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Challenging Times Ahead for Japan's New Prime Minister Ishiba

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SYNOPSIS

Japan's new prime minister, Shigeru Ishiba, will have to address a broad set of domestic and foreign policy challenges as he assumes office. The public expects his administration to deliver results, and quickly.



Shigeru Ishiba was inaugurated as Japan's 102nd prime minister on October 1, 2024.
Image from Wikimedia Commons.

COMMENTARY

Having secured the presidency of the Liberal Democratic Party (LDP), Shigeru Ishiba has been elected by the LDP-dominated Diet to succeed Fumio Kishida as Japan's prime minister. Ishiba's come-from-behind victory brought a dramatic flair to the LDP presidential race. Initially trailing behind in second place to former Economic Security Minister Sanae Takaichi in the first round of voting, Ishiba overcame the deficit to take the lead from Takaichi in the decisive run-off vote, pipping her to the top LDP post by a [narrow margin](#) of 21 votes.

While it remains to be seen whether Ishiba can overturn the "revolving-door" dynamic that has come to characterise Japan's premiership, what is certain is that the newly-minted prime minister will have to contend with a broad set of challenges in Japan's domestic and foreign policy agendas.

Domestic Challenges

Domestically, one of the most pressing tasks for Ishiba is to restore the LDP's political stature. The LDP's standing was battered by the revelation of [extensive ties](#) between the party's lawmakers and the controversial South Korea-based Unification Church in the wake of former prime minister Shinzo Abe's assassination, which raised concerns about the church's encroachment into Japanese politics. The LDP's credibility took a further hit after news broke that five major factions within the party had [underreported their political revenues](#). The scandal triggered a massive fallout. Four cabinet members were replaced, amendments were made to the political funds control law, and approval ratings for Kishida's administration plunged to a new low, prompting his decision not to seek re-election as LDP president.

Ishiba will have to find ways to unify an embattled party and to regain public trust. He has sought to bridge intra-party divisions by appointing a mix of rivals and allies to [key executive positions in the LDP](#). Given the fractious politics of the ruling party, Ishiba faces a tough balancing act. Moreover, as a one-time party defector (Ishiba had left the LDP in 1993 and returned in 1997) and former Abe critic, he will have to labour to shed his "outsider" label and reach out to detractors within the party, particularly those from the Abe faction. Notably, Takaichi, a prominent Abe protégé, had declined Ishiba's invitation to take up an executive role in the LDP. This move could possibly set the stage for her emergence as the leader of a formidable opposition bloc to Ishiba.

In contrast to Takaichi's rejection of Ishiba's job offer, Shinjiro Koizumi, a former environment minister and the youngest candidate to vie for leadership of the LDP, is poised to become chairman of the LDP's Election Strategy Committee. However, apart from Koizumi, the rest of Ishiba's appointments to the LDP's top ranks comprise political veterans and heavyweights, including former prime ministers Taro Aso and Yoshihide Suga. With a public clamouring for an internal overhaul of Japan's ruling party in the aftermath of the funding scandal, Ishida's cautious approach may come across as a half-hearted attempt at party renewal.

On the economic front, Ishiba has indicated that he will maintain the policies of his predecessor to [lift Japan out of deflation](#), with an emphasis on raising the minimum wage and encouraging domestic demand. [Inflation and the high cost of living](#) have

been identified as the top priority issues for his administration. Rural revitalisation, a key aspect of his LDP election campaign, is expected to feature in his administration's economic plans as well. Additionally, Ishiba will inherit several [policy commitments from Kishida's government](#). These include raising the defence budget, boosting the national birth rate, and accelerating the shift towards decarbonisation – all of which are high-cost initiatives. In sum, Ishiba has to juggle a packed economic agenda that will necessarily entail hikes in government spending, but the channels of funding for the slew of initiatives remain in doubt. With a population already worn down by the effects of inflation, proposals by Ishiba's team to increase the public's burden are likely to be met with criticisms and pushback.

Foreign Policy Challenges

Ishiba assumes office at a time when Japan's external security environment looks increasingly fraught. A series of developments in the weeks prior to the LDP election attest to the spike in regional tensions. [North Korea](#) launched tests for its new tactical ballistic missiles and upgraded cruise missiles. And, Japan's airspace was breached by [Chinese](#) and [Russian](#) military aircraft on separate occasions. China's aerial violation was followed by its [maritime incursion](#) into Japan's southwestern waters less than a week later. China had also [test-fired](#) an intercontinental ballistic missile into the Pacific Ocean just days before the LDP leadership race. Besides China's heightened military activities, bilateral relations have been further strained by the [murder](#) of a 10-year-old Japanese schoolboy in Shenzhen.

The sabre-rattling from China and Russia in recent weeks will not be the last encounters and Ishiba must ensure that Japan is well equipped to respond to such military provocations. Relatedly, his proposal for the creation of an "Asian NATO" as a deterrence against China is unlikely to gain traction. Apart from the constraints imposed by Japan's constitution and national sentiments against such a collective-security arrangement, countries in the Asia-Pacific do not wish to be drawn into any confrontation with China nor be seen as taking sides in the US-China geopolitical competition. Unsurprisingly, the United States has [distanced itself](#) from Ishiba's proposal and even his newly appointed defence and foreign ministers were quick to [play down the idea](#). In his [congratulatory message](#) to Ishiba, Chinese president Xi Jinping had emphasised the building of "constructive and stable" bilateral ties. It may be more expedient for Ishiba to begin with diplomatic approaches as the first steps towards defusing tensions with its immediate neighbour.

In terms of Japan's relations with the United States, Ishiba had expressed his [intention](#) to "raise the Japan-US alliance to the level of the US-UK alliance" as a way of strengthening the bilateral alliance. To this end, he had advocated for revisions to be made to the Japan-US Security Treaty and the Status of Forces Agreement. He had also put forward ideas such as the [stationing](#) of Japan Self-Defence Forces (JSDF) forces in Guam as well as [joint management](#) of the US bases in Okinawa. As a former defence minister, Ishiba had been prompted to put forward such proposals by a desire to enhance Japan's military posture and to forge a more equal relationship with the United States. While his aims may be considered reasonable from the standpoint of Japanese security, Ishiba will have to broach these issues carefully with its alliance partner or risk upsetting its key security ally.

Conclusion

Ishiba has announced that a Lower House election would be held on October 27. Given the short runway between the poll and his inauguration as prime minister, the election would at best serve as a bellwether for the extent of Ishiba's popular appeal. However, once the election dust settles, the Japanese public would be looking to his administration to deliver on its policies. With an election for the Upper House likely to take place next year, there is much to accomplish within a limited time. As a five-time LDP presidential candidate and having clinched a comeback victory at this year's party election, Ishiba will have to bank on his dogged tenacity and penchant for going against the odds as he and his cabinet get down to business.

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