



By: Tomorrow's Affairs Staff

New LDP leader Sanae Takaichi – Japan between continuity and political change



The Liberal Democratic Party (LDP) elected Sanae Takaichi as its new leader. This **paved** the way for Japan, for the first time in its history, to have a female prime minister.

Behind this decision lies more than symbolism. This election reveals a profound change in the internal dynamics of Japanese politics, as well as how Tokyo plans to respond to pressures arising simultaneously from within and outside the country.

Takaichi assumes leadership of the party at a time when the LDP is on the defensive. After years of dominance, the party is facing declining support, voter fatigue and a loss of political momentum.

In the most recent Upper House elections, it lost part of its majority, and Prime Minister Shigeru Ishiba **resigned** under pressure from party factions and the public. His resignation was not only the result of poor performance but also a sign that the previous management model had reached its limits.

For many within the LDP, Takaichi represents a return to a clear, ideologically solid line. She is not a product of compromise but rather a candidate who instils a sense of control. Her **views** – conservative and often hard-line – are well known.

She openly supports strengthening Japan's defence policy, modernising the military, and redefining the constitution, which limits the use of force. Her political legacy draws directly from the line of Shinzo Abe, who was her political and ideological mentor.

"Crisis investment" strategy

Takaichi is not an economist, but she understands the political importance of economics. Her platform is based on the concept of "crisis management investment": government investments in sectors that can ensure the country's resilience during periods of global instability—energy, food, semiconductors, digital infrastructure, and defence.

In essence, this is the Japanese version of "economic sovereignty": the idea that the state must have the capacity to act independently when markets fail.

However, such a policy carries risks. Japan's public **debt** is already around 250 per cent of GDP, and any new fiscal expansion is closely watched by both domestic markets and foreign investors.

Japanese markets are known for short-term spikes after political changes

Takaichi is **trying** to strike that balance without clashing with the Bank of Japan (BOJ). Her messages are carefully formulated: the government must create conditions for demand growth and stable inflation, but without undermining confidence in the monetary framework.

After her election, the markets **reacted** positively. The Nikkei index rose, and the yen weakened slightly—a signal that investors expect a stimulative but controlled fiscal policy.

However, that optimism is cautious. Japanese markets are known for short-term spikes after political changes, but also for a quick return of scepticism when the fiscal arithmetic fails to meet expectations.

Foreign policy—pragmatism with a firm foundation

Takaichi is known for her nationalist rhetoric, but her foreign policy will not be adventurous. For Tokyo, continuity with the United States remains the axis of foreign policy.

However, the new prime minister will want to **show** greater independence in relation to Washington, particularly in the technological and defence spheres. Her message is simple: Japan does not want to be just an ally but also an independent pillar of regional stability.

She is expected to strengthen ties with Taiwan and India through Indo-Pacific frameworks, while relations with China and South Korea are likely to remain cold.

Takaichi sees Japan as a country that must enter a new phase of strategic independence

Her earlier gesture—a **visit** to the disputed Yasukuni temple—had already drawn sharp reactions from Beijing and Seoul. Takaichi is unlikely to repeat the move as she establishes herself in office, but the tone of her policies will remain firm.

She sees Japan as a country that must enter a new phase of strategic independence—not by ending relations with the US, but by strengthening national resources and technological infrastructure. In this respect, "crisis investments" are not only an economic programme but also part of foreign policy doctrine.

Political reality

Within the party, Takaichi must balance ideological identity with pragmatic expectations. LDP factions still wield significant power, and each seeks assurances that its interests will be safeguarded. The new cabinet will need to combine a hard line with political compromise, a challenge that has ended the careers of even more experienced leaders.

Another layer of complexity arises from relations with the public. Takaichi has pledged to **increase** the number of women in government "to Nordic levels", but Japan's political culture remains deeply patriarchal, and the number of women in leadership positions is symbolically low.

If this promise goes unfulfilled, she risks her historic appointment losing its symbolic power and becoming another formal change without substance.

Global context

Her election comes at a time when the Asian security architecture is being reshaped. China is rapidly increasing its military budget, Taiwan is becoming an increasingly central issue in the US-China rivalry, and North Korea continues its missile tests.

In this environment, Japan's move towards a stronger defence policy enjoys public support but also carries the risk of regional escalation.



The focus will likely be on the technical strengthening of defence capabilities and alliances rather than formal constitutional reforms

Takaichi knows that any change to the Japanese constitution, particularly Article 9, which prohibits the use of force in settling international disputes, must undergo a lengthy political process and that openly pushing the issue would be counterproductive.

Therefore, the focus will likely be on the technical strengthening of defence capabilities and alliances rather than formal constitutional reforms.

Takaichi is to Japanese politics what Margaret Thatcher symbolically **represents** to Europe: a leader who brings a firm ideological stance at a time when institutions appear tired and reactive. Her strength will not lie in rhetoric, but in the ability to translate a political narrative into an enduring institutional framework.

If she succeeds in stabilising the domestic economy, calming markets, and regaining voter confidence, she could transform the LDP and redefine Japan's role in the world.

If she fails, Japan may enter a period of prolonged political instability, where parties change but politics remains trapped in a cycle of short, ineffective governments.

Her election represents a pivotal moment in both scenarios. Japan is no longer seeking a leader to manage routine affairs but one with the vision to adapt the country to a world changing faster than ever. Takaichi has been given the opportunity to prove her capabilities, along with the responsibility that will define her as a leader.