The Abe faction is also very dissatisfied with the way they are being treated.

Concentration of power in the president's hands and tightening of control over non-mainstream factions could lead to a party split.

c) End of the Abe faction's era: Abenomics revision in progress, policies to be loosely led by the Cabinet Secretariat

d) Opposition parties will face the same governance reform challenges if they have as many seats as the LDP

(5) What are the characteristics of parties in a high-burden society?

a) The LDP's party governance dysfunction is due to the same reasons as the DPJ Party governance

To a "party that cannot make decisions" without the decisive factor of opaque political funding

b) How to maintain party governance and improve governing capacity in the absence of functioning factions and slush fund transfers is a challenge shared by the ruling and opposition parties

→ **Can the party leadership change to direct control over party members?**

Drastic change from decentralized governance of factions is difficult

c) A party with governing credentials will win elections in the coming era of higher consumption taxes.

d) There are many ways to disclose the use of the money, so all the spending can be disclosed to the "**third-party organization**", and from there, there can be selective disclosure of information

Fines could be imposed by the third-party organization, party subsidies could be reduced, etc.

→ This will deter distrust of politics.

#### 4. Historical role of the Kishida/Ishiba administration

(1) The Kishida/Ishiba Regime and Shinzo Abe

a) How to break away from Shinzo Abe's "one strong Abe" regime?

2022. 7. 8 Death → 9. 27 State funeral

b) "New Form of Capitalism" and "Resolving Regional Social Issues by Utilizing Digital

Technologies" at the start of Kishida's administration

Converted to the Abe administration's policy regime after the inauguration of the new administration

c) Sustained the line of succession after Abe's death and consideration for the Abe faction

But in monetary policy, moving away from Abenomics

Gradual departure from Abe's diplomacy, including improvement of relations with South Korea

d) The Ishiba administration inherited this shift

After the appointment of Chief Cabinet Secretary Hayashi, the key to the Prime Minister's "making of the Prime Minister's Office" is whether he can delegate policy

(2) The Kishida/Ishiba Administration and Shinzo Abe

a) **The question now is, what will any government inherit or develop from the Kishida administration?**

Interest rate policy, cooperation with the BOJ, and emphasis on investment

Kishida's "Genro (elder statesman)" role in foreign policy

b) **In addition to these, the biggest political issue is the liquidation of the Abe faction.**

-- How will the Abe faction split into smaller groups after the election?

-- It will continue to be quite difficult to appoint backroom lawmakers to cabinet positions and to become a group that constrains the administration from behind the scenes.

-- The defeat in the lower house election is due to the LDP's distrust regarding the slush fund issue more than the issue of Prime Minister Ishiba

-- Treatment of liberal issues such as selective married couple surname

-- How to raise taxes to deal with defense spending and even social security?

c) **In the end, the LDP's biggest challenge is to reconfigure the power structure created by the second Abe administration since 2012**

(3) Ishiba Administration and social stagnation caused by Abe Administration

**Will there be a turnaround from the stagnation created by the seven years and eight months of the Shinzo Abe administration?**

- a) The Shinzo Abe Administration and his team of close associates
- Prime Minister Abe's manuscript reading style without improvisation: repetition of the same stories and words
  - The cost of the strong team power of the bureaucrats in the Prime Minister's Office is failure to expand policy-making power.
  - Macho-like, lack of sensitivity in areas other than security, trade, and industrial policy
  - Narrowing of its range as the years go by
  - Growing sense of social stagnation

- b) Prime Minister Ishiba and his administration without close associate
- Prime Minister Ishiba's oratorical skills without aides: 2-hour party leadership debate
  - Chief Cabinet Secretary Hayashi and Prime Minister Ishiba's ability to cooperate in order for the government to continue without a sense of teamwork
  - The crossroads of whether the rigid policies of the Abe faction and right-wing parties will gradually disappear
  - Whether or not there will be a release from the sense of stagnation will open up possibilities for the Ishiba administration and the next administration.
  - Establishment of the third-party organization, issuing a joint statement by the ruling and opposition parties, etc. are key

#### (4) Possibility of Prime Minister Ishiba's resignation

- a) Who will take responsibility in the event of a major defeat in the Lower House election?

The prime minister, the secretary general, or the chairman of the election task force?  
Even if he retains a majority, he may step down depending on the situation afterwards.

- b) After the special session of the Diet is adjourned

If the government team collapses

- c) Step down at the end of the budget process

In case of extreme decline in Cabinet approval ratings

- d) Continue until the House of Councillors election

If the government continues to linger with no successor in sight

-- **When will the LDP realize that no matter who the president is, distrust of the LDP**



**will remain, and how will the LDP respond?**

**-- No matter what internal opposition there may be, there is no other way forward but to respond positively to political reforms.**

## **5. What will happen to the political situation?**

a) After the dissolution of the House of Representatives

Difficult to cooperate among political parties if LDP and Komeito are unable to maintain a majority

b) Options other than cooperation between the LDP and Komeito will be explored, and the coalition government itself is likely to be confused

Trends of Japan Restoration Association and the National Democratic Party of Japan

A grand coalition between the LDP and CDPJ may be sought after the severe disruption

c) For the LDP, governance must be re-established after finishing political reforms

Until then, however, confusion within the party will continue.

d) If the opposition party refines its policy and coordination skills to a minimal level, without de-bureaucratization or bold promises, it could take over the government at any time

**e) However, if the LDP revitalizes itself through fundamental governance reforms, it will be in power for an even longer period of time.**

## **6. Conclusion: The Future of Japanese Politics (Skeleton and Reprint)**

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be welcomed.

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