



GR JAPAN

Update on the appointment of Prime Minister Suga and the Suga Cabinet

17 September 2020

Executive Summary

- As expected, Chief Cabinet Secretary Yoshihide Suga easily won the election for leadership of the Liberal Democratic Party (LDP) on 14 September, taking over 70% of the vote. His premiership was cemented by the formal votes in the Diet on 16 September, where Suga received 314 of 465 votes in the House of Representatives and 142 of 245 in the House of Councillors.
- After serving as Prime Minister Abe's right hand as Chief Cabinet Secretary for nearly eight years, Suga is expected to be a "continuity" Prime Minister who will carry forward very similar policies, but he is seen as less of an ideologue and more focused on practical reforms.
- The decisiveness of his victory gives Suga a solid platform within the party, helping him to push ahead with his own agenda and limiting internal dissent.
- Suga's Cabinet appointments reflect his commitment to continuity on the whole, with strategic appointments to further his plans for reform.
- Policy priorities will focus on domestic issues, primarily economic recovery and Covid-19 pandemic mitigation, but the new Cabinet will also face tough diplomatic challenges.
- Suga has indicated that he will continue Abe's efforts to place a strengthened US-Japan alliance at the centre of Japan's foreign policy, but also that he wants to achieve "balanced" relations with China.

Yoshihide Suga as party leader

As the new prime minister, Suga is stressing political continuity, but also talking about his commitment to administrative and regulatory reform as key priorities for his government. Although the scope of these potential reforms is not entirely clear at this point, his approach is more pragmatic than ideological or visionary, focusing on more concrete policy delivery.

In terms of style, Suga is described by his supporters as someone who is fast, reliable and committed to delivering on what he says he will. His preference is for leader-driven and decisive policy-making, as he believes that a lack of coordination between multiple government offices has blocked reform and delayed action, especially in the response to the Covid-19 pandemic.

Cabinet overview

Suga announced his new Cabinet appointments on 16 September. In all, eight ministers remained in their posts, three were reshuffled, three were re-appointed, and there are five new faces. The new line-up is as follows (names in bold are new appointments to the post):

Position	Outgoing	Incoming
Prime Minister	Shinzo Abe	Yoshihide Suga
Deputy Prime Minister	Taro Aso	Taro Aso
Minister of Finance/ Minister of State for Financial Services		
Minister for Internal Affairs and Communications	Sanae Takaichi	Ryota Takeda
Minister of Justice	Masako Mori	Yoko Kamikawa
Minister for Foreign Affairs	Toshimitsu Motegi	Toshimitsu Motegi
Minister of Education, Culture, Sports, Science, and Technology	Koichi Hagiuda	Koichi Hagiuda
Minister of Health, Labour and Welfare	Katsunobu Kato	Norihisa Tamura
Minister of Agriculture, Forestry, and Fisheries	Taku Eto	Kotaro Nogami
Minister of Economy, Trade, and Industry	Hiroshi Kajiyama	Hiroshi Kajiyama
Minister of Land, Infrastructure, Transport, and Tourism	Kazuyoshi Akaba	Kazuyoshi Akaba
Minister of the Environment	Shinjiro Koizumi	Shinjiro Koizumi
Minister of Defence	Taro Kono	Nobuo Kishi
Chief Cabinet Secretary	Yoshihide Suga	Katsunobu Kato
Minister for Reconstruction	Kazunori Tanaka	Katsuei Hirasawa
Chair of the National Public Safety Commission	Ryota Takeda	Hachiro Okonogi

Minister for Promoting Dynamic Engagement of All Citizens and Measures for Declining Birthrate/ Minister in charge of Regional Revitalization	Seiichi Eto/Seigo Kitamura	Tetsushi Sakamoto
Minister in Charge of Administrative Reform and Civil Service Reform/Minister of State for Okinawa and Northern Territories Affairs	Ryota Takeda/Seigo Kitamura	Taro Kono
Minister for Digital Transformation/Minister in Charge of IT Policy	Naokazu Takemoto	Takuya Hirai
Minister of State for Economic and Fiscal Policy and Minister in Charge of Social Security Reform	Yasutoshi Nishimura	Yasutoshi Nishimura
Minister in Charge of Women's Empowerment/Minister for the Tokyo Olympic and Paralympic Games	Seiko Hashimoto	Seiko Hashimoto
Minister in Charge of International Exposition/ Minister of State for Consumer Affairs and Food Safety	N/A Seiichi Eto	Shinji Inoue
Deputy Chief Cabinet Secretaries	Akihiro Nishimura	Manabu Sakai
	Naoki Okada	Naoki Okada
	Kazuhiro Sugita	Kazuhiro Sugita

Suga's Cabinet is characterised by relative stability, with far fewer newly appointed ministers than in Abe's last Cabinet shuffle in September 2019. Key figures remain in place, particularly Deputy Prime Minister/Finance Minister Taro Aso; Minister for Foreign Affairs Toshimitsu Motegi; Minister of Economy, Trade and Industry Hiroshi Kajiyama; and Minister of State for Economic and Fiscal Policy Yasutoshi Nishimura, who is also in charge of the government's Covid-19 response. These appointments reflect Suga's wishes for a Cabinet that provides continuity and stability with regard to the overall policy direction under Abe, yet also bring in new pro-reform perspectives in some key areas. In particular, the shift of Taro Kono

from Minister of Defence to Minister in Charge of Administrative Reform is important, as it speaks to the priority Suga places on this area.

Suga's choices suggest that his Cabinet can be seen as a transitional Cabinet; roughly half the ministers ensure continuity with the former prime minister's policies, and the other half allow Suga to propel his own reforms forward. It is possible that his full intentions regarding policy will become clearer if he calls an early election to win his own mandate as prime minister, and reshuffles the Cabinet accordingly.

Specifically, the Covid-19 pandemic and economic recovery are the immediate priorities for the new Prime Minister, and his chances of securing a term beyond September 2021 depends in large part on whether he is seen to have made an effective response. Suga's decision to keep Yasutoshi Nishimura as Minister for Novel Coronavirus Disease Control, and his promotion of Norihisa Tamura from head of the LDP's Coronavirus Response Taskforce to Minister for Health, Labour and Welfare, underline his intention to make the virus response a central policy.

Suga's Cabinet also reflects the LDP's delicate intra-party factional politics, with the choices reflecting the groups that backed him as party president - the Hosoda, Aso, Takeshita, and Nikai factions. Five ministers are from former Prime Minister Abe's Hosoda faction, with two each from the Nikai, Kishida and Takeshita factions. Three are from the Aso faction, as in the previous Cabinet, and three ministers are unaffiliated, including Prime Minister Suga himself. Only one is from the Ishiba faction, which is perhaps not surprising, considering that Ishiba was competing with Suga for leadership of the LDP.

Suga's independence helps create an image of impartiality. However, in order to remain prime minister, Suga must maintain the support of the factions that backed him. This is a double-edged sword, as an administration focused on internal politics will do little to earn broader political support. Suga has tried to reduce overt factionalism by placing non-affiliated Diet members in the foreground of his Cabinet: Hiroshi Kajiyama as Minister of Economy, Trade and Industry, and Shinjiro Koizumi as Minister of the Environment.

Prime Minister Suga's lack of direct diplomatic experience has raised concerns amongst policy analysts and the media, but his decision to keep Toshimitsu Motegi in place as Minister of Foreign Affairs will reassure Japan's diplomatic partners abroad. While Suga personally will focus more on domestic policy and affairs, foreign policy is an area of significance given that relations with Seoul show no sign of improvement. Furthermore, there is no resolution in sight to North Korean missiles and the abductee issues, and relations with Washington, Beijing, and Moscow remain delicate, with a range of security and economic issues at stake.

However, Suga has expressed willingness to meet with North Korea's Kim Jong-un, which suggests the possibility of diplomatic contact.

Despite his lack of diplomatic experience, Suga is a staunch supporter of the US-Japan security alliance, and a "globalist" by nature, seeing it as vital for Japan to develop stronger relationships with like-minded countries. He has also been a champion of global, rules-based free trade and the Minister of Foreign Affairs's work on both fronts will continue to be consistent with this philosophy. Suga's globalist views bode well for the development of alliances with countries other than the US, in particular countries like India and Australia, as Suga is likely to advance Abe's vision on the Free and Open Indo-Pacific.

As with the Abe administration, there are notably only two women in the Cabinet, indicating that for all the focus on championing female participation under Abe's "Womenomics" strategy, female participation does not extend to the Cabinet. Seiko Hashimoto remains in her post as Minister for the Tokyo Olympic and Paralympic Games and Minister in Charge of Women's Empowerment. Yoko Kamikawa has been appointed to Minister of Justice, having previously served in the same post.

Implication of key ministerial appointments

Chief Cabinet Secretary: Katsunobu Kato

- Katsunobu Kato's appointment as Chief Cabinet Secretary is notable as Suga, having been in the position for so long, is well aware of the importance of this post. His decision suggests that they are very like-minded.
- A strong ally of both Suga and Abe, Kato is a member of the Takeshita faction, but does not have a strong association with factional politics. This and his previous partnership with Suga as Deputy Chief Cabinet Secretary are said to have swayed the appointment in his favour.
- Kato served two terms as Minister of Health, Labour and Welfare (August 2017-October 2018 and September 2019-September 2020, and). Some commentators have questioned his effectiveness - and that of MHLW overall - in the Covid-19 response, but he is well regarded in the LDP.
- As a former Ministry of Finance official, Kato tends to approach policy from a financial perspective. He has a thorough understanding of healthcare issues but takes a hard position on social security spending and is in favour of reducing costs.

- Kato was not always appointed to Abe's various Cabinets, so Suga's decision to appoint him to such a significant post suggests Kato's potential to become a post-Suga candidate for party leader and prime minister.

Minister of Finance: Taro Aso

- Taro Aso retains his position as Deputy Prime Minister and Minister of Finance, reinforcing the image of continuity for the Suga administration.
- As a past prime minister, long-term Cabinet member, and leader of the second-largest LDP faction, Aso is a significant force in Japanese politics. Suga will continue to need the Aso faction's support if he is to stay on as prime minister beyond September 2021.
- Aso served as Minister of Finance throughout the Abe administration and is one of the few ministers to remain in the same post throughout Abe's multiple Cabinet reshuffles.

Minister of Justice: Yoko Kamikawa

- Yoko Kamikawa served as Minister of Justice under Abe in 2014-15 and 2017-18, and has been re-appointed to this role.
- The Ministry of Justice has been involved in a number of scandals in the last 12 months, notably the decision to extend the term of the head of the Tokyo High Public Prosecutors Office. The extension resulted in a no confidence motion by the opposition against former Justice Minister Masako Mori, which was voted down by the ruling parties.
- However, as Mori struggled with missteps in her role, such as a controversial comment suggesting that ex-Nissan boss Carlos Ghosn should "prove his innocence", Kamikawa was appointed to the post in light of her previous experience.

Minister for Foreign Affairs: Toshimitsu Motegi

- Toshimitsu Motegi's reappointment as Minister for Foreign Affairs suggests continuity in foreign policy, and Suga's comfort in having an experienced hand to support him. Motegi has been a central member of the Abe Cabinet, first as Minister of Economy, Trade and Industry, then Minister of Foreign Affairs since September 2019 following a Cabinet reshuffle. Motegi's appointment gives the Takeshita faction a place in Suga's Cabinet.
- Motegi is well-known in US policy circles and was an able negotiator in concluding the "Phase 1" Japan-US Trade Agreement and Digital Trade Agreement with US Trade Representative Robert Lighthizer.

Minister of Health, Labour, and Welfare: Norihisa Tamura

- Norihisa Tamura previously served as health minister in 2012-14. He is trusted both by the party and the Ministry of Health, Labour and Welfare (MHLW) as a competent successor to Katsunobu Kato.
- Tamura's work as the head of the LDP's Novel Coronavirus Response Taskforce received positive reviews from his colleagues, and he is expected to drive the proposal for creating a new health crisis response centre as part of the ongoing response to the Covid-19 crisis.
- With Tamura's close ties to the healthcare industry, it is thought that Suga appointed him as part of his strategy to push his own agenda on industry issues.
- Suga has said that he wants to restructure MHLW as part of the broader administrative reform efforts, in large part because he understands that MHLW's size and cumbersome internal processes affected MHLW's responsiveness and effectiveness in the Covid-19 pandemic.
- Tamura's appointment also reflects Suga's efforts to consolidate support across all of the LDP factions, with Tamura representing the Ishiba faction.

Minister of Economic and Fiscal Policy, Social Security Reform and Novel Coronavirus Disease Control: Yasutoshi Nishimura

- Yasutoshi Nishimura, a former Deputy Chief Cabinet Secretary (2017-19) and trusted ally of both Suga and former Prime Minister Abe, has had a highly visible presence as Minister for Economic and Fiscal Policy and Minister for Novel Coronavirus Disease Control. He is viewed as an up-and-coming member of the LDP, and potentially a future prime minister, so success in containing Covid-19 and restoring economic growth will be key to his future prospects.
- Nishimura has a reformist reputation and positive view on innovation.

Minister of Economy, Trade and Industry: Hiroshi Kajiyama

- Hiroshi Kajiyama is another continuity appointment but is not affiliated with any specific LDP faction. Prior to his appointment as Minister of Economy, Trade and Industry in 2019, he had worked as Minister in Charge of Regional Revitalisation and Minister in Charge of Administrative Reform.
- His focus under the Suga administration will be to support the economy through the pandemic and through economic revival.
- Former Prime Minister Abe relied heavily on METI officials in staffing the Cabinet Office, where economic policy was determined. There have been

suggestions that Suga will rely less on METI than did Abe, so the relative influence of METI within the Cabinet Office may decline.

- The new Cabinet is unlikely to influence the direction of the debate on the 2021 Strategic Energy Plan as Suga has prioritised continuity in key ministerial posts.

Minister of Internal Affairs and Communications: Ryota Takeda

- Ryota Takeda, who has been newly appointed as Minister of Internal Affairs and Communications will be someone to keep an eye on as many of the reforms Suga wishes to pursue are under the jurisdiction of this ministry.
- That said, it is not yet fully clear why Suga chose Takeda for this post, as he does not necessarily have strong agendas of his own and is likely to simply follow Suga's instructions on policy. As a former Minister of Internal Affairs and Communications, Suga understands the Ministry and has specific goals, such as reducing mobile communication fees, that he wants to achieve.

Minister of Education, Culture, Sports, Science and Technology: Koichi Hagiuda

- Koichi Hagiuda has retained his position at the Ministry for Education, Culture, Sports, Science and Technology (MEXT) as part of Suga's plans for policy continuity.
- Hagiuda is close to both Abe and Suga. He is also a member of the Hosoda faction, to which Abe belongs, and which supported Suga's election as LDP president.
- Hagiuda was also shortlisted as a candidate for Chief Cabinet Secretary along with Kato, but was not selected.

Minister of Land, Infrastructure, Transport and Tourism: Kazuyoshi Akaba

- Kazuyoshi Akaba remains in his post. As in the previous Cabinet, he is the only minister from the LDP's junior coalition partner, the Komeito.
- This position has been filled by ministers from Komeito since December 2012.
- Akaba's influence is limited as policy of the Ministry of Land, Infrastructure, Transport and Tourism is heavily driven by the LDP.

Minister of the Environment: Shinjiro Koizumi

- Shinjiro Koizumi remains in his post as Minister of the Environment. The reappointment of Koizumi, as well as Hiroshi Kajiyama, suggests that Suga is not looking for a change of course on natural resources and energy.

- Initially there had been speculation that Koizumi would be moved to another post, but the decision to keep Koizumi as Minister of the Environment suggests that his views on phasing out coal and his ambitions for decarbonisation will remain a feature of Japan's energy policy.
- He is the only member of the new Cabinet under 50 years old.
- Koizumi has sought to establish the ministry as a more prominent voice on climate change, sustainability and other environmental matters. He remains a potential future candidate for prime minister.

Minister of Defence: Nobuo Kishi

- Nobuo Kishi, the younger brother of former Prime Minister Abe, has been named as Minister of Defence. His appointment could be seen as a sort of nod to Abe, as it is Kishi's first-ever Cabinet appointment. But given his extensive experience in the field of defence, such as his time as State Minister for Foreign Affairs and Parliamentary Vice-Minister of Defence, he is a solid choice and will be able to ensure stability in the post.
- The issues that he must tackle are very clearly defined and pressing, as debate about offensive strike versus defensive capability has intensified since the Abe government's decision to suspend deployment of the US-provided Aegis Ashore ballistic missile system to develop a sea-based system as a means of defending against potential strikes from North Korea has intensified debate about offensive strike versus defensive capability.
- Kishi is a supporter of acquiring strike capability. His appointment ensures that talks on acquiring strike capability, for which Abe laid a foundation before resigning, will move forward.
- Negotiations with the US on burden-sharing of non-personnel costs of US bases in Japan are on the horizon, with a deadline of March 2021. This will likely be challenging, particularly if Donald Trump is re-elected, given his often-stated demand that Japan bear a larger share of the burden. On the other hand, if Biden is elected, this would represent a return to diplomatic orthodoxy, shifting the dynamics of Japan-US relations.

Minister for Administrative Reform: Taro Kono

- As noted, the shift of Taro Kono from Minister for Defence to Minister of Administrative Reform is significant, signalling both the emphasis Suga is placing on administrative reforms, and a possible boost for Kono politically given that this portfolio has sometimes been seen as a step towards party leadership.

- Kono has been seen as too unorthodox for the LDP mainstream, but his energy and popularity, as well as his willingness and ability to speak out fearlessly, may have been regarded by Suga as advantageous for the task of administrative reform. His shift in position should not be seen as a demotion.
- That said, this ministerial post is one in which it is comparatively more difficult to exercise influence as it is not a position with a large number of staff. It will thus be interesting to see to what extent Kono will attempt to tackle Suga’s desired administrative reforms.

Minister for IT Policy and Digital Transformation: Takuya Hirai

- Takuya Hirai is a member of the Kishida faction of the LDP. He is regarded as one of the Diet members with the most comprehensive knowledge of technology and IT.
- He is known for engaging both domestic and global technology companies, and is very familiar with big data and other new technology.
- Suga’s plans to construct a new agency to coordinate digital policy will be led by Hirai. Specifically, Suga has stated his intentions to accelerate the “digitisation” of Japan, with an initial focus on digitising government services after Japan’s paper-based system slowed response times during the Covid-19 pandemic. However, the Digital Agency will not be founded until 2022 at the earliest. The proposal for the agency is expected to be included in the budget requests at the end of the month.

LDP leadership

The following table shows the changes in LDP leadership positions:

Position	Outgoing	Incoming
President	Shinzo Abe	Yoshihide Suga
Secretary-General	Toshihiro Nikai	Toshihiro Nikai
Chair, General Council	Shunichi Suzuki	Tsutomu Sato
Chair, Policy Research Council	Fumio Kishida	Hakubun Shimomura
Chair, Diet Affairs Committee	Hiroshi Moriyama	Hiroshi Moriyama

Chair, Election Strategy Committee	Hakubun Shimomura	Taimei Yamaguchi
Chair, Research Commission on the Tax System	Akira Amari	Akira Amari
Executive Acting Secretary-General	Tomomi Inada	Seiko Noda

The powerful Secretary-General Toshihiro Nikai has remained in his current position. Nikai was central in garnering support for Suga to become prime minister, and the decision to keep Nikai in this influential post suggests that Suga is content to continue with the pattern of Nikai and Suga acting in each other's interests. Hiroshi Moriyama also remains in his current position as Chair of the Diet Affairs Committee. Both Nikai and Moriyama hold the record as longest-serving officials in their respective positions. The other roles have been filled by members from each party faction that had endorsed Suga during the leadership contest.

Notably, Kishida, former Minister of Foreign Affairs and LDP Policy Research Council Chair, who contested the LDP party election against Suga, does not currently hold a leadership position, and he has been replaced by Hakubun Shimomura, from the Hosoda faction. The lack of leadership position suggests that Kishida was not able to rise to the challenge during the leadership election, and his status within the party may begin to wane.

Tsutomu Sato of the Aso faction now presides over the general council, and Taimei Yamaguchi of the Takeshita faction is in charge of the election strategy committee. Seiko Noda, who has no faction affiliation, has been appointed Acting Secretary-General. Suga has managed to maintain a balance between political heavyweights under Abe and new appointees who are considered to be close to Suga.

It is noteworthy that Akira Amari has remained in place as Chair of the Research Commission on the Tax System, reportedly by his own choice. This suggests that he will be able to freely pursue his own direction. This mostly centres on China policy, in particular the creation of rules limiting Chinese presence, which recently has included the topic of regulations on the popular Chinese app, TikTok.

Special advisers to the prime minister

At present, three special advisers to the prime minister have been named: Minoru Kihara, Masashi Adachi, and Hiroto Izumi. Of the three, Kihara and Izumi have remained in their post, and Adachi is a new appointment. Kihara likely remained because he is in charge of the National Security Strategy review, which is expected in December. Izumi has been a very close aide to Suga since the LDP returned to power, and Suga prefers to keep him in his administration. Adachi is a former trading house employee, and is considered an expert on the US and has a significant network within US politics. Notably, Takaya Imai, a close confidant to Abe, has been replaced. Imai, a former official of the Ministry of Economy, Trade and Industry, was one of the figures that gave the ministry outsized influence. His replacement represents a reorientation away from the ministry, opening up the path for reform in policy areas under this ministry's jurisdiction.

Informal advisers from the private sector

As Chief Cabinet Secretary, Suga developed his own informal network of advisers from the business world. Notable among these are Takeshi Niinami, CEO of Suntory and former CEO of Lawson's, who is viewed as a dynamic and innovative business leader. Suga has also consulted with David Atkinson, former analyst at Goldman Sachs Japan, on tourism policy; Heizo Takenaka, former Minister of State for Economic and Fiscal Policy under Prime Minister Junichiro Koizumi; Rakuten CEO Hiroshi Mikitani; and Future Corp. CEO Yasufumi Kanemaru, who has advised on digital policy.

It is also important to watch any possible appointments to the influential Council on Economic and Fiscal Policy (CEFP), which has been seen as a way for the Cabinet Office to have a say independently of the ministries. Given Suga's background, it might grow in importance.