

A NEW ERA IN JAPANESE POLITICS

Executive Summary

- *Ishiba Shigeru, the prime minister, had declared that if the Liberal Democratic Party and coalition partner Komeito won a majority, or at least 233 seats, he would declare the election a success. However, the coalition failed, with Komeito gaining 24 and the LDP obtaining 191.*
- *53.85 percent of voters cast ballots in Sunday's Lower House election, which is the third-lowest turnout in the postwar era and down 2.08 points from the last election three years ago.*



- *The October 27, 2024, general election in Japan represents a significant test for Prime Minister Shigeru Ishiba and the ruling Liberal Democratic Party (LDP) amid internal and external challenges. Following a kickback scandal and shifts in public sentiment, the LDP's hold on the lower house is under scrutiny.*
- *This election is anticipated to reshape Japan's political dynamics, with implications for domestic economic stability and geopolitical strategy. Ishiba's decision to dissolve the House early in his tenure underscores his aim to stabilize the LDP's position, though outcomes remain uncertain given a competitive field from a reinvigorated opposition.*



Election Results

LDP and Komeito lose their majority in the House, as PM Ishiba moves towards a minority government in the coming days. The LDP and Komeito took 215 seats in the lower house, down from 279 and short of the 233 needed for a majority. Two cabinet ministers and Komeito's leader, Keiichi Ishii, lost their seats. The biggest winner of the night, the main opposition Constitutional Democratic Party of Japan (CDPJ), won 148 seats, up from 98. Support from smaller parties such as the Democratic Party for the People (DPP) or the Japan Innovation Party (JIP), which won 28 and 38 seats respectively, could now be key for the LDP.



Ishiba
SHIGERU

Factors

Economic Concerns and Policy Response:

- Voter priorities have shifted significantly, with inflation and economic uncertainty now central issues, given rising living costs and stagnant wages. A recent Bank of Japan survey highlighted increased spending on essentials, emphasizing economic strain on households.

- Ishiba's administration has proposed economic stimulus measures as a response to inflation, though the opposition, notably the CDP, has countered with policies focused on increasing welfare spending, including free university education.





***Public Trust and Scandal Impact:** The LDP's popularity has waned due to a series of scandals that have eroded public trust, compounded by a factional restructuring initiated by Ishiba's predecessor to regain credibility. The timing of the election has been seen as a tactical move to consolidate the party's hold before further damage is done, though polling suggests the public remains cautious.*

***Opposition's Electoral Strategy:** The opposition CDP has capitalized on discontent with the LDP, campaigning heavily on economic reform and social support, appealing to voters dissatisfied with the LDP's handling of the economy and ethics in governance. Projected gains for the CDP could tip the balance in closely contested districts. Notably, Nippon Ishin no Kai and other opposition parties have increased their candidate presence. However, the lack of coordinated opposition to avoid splitting votes in single-seat districts may work to the LDP's advantage.*





Projections & Implications

Parliamentary Outcomes: The LDP-Komeito coalition currently holds 288 seats, but projections suggest potential losses that could jeopardize Ishiba's objective of retaining a simple majority. Losing seats could weaken Ishiba's mandate, putting his tenure at risk and raising internal calls for further reform within the LDP.

Should the opposition gain significantly, Ishiba may face increased pressure to either expand the coalition or implement significant reforms, with the possibility of seeking new alliances for policy support.



Long-term Implications for Domestic Policy: A diminished majority could lead to legislative gridlock, especially regarding economic policy. The opposition's policy focus on welfare and social services suggests that an empowered opposition would push the LDP toward more populist economic policies, impacting Japan's fiscal stability in the medium to long term. For Ishiba, a close result may necessitate further structural reforms within the party, impacting its cohesion and legislative approach.

Geopolitical Considerations: Given regional tensions with China, North Korea, and Russia, an unstable government could hinder Japan's defense and foreign policy initiatives. Ishiba's leadership may be tested by internal divisions over Japan's approach to security alliances, which could affect international confidence in Japan's stability and strategic reliability.

JAPAN



Recommendations

Immediate Focus on Economic Reassurance: Ishiba's administration should prioritize visible and impactful economic measures to mitigate voter discontent over inflation. Fast-tracking support for households could strengthen public support and potentially stabilize the coalition.

Strengthen Coalition Dynamics and Party Cohesion: Ensuring the Komeito coalition remains aligned with the LDP is essential for legislative stability. Additionally, Ishiba may need to engage faction leaders within the LDP to maintain a united front, especially if the election results reduce the party's majority.

Long-term Focus on Scandal Management and Transparency: To restore public trust, the LDP should consider establishing stricter oversight mechanisms and more transparent governance practices. This could improve its reputation and resilience against future scandals, safeguarding its hold on power.



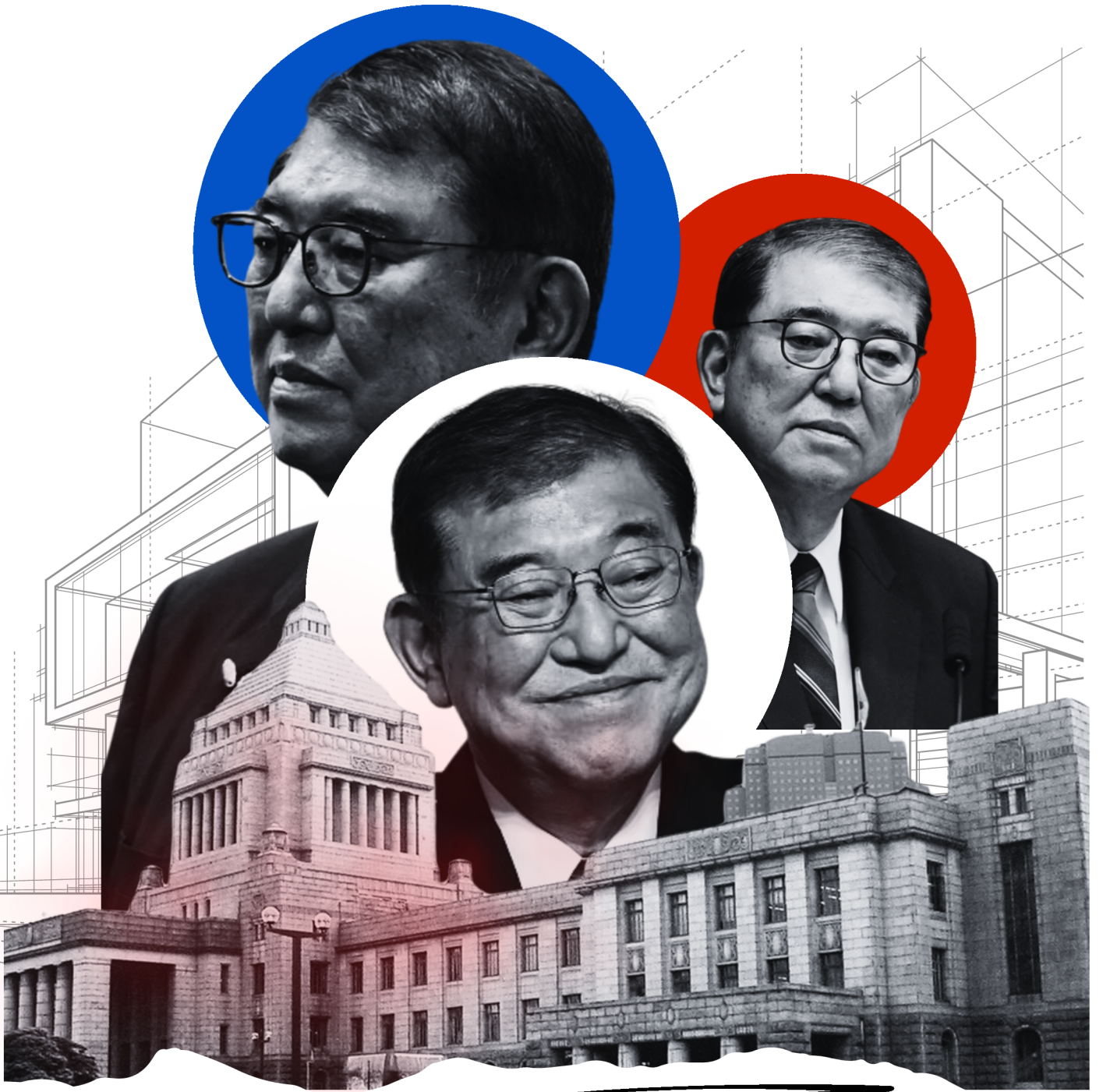


Conclusion

The October 27 election is a pivotal moment for Japan, carrying significant implications for the LDP's future, economic policy direction, and regional standing. Ishiba's ability to manage internal party challenges and respond effectively to public needs will be critical in navigating post-election political dynamics.

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