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## Domestic politics: Media reports support our "Ishiba will remain in office for now" hypothesis

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As we discussed in our 17 March Macro Information *Domestic politics: Opinion polls and Noda's remarks suggest Ishiba will remain in office for now*, Prime Minister Shigeru Ishiba has come under heavy public criticism following the 13 March revelation that he had distributed gift vouchers to junior lawmakers. Below we summarize a number of subsequent media reports that support our hypothesis that Ishiba should be able to remain at the helm for at least the time being.

(1) An 18 March Tokyo Shimbun article cited a "person with Cabinet experience" as saying that it has been common practice over the years for Prime Ministers and other senior party officials to hand out vouchers that can be exchanged for items such as beer or shoes and that Ishiba's JPY100,000 per lawmaker gifts should actually be considered "on the low side". Such views might help to explain why the ruling Liberal Democratic Party (LDP) has not yet appeared particularly interested in pushing for Ishiba's ouster.

(2) An 18 March Asahi article also posits three possible explanations.

First, the general political climate. With the ruling LDP-Komeito coalition having faced a very difficult operating environment since losing its lower house majority last October, even those who might hope to eventually succeed Ishiba are perhaps wary of sticking their neck out at this juncture.

Second, the strength of the Prime Minister's authority. Ishiba still has two and half years left in his term as LDP leader and there is no party rule that allows for him to be forced out. Moreover, there are obvious disincentives to be too vocal in criticizing the Prime Minister given that he will have final say as to who is endorsed by the LDP in any election.

Third, with a number of party members having acknowledged (in interviews) that gift vouchers have also been distributed in the past, there may be fears that harsh punishment of Ishiba could end up setting a dangerous precedent for the LDP as a whole.

(3) The Asahi also speculated on 18 March that opposition parties might have their own reasons for letting Ishiba get off comparatively lightly for at least the time being.

While opposition parties would obviously like to see Ishiba held to account, there are some who favor waiting for ongoing disharmony within the LDP to play out. For example, a senior Democratic Party for the People member has suggested that the Abe faction will look to have more of a say going forward (with potentially destabilizing ramifications), while a top-ranking Constitutional Democratic Party member has expressed concern about the possibility of the LDP uniting behind a successor to Ishiba and advocates patience so as to give the ruling party more time to "self-destruct".

(4) The online Nikkei on 17 March noted that the current Diet session is set to run through 22 June and suggested that the best opportunities for the opposition to pressure Ishiba to stand down might come (1) upon passage of the FY2025 budget, (2) after the June G7 Summit, or (3) when the Diet session comes to an end.

As of now we still believe that Ishiba is more likely than not to remain in office, but much will of course ultimately depend on his desire and determination to do so.

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