

22 May 2024

Kishida's survival hinges on three tests

Key takeaways

- Prime Minister Kishida Fumio may not face any challengers yet, but over the next month he faces three significant obstacles to winning another term in September.
- In addition to Shizuoka's gubernatorial election, he has to manage the rollout of a tax cut intended to boost real incomes and guide political reform through the Diet over his party's resistance.
- Clearing these hurdles could help him make the case for continued leadership, but any missteps could doom his chances.

Ishiba Shigeru, speaking in Tokyo on Wednesday, 22 May, came closer to revealing his intentions for September's Liberal Democratic Party (LDP) leadership election, indicating that although he supports the Kishida government, no one can know what will happen and it would be “exceedingly irresponsible for no one to be prepared [to run] at this time.” In other words, although [no rival](#) in the party has openly revealed intentions of challenging Prime Minister Kishida Fumio for the leadership, it may be only a matter of time before Ishiba or other candidates announce their plans to seek the party presidency.

At this point, Kishida's fortunes will depend on how he manages three challenges: the Shizuoka gubernatorial election on 26 May, the rollout of income tax cuts in June intended to boost household incomes amidst rising inflation, and the political reform legislation slowly taking shape. If Kishida can navigate these obstacles competently, he

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may yet be able to make the case that there is no better alternative in the LDP, improving his chances of survival. If he fails, particularly in managing political reform, he will likely enter the final months of his leadership term as a lame duck, with would-be successors increasingly open about their plans to run in September.

Shizuoka: a de facto by-election

The sudden resignation of Shizuoka's longtime Governor Kawakatsu Heita in April after he disparaged "those who sell vegetables, take care of cows or create things" triggered an election to choose a successor on Sunday, 26 May. The election could have national policy implications: Kawakatsu's opposition to the Tokyo-Nagoya Maglev, which is supposed to pass briefly through Shizuoka, has delayed the project, and a successor could reverse this policy. But the campaign also has national political implications, as it pits the LDP-endorsed Ōmura Shinichi, a former deputy governor, against the Constitutional Democratic Party (CDP)-endorsed Suzuki Yasutomo, who was mayor of Hamamatsu, Shizuoka's largest city, from 2007-2023.

With LDP- and CDP-backed candidates facing off directly – although there are four other candidates, including a Japanese Communist Party (JCP) candidate, in the race – the gubernatorial race has become another test of the respective strength of the two major parties, attracting high-profile campaigners to the prefecture, including CDP leader Izumi Kenta himself. It may be revealing that Kishida himself has not campaigned, and the party's efforts may not have been helped by high-profile campaigner Foreign Minister Kamikawa Yōko, a Shizuoka native, who was forced to apologize for asking at a campaign appearance, whether "we women can call ourselves women without giving birth."

Japanese law prevents pollsters from reporting detailed poll results during a campaign, but their reporting suggests that Suzuki has either a narrow lead or is running neck and neck with Ōmura. If the CDP-backed Suzuki wins, it would reinforce growing doubts within the LDP about Kishida's ability to lead the party.

Tax cuts to the rescue?

The next challenge will be convincing the public that his efforts to boost household incomes is succeeding. The key to Kishida's hopes is a fixed income tax cut that will be implemented starting in June, with taxpayers earning JPY 20mn (around USD 128,000) annually receiving a JPY 40,000 (USD 255) tax reduction for each member of their household, including dependents. To ensure that the employees realize that their take-home pay has increased – and perhaps that the Kishida administration also receives credit for the temporary boost in net income – the government will require businesses to indicate the tax cut clearly on their employees' paystubs.

However, this requirement, which will impose an additional administrative burden on businesses that withhold taxes from their employees' paychecks, has been criticized by opposition lawmakers – CDP Secretary-General Okada Katsuya called it “unprincipled” – and by the public more broadly. This attempt to claim credit may already be backfiring. More importantly, it is unclear whether it will make much difference for households struggling with rising prices, due in part to a weaker yen. The Q2 GDP figures released on 16 May showed that private consumer expenditures fell 0.7% on a quarter-over-quarter basis, the fourth straight quarterly decline. In this climate, it is unlikely that a small bump in take-home pay will translate into higher consumer spending or higher marks for Kishida's management of the economy. While prime ministers rarely receive strong approval for their economic policies, Kishida's survival may depend on whether he can show that his incomes policies are succeeding. A small tax cut whose rollout is already attracting criticism may not be enough to change the narrative.

Putting political reform on track

However, Kishida's single biggest test is navigating the process of passing political reform legislation, which is his best opportunity for closing the books on the LDP's kickback scandal by signaling to the public that he is sincere about wanting to clean up campaign funding practices.

But thus far, Kishida has once again been unable to overcome his own party's opposition to political reform. After the LDP dragged its feet on preparing a legislative proposal, it finally entered negotiations with its coalition partner Kōmeitō in early May. Despite announcing a broad agreement on 9 May, efforts to fill in the details of the proposal – including the threshold for reporting purchasers of tickets to campaign fundraising parties and how to report the use of “policy activities funds” distributed from parties to candidates – the LDP broke ranks and submitted its own legislative proposal on 17 May, an unusual breach in the coalition's solidarity.

As the lower house's special committee on political reform begins deliberating on the LDP's reform proposal – as well as a joint proposal submitted by the CDP and Democratic Party for the People (DPFP) and a separate proposal submitted by Ishin no Kai – Kishida finds himself in a deep hole. His party has submitted a proposal widely regarded as inadequate by the public; his coalition partner is highlighting the proposal's inadequacies rather than supporting its passage; and the opposition parties are pushing aggressively for more maximalist reforms to further expose the LDP's response as insufficient.

Polls suggest that it may not even be necessary for the LDP to embrace the opposition's more maximalist proposals – proposals that include bans on corporate political donations and “policy activities funds” – to signal its sincerity. But the LDP has not yielded, which not only jeopardizes the legislative process, since the LDP, lacking an upper house majority, will need Kōmeitō or other parties to pass a reform bill. The

LDP's intransigence also undermines the symbolic purpose of the reform legislation, demonstrating Kishida and the LDP's seriousness about cleaning up politics. If the Diet cannot pass a meaningful reform bill by the end of the session on 23 June – in other words, if Kishida is unable to engineer a compromise – he will likely exhaust whatever credibility he still has with the public and sink his chances of another term.