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Takaichi on track for premiership as talks with Ishin advance

Key takeaways

- The Liberal Democratic Party (LDP) and Ishin no Kai are nearing an agreement that will at least secure the premiership for Takaichi Sanae and could bring Ishin no Kai into a coalition government.
- While managing a coalition could be difficult over the longer term, by cementing a
 partnership with Ishin no Kai the LDP not only ensures Takaichi's victory but
 could also deal a blow to the opposition by strengthening the government's
 control of the Diet.

he senior leaders of the Liberal Democratic Party (LDP) and Ishin no Kai continued their <u>talks</u> Friday, 17 October as the two parties near an agreement that could ensure LDP leader Takaichi Sanae's election to the premiership and possibly also facilitate Ishin no Kai's participation in the government as a new junior coalition partner of the LDP. The two parties are aiming to finalize an agreement by Monday, 20 October, ahead of a vote for the next prime minister scheduled for 21 October.

The negotiations have been structured around an extensive list of demands in twelve policy areas. In some areas, there is considerable alignment not just between the LDP and Ishin no Kai, but between Takaichi's policy priorities and Ishin no Kai's. For example, Ishin no Kai wants cooperation to strengthen Japan's intelligence-gathering capabilities and modernize its armed forces; restart nuclear reactors and promote the development of commercial nuclear fusion technology; supports a suite of policies to slow the growth of Japan's foreign population and promote greater oversight through a new cabinet post and headquarters for foreign population issues; and establish a committee to review foreign investments equivalent to the Committee on Foreign Investment in the United States (CFIUS). Ishin no Kai has also pressed the LDP to back

its plan to shift some national administrative functions to Osaka, reorganizing its government and elevating its status in the process.

Perhaps not surprisingly, the two parties have had more contentious negotiations over fiscal stimulus - Ishin no Kai campaigned on reducing the consumption tax on foodstuffs to zero for two years, a plan for which there is not yet a consensus within the LDP – and political reform. The latter could potentially threaten an LDP-Ishin no Kai coalition insofar as the latter has proposed a complete ban on corporate political donations, a significantly greater change than that proposed by the LDP's former coalition partner Kōmeitō – which preferred limiting what organizations could receive political donations – or the LDP, which has prioritizing increasing transparency around political giving without necessarily limiting it. However, Ishin's leadership has been willing to set this question to the side and has instead demanded that the LDP support a proposal to reduce the number of national legislators by roughly ten percent instead, moving legislation through the Diet during the forthcoming extraordinary session. This proposal is controversial within the LDP, but it is unlikely that resistance within the party could derail talks at this stage. Meanwhile, Ishin no Kai has also not insisted on a consumption tax cut in the near term but has indicated that a separate plan to reduce social insurance premiums, negotiated between the parties earlier this year, is nonnegotiable.

The upshot is that the LDP will swap a well-established if not always satisfactory coalition with Komeito for a partnership with Ishin no Kai that brings the LDP closer to majorities in both houses of the Diet – two seats short in the lower house, six seats short in the upper house – reducing the number of ad hoc negotiations the government will have to conduct to govern as well as minimizing the danger of a successful noconfidence motion. The LDP has also been courting several smaller parties and parliamentary groups in pursuit of additional votes that could ensure majorities. For Takaichi, it may also give her a useful ally for subduing her rivals from the LDP's moderate wing. That said, the partnership with Ishin no Kai will also be less beneficial for the LDP electorally, given the party's weakness outside of the Kansai region, compared with Komeito, which delivered significant support for LDP candidates across the country. In general, Ishin no Kai may be a more unruly partner for the LDP than Komeito, in that the latter was better disciplined internally and willing to engage in constructive policy discussions. By contrast, Ishin no Kai has significant internal divisions – some of which have been visible in the days since the party leadership pivoted to coalition talks with the LDP - and has often struggled to control its backbenchers. Meanwhile, the compromises required by both parties to finalize an agreement could set the stage for conflict in the future. As such, the potential for friction over the medium term is considerable.

Nevertheless, in securing a partnership with Ishin no Kai – whether a full coalition or external cooperation – Takaichi has successfully staved off a challenge to her winning the premiership and dealt a blow to the opposition. Ishin no Kai's decision to embrace the LDP effectively destroyed Tamaki Yūichirō's bid for the premiership; without Ishin no Kai's cooperation, the Constitutional Democratic Party (CDP) has indicated that it will

likely vote for its leader, Noda Yoshihiko, in the first round, ensuring a futile runoff between Takaichi and Noda, as there is no prospect of Noda drawing enough votes to top the 231 votes that the LDP and Ishin no Kai would wield. If the LDP and Ishin no Kai can cement alliances that ensure a lower house majority, meanwhile, they will deprive the CDP of an important source of leverage by neutralizing the risk of a successful noconfidence motion. At the very least, this partnership buys both the LDP and Ishin no Kai time to implement some policy priorities and reinvigorate their public support before the next time they have to face voters.

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