

## JAPAN: Inconsistent disciplinary response won't end LDP's slush fund troubles

- The LDP has finally announced internal disciplinary measures against many of the party members caught up in the slush funds and kickbacks scandal that emerged in December.
- The punishments are already attracting criticisms: that they lacked due process, that standards were applied inconsistently or with political bias, and that overall punishments were too light.
- PM Fumio Kishida will want to move on from the issue ahead of his Washington visit and forthcoming Diet by-elections, but discontent among party colleagues and voters looks set to continue.

### Levels of punishment

Of the 85 Liberal Democratic Party (LDP) parliamentarians who admitted mis-reporting political income between 2018 and 2022, 39 were disciplined on 4 April—36 from the now-disbanded Abe faction, and three from the former Nikai faction. Many are being punished relative to the amount of mis-reported income, ranging from bans from party leadership positions of between six and 12 months for those receiving JPY 10m (USD 66,000) to 30mn, down to simple reprimands for those who received JPY 5mn to 10mn. There will be essentially no punishment for Diet members who misreported less than JPY 5mn, seemingly the LDP's threshold for acceptable malfeasance.

However, seven former Abe faction executives have been given bespoke punishments. The group's de facto current leader Ryu Shionoya (JPY 2.5mn) and Upper House leader Hiroshige Seko (JPY 5mn) have been asked to leave the party, while another three, including former economy minister Yasutoshi Nishimura (JPY 1mn), have had their party membership effectively suspended for between six and 12 months. Former party policy chief Koichi Hagiuda (JPY 27mn) and former chief cabinet secretary Hirokazu Matsuno (JPY 10mn) were given 12-month suspensions.

### Inconsistent approach

Several criticisms of the punishments are already emerging. First, that the outcomes lacked due process. Reports suggest that decisions were essentially made following private discussions between a quartet of top party figures—Prime Minister Fumio Kishida, Secretary General Toshimitsu Motegi, party vice-president Taro Aso, and party general council chair Hiroshi Moriyama. The four sitting in judgement were all bosses of competing factions during the period in question.

Second, that standards were applied irregularly and with political bias. Former secretary-general and faction boss Toshihiro Nikai, who personally received JPY 35mn (USD 230,000) in mis-reported funds, escaped any punishment after announcing he would stand down at the next election. Kishida also escaped censure, even though members of his former faction collectively mis-reported about JPY 30mn during the period in question. Hagiuda, known as a strategic ally of Kishida, got off with a much lesser punishment than Shionoya or Seko, despite receiving much more money.

Third, that the punishments overall were too light. In 2021, three LDP Diet members who visited a club in Tokyo's Ginza district in breach of pandemic restrictions were asked to leave the party. In contrast, dozens of members who each improperly received millions of yen under an illicit scheme that reportedly ran for about 25 years received suspensions of up to one year, reprimands, or no punishment at all.

If there was a logic to the quartet's bespoke approach, it was that senior Abe faction figures have been notoriously incomplete and often inconsistent in providing details about the slush fund—how it began, how precisely it operated in practice, how it came to be re-started in August 2022 after the death of former premier Shinzo Abe (who had apparently shut it down in April 2022), and how the kickbacks were actually spent. Kishida also interviewed octogenarian former premier and faction leader Yoshiro Mori, widely suspected to be a father of the scheme, but even the usually loose-talking Mori remained uncharacteristically tight-lipped.

## Continued discontent

Kishida would certainly like to draw a line under the scandal now, before he departs for Washington for a quasi-state visit next week. The prime minister has instructed a party subcommittee to expedite its proposals for reforming the political funds control act. These plans are likely to be announced in the second half of April—ahead of the three Diet by-elections on 28 April—and passed during the current Diet session through 23 June.

But rather than closing down the matter, the outcomes of the disciplinary process threaten to perpetuate discontent, both within and outside the party. Seko may now resign quietly, but Shionoya feels aggrieved and looks set to appeal his punishment. Many on the still-powerful Abe wing will have a new motivation to act against Kishida in the months ahead, particularly approaching September's party presidential election. Public sentiment is unlikely to improve much following these belated disciplinary measures. Reforming what is euphemistically called a 'money-politics' problem remains the top concern of voters in opinion polls, even ahead of the economy. These belated, inconsistent, and generally light-handed punishments seem unlikely to convince skeptical voters that Kishida and the LDP have truly turned a corner.

Of the three by-elections, the LDP has decided not to run a candidate in the Nagasaki-3 constituency, which will be abolished at the next general election, nor in Tokyo-15, where it looks set to support an independent candidate with close ties to Tokyo mayor Yuriko Koike. Koike seems to have decided against [rejoining the LDP and seeking the party leadership](#) and is likely instead to pursue a role as power broker in the next general election by endorsing her own candidates. On 28 April, the major focus will be on whether the LDP can hold Shimane-1. An LDP defeat here may be seized on by Kishida's critics as part of opening maneuvers before September's leadership battle.

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