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LDP Presidential Election in Turmoil, Factional Dynamics Diminished, Kono Likely

Factional dynamics no longer valid

Prime Minister Suga's decision not to run for the LDP presidency has caused the political scene to rapidly become fluid. Former Prime Minister Abe and Finance Minister Aso were the de facto kingmakers, with overwhelming influence over the largest faction (the 97-member Hosoda faction) and the second-largest faction (the 54-member Aso faction), controlling 40% of the total number of Diet members. However, both Abe and Aso lost their influence when Suga did not run for office, which they had been pushing for. With the factions now united under a single leader, the dynamics of the factions deciding the president based on the leader's leadership is no longer in effect. The media has already revealed the major players in the race, and the contours of the presidential election are beginning to emerge. Mr. Kishida, Mr. Kono, and Ms. Takaichi have expressed their intention to run for the presidency, while Mr. Ishiba and Ms. Noda are said to be considering it.

Abe supports Takaichi, Suga supports Kono

What is noteworthy is that it seems likely that legislators will begin to rally around policies that transcend the boundaries of factions. Mr. Abe has expressed his support for Mr. Takaichi (faction-less), whose views on the nation and policies such as the succession of Abenomics are similar to Mr. Abe's, while Mr. Aso has withheld his support for Mr. Kono, who is a member of his own faction but has made strong liberal claims such as the consideration of a female emperor and the elimination of nuclear power. Mr. Suga is reported to be one of the first to support Mr. Kono. It is likely that he sees Kono as someone who can be entrusted with the Suga administration's signature policies, such as administrative reform, digital reform, and decarbonization.

On the other hand, Kishida, who is unlikely to receive support from any faction other than his own, has proposed a four-pronged plan to deal with corona and the creation of a health crisis management agency. However, there are reports that the U.S. side is concerned about Kishida's ambiguous stance toward China, in addition to his stance on fiscal reconstruction.

Kono is the candidate who can win the general election

The LDP presidential election will be announced on September 17 and the vote will be held on September 29. The examination of various issues surrounding Japan and the measures to be taken will be the focus of attention of the media and the public, who have been bored by the overflow of post-Olympic and coronary coverage. In addition to policy debates, what is important in the election of the president is public popularity. The selection of a candidate who can win the next House of Representatives election will be an important factor in the LDP president election. The LDP is expected to have the upper hand in the general election for the House of Representatives under the new leader who was elected after a heated debate.

On September 6, the Yomiuri Shimbun conducted an urgent poll on who would be the best candidate for the next prime minister, and reported that Kono was ahead. Overall, the results were 23% for Kono, 21% for Ishiba, 12% for Kishida, 3% for Takaichi, and 2% for Noda. Among LDP supporters only, the results were 30% for Kono, 21% for Ishiba, 12% for Kishida, and 5% for Takaichi.

At the risk of sounding like I'm making too big a leap, I think that Kono's advantage will grow stronger in the future. (1) he has the support of Suga, the current prime minister, who is a realist and a strong policy implementer; (2) he has the ability to speak in his own words;

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(3) he is likely to seal off his unrealistic idealism and liberal tendencies based on his experience as a cabinet minister in the Abe and Suga cabinets; and (4) Shinjiro Koizumi has also expressed his support, making him a powerful face of the election. are more powerful than others.

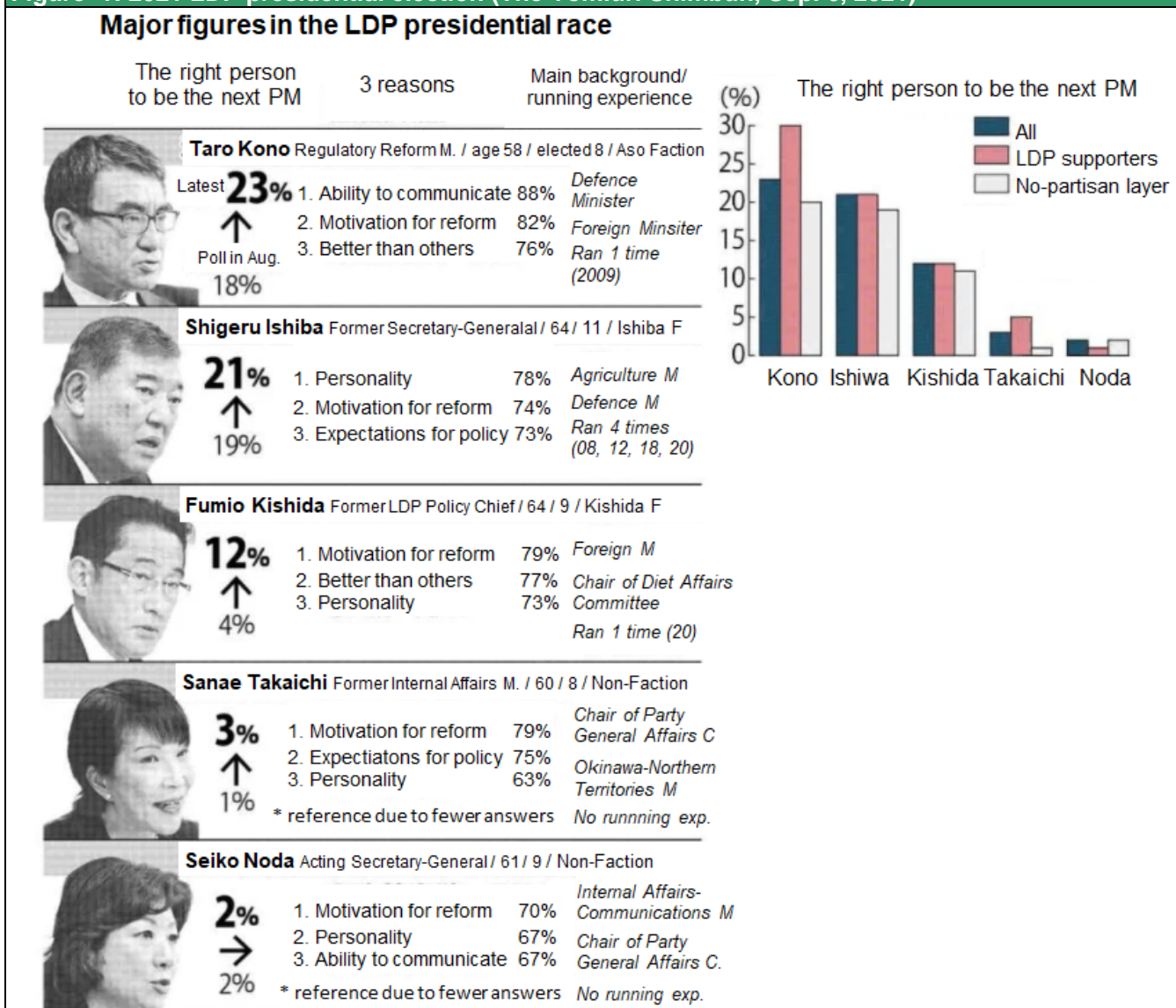
In the 2001 presidential election, Junichiro Koizumi, who was seen as a lone wolf, won overwhelming support in the party primaries and defeated Ryutaro Hashimoto, who was the main contender. There is a possibility that we will see a repeat of the Koizumi Theater, which broke the boundaries of the existing factions.

Positive surprises for Japan, where expectations are at an all-time low

In the developed countries of Europe and the United States, the national debate is highly divided, making it difficult for the people to come together. If a rational policy debate were to take place to elect the next LDP leader, Japan's reputation and the popularity of Japanese stocks could soar. Despite the fact that Japan has the lowest coronary infection rate in the industrialized world and the one of the fastest growing vaccination program in the world (the world's fifth largest number of vaccinations), the failure of the Suga administration to address coronary infections has been touted as a fatal error.

"As one business owner put it, "Foreigners see Japan as a country that has everything and the only thing it doesn't have is hope. With the lowest stock valuations, self-deprecating media, and the experts, there is no downside to Japan's low expectations. The impact of a positive surprise coming out of this situation may be unimaginable.

Figure 1: 2021 LDP presidential election (The Yomiuri Shimbun, Sep. 6, 2021)



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