

Politics Watch

FICC Research Dept

Sudden disbanding of Kishida faction results in modest good fortune for PM Kishida

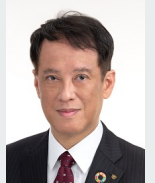
- Modest benefits from sudden disbanding of Kishida faction; early mass Cabinet resignation now less likely
- Candidate backed by ruling LDP wins Hachioji mayoral election in upset
- Respondents in *Yomiuri*, *Asahi Shimbun* polls largely applaud disbanding of Kishida faction; declining support for Kishida's administration temporarily stops
- Drastic political fundraising/faction reforms, income growth outpacing price hikes needed to truly shore up support for current administration

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Prime Minister Fumio Kishida's sudden decision to disband the faction within the ruling Liberal Democratic Party (LDP) that he previously led appears to have resulted in some modest good fortune for now. First, a candidate backed by the LDP won the 21 January Hachioji (major city within the Tokyo Metropolis) mayoral election in an upset. Also, respondents in surveys conducted by the *Yomiuri Shimbun* and *Asahi Shimbun* (released on 21-22 Jan) largely applaud the disbanding of the Kishida faction. The Kishida administration's approval rating also temporarily stopped falling. The likelihood of an early general resignation of the Kishida Cabinet seems to have receded for now.

Drastic political fundraising and party faction reforms, as well as income growth outpacing rising prices, are probably needed for a full recovery in support for the Kishida administration.

Dissolving Kishida faction ahead of other factions was an effective move

This abrupt dissolution of the Kishida faction was apparently due to the sudden revelation at the end of the Tokyo District Public Prosecutors Office's investigation that the Kishida faction's treasurer had been brought up on charges. If no actions were taken, the responsibility of Kishida, who until recently was the faction chairman, would have been severely called into question. Kishida seems to have concluded that the only way to break the deadlock would be for his faction to dissolve before the other factions (19 Jan *Nikkei*). The effects of that action were immediately apparent.

Incidentally, the decision to break up of the Kishida faction, while allowing other LDP factions to make their own decisions is, at first glance, puzzling. However, the LDP's Political Reform Headquarters has been examining the issues of political fundraising and party factions. It is believed that Kishida could not have ordered the abolition of all factions on his own initiative before that examination was concluded.

Upset victory for LDP-backed candidate in Hachioji mayoral election

The first positive effect from disbanding the Kishida faction was the come-from-behind victory for Kazuo Shiyake, an LDP-backed candidate, in the 21 January Hachioji mayoral election.

Hachioji is the hometown of Koichi Hagiuda, who resigned as LDP policy chief over the recent political fundraising scandal. While Hagiuda did not want to see the LDP-backed candidate lose in his own backyard, he was unable to openly campaign on behalf of Shiyake due to the scandal.

In polls conducted during the first half of January, opposition candidates backed by the Constitutional Democratic Party of Japan, Communist Party, and Social Democratic Party led the candidate backed by the ruling block (LDP and Komeito). However, it was reported that the prospects for a Shiyake victory improved when current Tokyo Governor Yuriko Koike came to campaign on his behalf on 19 January (22 January *Sankei Shimbun*).

This suggests that the LDP will owe Koike a favor in the run-up to the July Tokyo gubernatorial election (Koike expected to run for third term). The public opinion polls discussed below indicate that the surprise disbanding of the Kishida faction produced some positive effects.

Strong support for Kishida faction dissolution in *Yomiuri*, *Asahi* polls

The second positive effect was the high marks that Kishida received for disbanding his faction, according to public opinion polls conducted by the *Yomiuri Shimbun* and the *Asahi Shimbun* after the decision to disband was reported. In the *Yomiuri Shimbun* survey, 60% of the respondents had a positive view of the Kishida faction break up. Nearly the same support (61%) was seen in the *Asahi Shimbun*.

Support for the Kishida administration in the *Yomiuri Shimbun* survey dropped one percentage point from last December's survey, but held at 24%, the same level as in the November survey. The support rating in the *Asahi Shimbun* survey was 23%, the same as in the December survey. Along with the prime minister's sincere response to the Noto Peninsula earthquake, the sudden dissolution of the Kishida faction may have helped to put the brakes on the administration's declining support ratings.

Early resignation of Kishida's Cabinet now less likely

As mentioned in [our 22 January report](#), the political fundraising scandal has spread to the Kishida faction, raising the risk that Kishida could be strictly held accountable. If that were to lead to an early resignation of the Kishida Cabinet, the annual spring management-labor wage negotiations could lose one of the most vocal proponents of higher wages. That could throw cold water on the gradually building support for wage hikes. However, calls for the early resignation of the Kishida Cabinet have not increased since the start of this week.

That said, the ordinary Diet session will convene on 26 January, at which time there is a strong possibility that opposition party lawmakers will call on Kishida to resign. However, Kishida, himself, is still willing to remain in office. Even within the LDP, there has been no apparent movements to bring down Kishida (21 January *Sankei Shimbun*). The *Yomiuri Shimbun* survey also asked respondents how long they would like Kishida to remain in office. The highest percentage (56%) said they want Kishida to stay in office until his term expires in September 2024.

Long-term survival of Kishida administration hinges on political reforms, wage hikes

Support for Kishida's administration has stopped falling, according to the *Yomiuri Shimbun* and *Asahi Shimbun* surveys, but there are no signs of a clear upturn in support. For now, the focus is on the interim political finance reforms being compiled this week by the LDP's Political Reform Headquarters.

Of note, according to the *Yomiuri Shimbun* and *Asahi Shimbun* surveys, the public for the most part wants (1) LDP faction leaders to provide explanations for a series of issues (92% of respondents in *Yomiuri* survey feel that explanations have been inadequate), (2) the disbanding of party factions (61% of the respondents in the same survey think factions must be abolished), (3) tighter Political Funds Control Law regulations (86% believe that this law must be stricter), and (4) a "guilty-by-association" stipulation in the election

legislation (83% of the respondents in the *Asahi Shimbun* survey think such a stipulation is needed).

The last trump card for the survival of the Kishida administration will likely be a boost to real incomes through the realization of sizeable wage increases (under Kishida's urging) combined with income tax cuts.

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