



The Kishida Administration Reaches a Critical Moment Right After the Lower House Election: The Key to “A New Form of Capitalism” is Digitalization and Sharing

(Discuss Japan note: The text in square brackets was added by the author for this reprint.)

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“Some have pointed out that neoliberal policies have had the harmful effect of creating a deep rift between the ‘haves’ and the ‘have nots.’”

During his [policy speech](#) to the lower and upper houses on October 8, Prime Minister Kishida Fumio expressed a negative view of neoliberal policies.

The Liberal Democratic Party (LDP) and Komeito secured a majority of seats in the October 31 Lower House election and intend to continue their administration. This article takes as its premise that Prime Minister Kishida will continue in his post following the leadership election. In it, I discuss future challenges for the Prime Minister.



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Due to restrictions on space, I will focus on the policy areas of COVID-19 measures and economics. Regarding the areas of diplomacy and security, I’d only like to observe that, while the Prime Minister is expected to strengthen the Japan-US alliance, he is also expected to promote a “Free and Open Indo-Pacific.”

There are three challenges for the future. The first is accelerating the third round of vaccinations, which is expected to have the effect of suppressing the COVID-19 pandemic. As the sixth COVID-19 wave arrives and Japanese citizens become increasingly anxious, it is necessary to restrict people’s movement at early stage while also securing sufficient beds in hospitals. There is also a need to review the legal system and strengthen the government’s powers regarding COVID-19 measures. The second challenge is to work on deregulation to promote digitalization of the economy and sharing economy as growth strategy. The third is smooth policy coordination with ruling parties. If prime minister Kishida can achieve some tangible accomplishments in economic policy, we can expect that he will likely lead the LDP to a victory against opposition parties in the 2022 Upper House election. With such a victory, it becomes very probable that he can keep his position as a prime minister over a long term.

Kishida prepared policy platforms for the LDP leadership election in September expecting that he had to compete with, Prime Minister Suga Yoshihide. Thus, his policies stressed differences with the Suga administration. However, shortly after the leadership election he had to enter electoral campaign for the Lower House election without much time to revise his policies. That’s why we can’t see many reform oriented policies, including deregulation, in Prime Minister Kishida’s policies. It will be necessary for Kishida to modify approach.

Below, I will review the circumstances of the Kishida administration’s formation, introduce the administration’s policies and set up, and discuss future challenges.

Up to the Kishida administration's launch

During the second Abe administration, Kishida served as Foreign Minister and Chairperson of the LDP's Policy Research Council. It was Kishida who Prime Minister Abe Shinzo hoped would succeed him. But in the process of the Abe administration dealing with the COVID-19 crisis, as Chair of the Policy Research Council Kishida was unable to increase his influence within the ruling party. Instead, after Prime Minister Abe announced his stepping down, Chief Cabinet Secretary Suga gathered the support of many factions and won the September 2020 LDP presidential election. Kishida gained second place in this leadership election.¹

Soon after taking office, Prime Minister Suga moved ahead with the establishment of the Digital Agency, while also setting out a policy of “[realizing carbon neutrality](#) and reducing Japanese greenhouse gas emissions to net zero by 2050.” The Japanese people approved of Prime Minister Suga's road-map for reform, and for a while after his administration's had taken off, he sustained a high approval rating. At the end of October 2020, however, the COVID-19 third wave arrived, and following that in 2021 so did the fourth and fifth.

Although the Suga administration focused on vaccinations, it didn't meet public expectations for COVID-19 measures, as symbolized by the delay in halting the Go To Travel campaign. Because of that, the administration's approval rating generally continued to decline and during the first part of August a *Yomiuri Shimbun* poll recorded it as 35%.²

The LDP lost in the Tokyo Metropolitan Assembly Election of early July, and in the Yokohama mayoral election that took place last August, Okonogi Hachiro, a close ally of the Prime Minister and former National Public Safety Commission Chairman, also lost. Doubts spread within the LDP about its prospect for winning the upcoming general election under the leadership of Prime Minister Suga. Meanwhile, Kishida proposed reform of the party and announced he would stand for the LDP presidential election. In order to recover his power within the party, Prime Minister Suga attempted to reshuffle the LDP executive and examined the possibilities of dissolving the Lower House. But he was unable to do either and was forced to give up running for the LDP presidential election.

Following the first vote of the September 29 presidential election, a run-off ballot was held and Kishida won. The Kishida administration was formed on October 4.

Prime Minister Kishida's policies

I will now highlight some features of the policies put forward by Kishida after he announced he'd stand for the LDP presidential election. Prime Minister Kishida's policies, such as an emphasis on increasing income, reflect the traditions of the Kochi-kai faction to which he belongs. As I have already stated, his policies emphasized differences with the Suga administration as he had prepared them, bearing in his mind that he would run against Suga in the presidential election.

First, I will discuss his COVID-19 countermeasures. The basic philosophy of Prime Minister Kishida's response to COVID-19 “is not to expect things will probably get better” but “always deal with the crisis while expecting the worst development to proceed” This was a criticism against Prime Minister Suga. Prime Minister Suga focused on vaccinations and had great hopes for their effectiveness. On the other

¹ *Yomiuri shimbun*, March 15, 2020, *The Nikkei*, August 30, 2020

² *Yomiuri shimbun*, August 10, 2021

hand, he was passive about restrictions on people's movement and didn't quite indicate that the central government would take the lead in securing enough beds in medical institutions. This stance was criticized as "disseminating optimism while failing to suppress the spread of COVID-19."³

There were two pillars in Prime Minister Kishida's proposed countermeasures: taking the measures possible under existing laws to deal with pandemic, and medium-term measures with revision of current laws. First, on October 15 he presented measures which he could implement under existing laws in order to prevent expansion of infection, provide with sufficient hospital beds and secure medication. His proposals included third vaccinations, expansion of free testing, and restrictions on people's movement as measures to suppress COVID-19. Regarding securing beds in hospitals, he worked out plans to make sure 80% of secured beds can actually be used, and to exercise legal powers which the government holds over public hospitals. He also made clear that the government would approve newly developed oral antiviral medications and would put them into use by the end of the year. On October 19, Minister of Health, Labour and Welfare Goto Shigeyuki made a request based on law to the National Hospital Organization and the Japan Community Health Care Organization to expand the number of hospital beds for COVID-19 patients. As medium-term countermeasures, Prime Minister Kishida disclosed his intention to expand the functions of central as well as local governments to respond to pandemic and to revise the existing laws related to pandemic to provide the national and prefecture governments greater powers to restrict flows of people and to secure hospital beds.

On November 18th, the Kishida administration produced "The comprehensive vision to ensure security of the people in the next expansion of the COVID-19" as basic measures to deal with the COVID-19. The main pillar of the vision was to expand beds and accommodating facilities for the patients infected by the COVID-19. It also includes the expansion of the number of beds so that hospitals can accommodate 37000 patients, which is an increase by 10000 patients from the summer of 2021, the preparation of 61000 rooms in accommodating facilities, which is also an increase by 14000 rooms, and the installation of emergency medical and lodging facilities which temporarily accommodate 3400 patients who have to wait for hospital allocations when hospitals are full because of expansion of the COVID-19. The Kishida administration disclosed its commitment to secure multiple kinds of medicines for those patients with mild or moderate symptoms but with risks of developing serious symptoms.

Next, I will address economic policies. When Prime Minister Kishida announced that he would run for the LDP president he declared a "transformation" from "neoliberal policies after the Koizumi administration." After he had become Prime Minister, he said that "The word reform has some kind of cold image, like survival of the fittest."⁴ Even in the area of economic policies, he tried to highlight difference from reform oriented policy stance taken by Prime Minister Suga. He never referred the word "reform" during his policy speech delivered at the beginning of the extraordinary session of the Diet in November 2021.

To date, Prime Minister Kishida has declared that he will implement economic policies on the scale of tens of trillions of yen for the purpose of economic recovery. He has also proposed a "New Form of Capitalism" and explained that he would seek to achieve a "virtuous cycle of growth and distribution."

The Prime Minister has proposed three main growth policies. The first is a "Science and Technology Nation." The second is the "[Vision for a Digital Garden City Nation](#)." The third is economic security. There are three pillars to the distribution policies. The first is to promote corporate governance by which not

³ *Asahi shimbun*, July 29, 2021

⁴ Fuji TV "Sunday News THE PRIME," October 10, 2021

only shareholders but also business partners and employees can benefit. The second is to expand the middle class. The third is to raise the officially-set wages for nurses, childcare workers, and others. On October 15, the Prime Minister launched the Council of New Form of Capitalism Realization to plan out a series of concrete policies.

At the time of the LDP presidential election, Prime Minister Kishida announced his intention to “stick” to the “three principles” of Abenomics, the economic policies of the Abe administration. The reason for Prime Minister Kishida taking this stance likely lies in him being responsible for party policy during the Abe administration as the Chairman of the PARC. The second Abe administration drafted a growth strategy; meanwhile, from autumn 2015, it began to address social policies, proposing such ideas as “dynamic engagement of all citizens” and “work style reform.” Social policies pursued by the Abe Administration included distribution measures. In March 2017, the Abe administration decided the Action Plan for the Realization of Work Style Reform in the Council for the Realization of Work Style Reform. The mainstay of this plan was raising wages. What’s more, it decided to use a part of the revenue from raising the rate of the consumption tax to 10% to finance budget necessary to make nursery and high school education free of charge.

The rise in officially-set wages for nurses and others and expansion of support for living and education expenses for the households raising children, which Prime Minister Kishida proposed, were extensions of those distribution policies, so there is a continuity between the policies which the Kishida administration try to formulate and the policies carried out by the second Abe administration.

Economic security

As demonstrated by the creation of a Minister in Charge of Economic Security, the Kishida administration places emphasis on economic security. When we sort out the accounts of Prime Minister Kishida and the LDP to date, there are three pillars to this policy. The first is securing a strategic industrial foundation to ensure necessary materials and technology procurement for the Japanese economy. The second is promoting research and development of strategically important technology. The third is making management of strategically important technology and products stricter. In addition, Prime Minister Kishida has already announced that his administration will design a national strategy for economic security and prepare a bill to promote economic security. When we consider this in conjunction with the “Science and Technology Nation” policy, a growth policy goal becomes apparent; namely, the revival of industrial policy that spearheads nationally important industry and technology development.

Regarding economic security, Prime Minister Kishida has incorporated various policy ideas advocated under the second Abe administration and the Suga administration. In April 2017 during the second Abe administration, the LDP launched the Rule-making Strategy Caucus and started to discuss economic security. In April 2020, the Abe administration also set up the Economics Division in charge of economic security in the National Security Secretariat. What’s more, in June of the same year the LDP established the Strategic Headquarters on the Creation of a New International Order and deepened discussion of economic security. In December 2020 the Strategic Headquarters produced a proposal for economic security and in May 2021 it published an interim report. In June, the Suga administration made public concrete policies for economic security in the [“Basic Policy on Economic and Fiscal Management and Reform.”](#) And that June the Ministry of Economy, Trade and Industry also put together a [“Strategy for Semiconductors and the Digital Industry.”](#)

The set-up of the Kishida administration

With Kishida as its president, the LDP's leadership consisted of Vice-President Aso Taro, Secretary-General Amari Akira, Chair of the Policy Research Council Takaichi Sanae, and Chair of the General Council Fukuda Tatsuo. Kono Taro, meanwhile, was given the role Chairperson of Public Relations Headquarters. Cabinet roles were assigned as follows. There were four individuals from the Hosoda and former Takeshita (Since November 2021, Motegi) factions, three from the Aso and Kishida (Kochikai) factions, and two from the Nikai faction. Three cabinet ministers were appointed from no faction and, as is conventional, one from Komeito. Matsuno Hirokazu, of the Hosoda faction and a former Minister of Education, Culture, Sports, Science and Technology, was appointed to the key cabinet role of Chief Cabinet Secretary.

Note that these appointments reflected: (1) rivalries in the presidential election; (2) deference accorded to Abe, Aso, and Amari; (3) respect paid to factions. Amari supported Kishida during the leadership election. Also, three cabinet posts were assigned to three House of Councillors LDP members rather than the usual two. This implies at the importance of support from the House of Councillors LDP to Kishida, helping him come first during the first round of leadership election voting. Furthermore, the Prime Minister proposed party reform during the leadership election and promoted Fukuda Tatsuo, who has the record of having been elected three times. Prime Minister Kishida also appointed 3 LDP politicians who are serving their third term as a member of the House of Representatives. Kishida tried to satisfy Abe through the appointment of Takaichi as Chair of the Policy Research Council. Even though the Aso faction's Kono stood in the presidential election, Aso (a former Finance Minister) endorsed both Kono and Kishida's candidacies. The Prime Minister appointed Aso as LDP Vice-President and Aso's younger brother-in-law Suzuki Shunichi succeeded him as Finance Minister. It is clear that Kishida balanced the factions in his cabinet appointments.

[On October 31, the Lower House election took place and Secretary-General Amari Akira failed to win in a single-member constituency. (He did, however, win a seat in a proportionally represented constituency.) Given his defeat in the single-member constituency, Secretary-General Amari decided to take responsibility and resign. On November 4, Prime Minister Kishida chose former Minister for Foreign Affairs Motegi Toshimitsu as Secretary-General as the Amari's successor. Then, as Prime Minister Kishida launched his second administration on November 10, he appointed former Minister of Education, Culture, Sports, Science and Technology Hayashi Yoshinori as Minister for Foreign Affairs. Other ministers retained their roles.]

A practical line-up of appointments

Meanwhile, Prime Minister Kishida made practical appointments for positions in Kantei (the Prime Minister's Office). Under [Japan's current government structure](#), in which the Prime Minister's institutional power has been strengthened, the structure of the Prime Minister's Office is crucial to running an administration. The Prime Minister appointed Member of the Lower House Kihara Seiji and Member of the Upper House Isozaki Yoshihiko as Deputy Chief Cabinet Secretaries. He put former Director General of the National Police Academy Kuryu Shunichi in the position of the Deputy Chief Cabinet Secretary. He assigned the positions of Special Adviser to the prime minister to Kihara Seiji (serving two posts concurrently) and Member of the Lower House Murai Hideki.

Chief Cabinet Secretary Matsuno was serving as the Secretary-general of the Hosoda faction, so may well have been appointed for his competence as a coordinator.⁵ Deputy Chief Cabinet Secretary Kihara was a close aide of Kishida, and served as Deputy Chairperson of Policy Research Council under him, as well as head of the secretariat, so during the leadership election he was involved in designing policy platforms for Kishida alongside Murai.⁶ Former Vice - Minister of Economy, Trade and Industry Shimada Takashi was named as one of the two political secretaries. In addition to Shimada, Kishida selected one more secretary from the Ministry of Economy, Trade and Industry, while picking two officials from the Ministry of Finance as his secretaries. This shows that Prime Kishida attaches a heavy emphasis on economic policy. The Prime Minister also named one secretary respectively from the Ministry of Foreign Affairs, National Police Agency, and Ministry of Defense. Both the former Ministry of Foreign Affairs and Ministry of Defense appointees had experience in the National Security Secretariat, which will likely contribute to stability in formation of security policies under the Kishida administration.

When we consider the above appointments, the Prime Minister's Office looks likely to play a large role in the Kishida administration policy making process, just as it did during the Abe and Suga administrations. This was shown early on with the appointment of Deputy Chief Cabinet Secretary Kihara as the Secretary of the Council of New Form of Capitalism Realization.

But what about ministerial appointments in the cabinet? In charge of COVID-19 countermeasures are Minister in Charge of Economic Revitalization and Minister in Charge of Measures for Novel Coronavirus Disease and Health Crisis Management Yamagiwa Daishiro, Minister of Health, Labour and Welfare Goto Shigeyuki, and Minister in Charge of Vaccinations Horiuchi Noriko. Prime Minister Kishida changed the three cabinet ministers who had been responsible for COVID-19 countermeasures in the Suga cabinet. Minister of Health, Labour and Welfare Goto has been Director of the LDP's Health, Labour and Welfare Division and Chairperson of the Committee on Health, Labour and Welfare of the Lower House, so is well versed in Health, Labour and Welfare administration. Minister in Charge of Promoting Vaccinations Horiuchi has also served as Parliamentary Secretary of Health, Labour and Welfare. Prime Minister Kishida has indicated a policy of re-examining Japan's measures to deal with the COVID-19 crisis. So, if he is going to revise existing policies on pandemic, that is probably easier to do with new cabinet members. Minister in Charge of Economic Security Kobayashi Takayuki and Minister in Charge of Economic Security Yamagiwa have served as the Head of the Secretariat and the Secretary-General of the LDP's Strategic Headquarters on the Creation of a New International Order, so have deep knowledge about economic security policy. Minister for Digital Transformation Makishima Karen managed the LDP's Special Committee for the Promotion of Digital Society and the Policy Research Council's Headquarters for the Promotion of a Digital Society as the Head of the Secretariat. State Minister of Digital Agency and State Minister of Cabinet Office Kobayashi Fumiaki also served as Vice-Chair of the Special Committee, and as the Secretary-General of the Headquarters.

A critical juncture after the election

The challenge facing Prime Minister Kishida after the election was to respond to a possible spread of COVID-19. The fifth wave subsided, but many experts predict a sixth wave. If their predictions turn out to be correct, the prime minister has to make necessary measures to deal with that sixth wave.

⁵ *Yomiuri shimbun*, October 1, 2021

⁶ *The Nikkei*, October 2, 2021

From the beginning of the COVID-19 crisis, opinion polls have constantly demonstrated that the Japanese public demanded that the government provide priorities to suppression of the spread of COVID-19 over stimulation of economy. Thanks to extensive vaccination, however, even if infection spread once again, the probabilities that a patient infected with the COVID-19 shows serious symptoms may go down and the public's reaction to the COVID-19 may change. Yet, given that the Japanese public is inclined to attach utmost importance to safety and security, it is likely that fear in society expands if the COVID-19 spreads with the sixth wave. Delay in imposing restrictions on movement was a major cause why the Suga administration had lost support from many people.

It's clear that vaccination is effective in suppressing infection. However, it has also become clear that that effect gradually weakens. Accordingly, the Prime Minister should accelerate the implementation of the program to inject the COVID-19 booster shots. And if infection spreads rapidly, igniting anxieties and stresses among the public, he should not hesitate and exercise leadership to impose restrictions on people's movement.

[Regarding the schedule for third vaccinations, the Kishida administration had previously planned to start booster shots for physicians, nurses and other health care professionals from December 2021 and for elderly people from January 2022. It had set a policy to allow those who had received two doses to receive their third shot after eight months. But on December 17, 2021 the Kishida administration decided to allow 14.7 million medical professionals and the elderly housed and workers in the nursing homes receive their third doses after six months and 16.72 elderly people who are not receiving care services after seven months. Then, in his January 17, 2022 policy speech delivered in the Diet, Prime Minister Kishida announced that he would further front-load the timetable, allowing the elderly without care to receive the booster injection after six months, and the 55 million the working-age population (aged 15 to 64 years old) to be vaccinated for the third time after six months or seven months.]

Another issue is how to secure enough beds when infections spread. The administration can resort to powers provided by laws and instruct some medical institutions to increase number of beds for the patients infected by COVID-19, we are not sure if such instructions can be really effective and those medical institutions which have received orders will really prepare enough beds. There is a serious concern that large cities may indeed suffer from shortage of beds in face of rapid spread of COVID-19. The prime minister should not expect the Ministry of Health, Labour and Welfare and local prefectures to deal with public hospitals including national hospitals and hospitals managed by prefectures and cities to secure beds. Instead he should instruct the Cabinet Secretariat to directly get in touch with individual hospitals to increase the number of beds. With infections having subsided, window is now open for the Cabinet Secretariat to arrange line of communication with individual medical institutions.

If the Kishida Administration revises the legal system regulating pandemic such as COVID-19 measures, it is necessary to provide the Prime Minister with more powers to instruct the heads of local governments in times of emergency and to transfer jurisdiction over divisions in health centers responsible for responding to the spread of pandemic from local governments to the national government.

The next comes the challenge of formation of economic policy. The result of opinion polls shows that the public attaches more importance to growth policies than distribution policies. In a poll conducted by the Nikkei Shimbun on October 6, 47% of the respondents considered that the government should prioritize “growth,” while the 38% preferred “distribution.”⁷

⁷ *The Nikkei*, October 6, 2021

The Kishida administration's growth policies imply that the government will be more involved in investment and technology development than previous administrations. The administration, however, needs a certain period of time to produce some results. It is vital for the administration to present policies that the Japanese public can comprehend as having an immediate effect in promoting growth. The Abe administration, for example, attached importance to increasing the number of tourists visiting Japan as a policy which would make the public feel some change. In the midst of the COVID-19 crisis, however, taking measures to promote tourism is difficult.

During the COVID-19 crisis, policies we can expect to be immediately effective to promote growth is the implementation of reforms that promote digitalization and sharing of the economy. The Prime Minister raises the banner of a "New Form of Capitalism." From a global perspective, the distinct features of "New Form of Capitalism" are digitalization and sharing. In order for Japan not to be left behind, the Prime Minister needs to tackle with "reforms" including deregulation to accelerate digitalization and sharing. If the administration carries out deregulation, providers of new services will emerge, and more convenient services will be available to the Japanese public.

For example, today ride-sharing services are available in most of the world's major cities. From an international perspective, Tokyo and Osaka are exceptional cities because ride-sharing services are not provided. While Japan to take steps to ease regulations on vacation rentals, restrictions remain on the number of days which house owners can rent out their rooms. The government has kept some restrictions for medical institutions and clinics to provide online medical services. From the perspective that users should decide whether or not to use services, the administration should demonstrate a principle to go ahead with further deregulation, including a complete lifting of the ban on ride-sharing services.

To make a breakthrough in deregulation, the Prime Minister can make use of the Digital Extraordinary Administrative Advisory Committee. As the Prime Minister himself was likely to have been concerned with public evaluation on his attitudes toward reform, at a press conference on October 14 he explained his "[warm-hearted reforms](#)," and once again announced the launch of the Digital Extraordinary Administrative Advisory Committee (one of his campaign pledges in the LDP presidential election) because "it is critically important for us to advance digital reforms, regulatory reforms, and administrative reforms integrally." The advisory committee discuss how to advance deregulation to promote digitalization and sharing of the economy.

Further, what is worrisome about the distribution policy is that the Prime Minister and LDP have not made a clear commitment to raise minimum wage. If they do intend to raise the Japanese people's income, they need to move this forward also.

Prime Minister Kishida needs to produce some concrete achievement before the summer 2022 Upper House election. Due to deliberation on the budget in the Diet, it will be hard to work out new policies from January to March 2022. In other words, following the October general election there are only two months left in 2021 to design new policies. During this brief period, the Prime Minister will need to formulate economic measures and compile the 2022 budget. In addition he has to demonstrate a course to promote growth, which the public can accept and endorse, in the Council of New Form of Capitalism Realization and Digital Extraordinary Administrative Advisory Committee

Following the expected passage of the budget, only four months remain between April and July 2022 for the Prime Minister for policy discussions before the Upper House election. During that time, he has to formulate policies, expanding on ideas debated in 2021.

As I have mentioned earlier, a notable feature of the Kishida administration is the appointment of

Takaichi and Amari to the party executive. Secretary-General Amari and Chair of the Policy Research Council Takaichi have a great interest in economic policies, including economic security. In particular, Amari, who has served as Chair of the Strategic Headquarters on the Creation of a New International Order and other bodies, has been leading policy debates on economic security to date within the LDP, and has a close relationship with Minister in Charge of Economic Security Kobayashi. That's why, compared to the Abe and Suga administrations, we can expect the LDP backbenchers to try to exert more influence on the policy process, seeking to realize specific policies. Thus, there is a need for effective coordination between the cabinet and the ruling parties.

If Prime Minister Kishida can effectively respond to the expansion of COVID-19 while producing some successful results with his economic policy and can lead the LDP to a victory in the Upper House election, it is conceivable that there will be no national election until the Upper House election in 2025, thus bringing a long-term government into sight. This period immediately after the Lower House election will be a critical moment for the Prime Minister.

[On November 19, the Kishida cabinet produced “Economic Measures to Overcome New Coronavirus Infection and to Pioneer a New Era,” as emergency economic policies and on November 26 compiled a fiscal 2021 supplementary budget of a total 35.9 trillion yen to implement them. The supplementary budget was passed on December 20. Most of the supplementary budget was to finance economic measures to deal with the COVID-19 crisis, such as welfare allowances for low-income households and for families with children as well as financial support for small and medium-sized businesses that had been hit hard. Meanwhile, part of the supplementary budget will finance policies which Prime Minister Kishida considers important as part of his “New Form of Capitalism.” First, a significant part of the budget was allocated to investment in research and development. 611.1 billion yen was provided to expand the capital of the “University Fund” from its total initial running capital of 4.5 trillion yen (to end of March 2022) to 10 trillion yen. The Kishida administration secured 774 billion yen to strengthen the producing capabilities of semi-conductor within Japan and 250 billion yen to support universities, national research and development agencies, and companies to commercialize cutting-edge technologies over multiple fiscal years. In addition, it funded 260 billion yen to raise the wages, wages which the government can determine, for nurses, childcare workers, caregivers, and others.

Furthermore, on December 24, 2021, the Kishida cabinet approved the fiscal 2022 budget with the size of 107.5964 trillion yen.]

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