This volume seeks to explain the political economy of the Abe government and the so-called “Abenomics” economic policies. The Abe government represents a major turning point in postwar Japanese political economy. In 2019, Abe became the longest serving Prime Minister in Japanese history. Abe’s government stood out not only for its longevity, but also for its policies. Abe came to power promising to reinvigorate Japan’s economy under the banner of Abenomics. He pursued a host of structural reforms and industrial promotions to increase Japan’s potential growth rate. Abe also achieved important legislative victories in security policy. However, the government also faced significant controversies. The book will hold appeal to scholars and students specializing in the study of Japanese politics, comparative political economy, the politics of contemporary advanced democracies, macroeconomic policy, labor market reforms, corporate governance, gender equality, agricultural reforms, energy and climate change, and East Asian security.

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The Political Economy of the Abe Government and Abenomics Reforms

Edited by
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In memory of Masahiko Aoki
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The two conferences that led to this book were part of the Stanford Juku in Political Economy, which we inaugurated in 2013 to promote scholarship and foster a sense of community among scholars who study Japan. We have been delighted to see the Juku inspiring similar initiatives by past participants. This book continues a long tradition of collaborative work on contemporary Japan convened at S-APARC, including most recently Political Change in Japan: Electoral Behavior, Party Realignment, and the Koizumi Reforms (Brookings Institution, 2009), by Steven Reed, Kenneth McElwain, and Kay Shimizu, and Japan under the DPJ: The Politics of Transition and Governance (Brookings Institution, 2013), by Kenji Kushida and Phillip Lipsy.
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Joe Ng at Cambridge University Press saw value in our project and guided us through the process of publishing this book. We thank him, as well as Gemma Smith, Gayathri Tamilselvan, and Wade Guyitt for their help and patience. We also thank Koteki Cho at the University of Tokyo for indexing the manuscript.

This book is dedicated to the memory of Masahiko Aoki, who was our esteemed colleague at Stanford University. His work on economic theory, comparative institutional analysis, and the Japanese political economy is very well known. His class on the Japanese economy at Stanford attracted and inspired many students, including a younger version of one of us (Lipsy). When a group of us sought to revive Japan studies at S-APARC by establishing the Japan Program in 2011, he assumed early leadership as founder. He was a dear friend, mentor, and colleague. Masa Aoki was one of the pioneers who created the study of the Japanese political economy as we know it today. Although we started this project after he had passed away, we hope our work sits well with the intellectual trajectory that he originated.
### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AI</td>
<td>artificial intelligence</td>
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<tr>
<td>APCs</td>
<td>agricultural production corporations</td>
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<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
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<tr>
<td>AWF</td>
<td>Asian Women’s Fund</td>
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<tr>
<td>BOJ</td>
<td>Bank of Japan</td>
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<tr>
<td>CDPJ</td>
<td>Constitutional Democratic Party of Japan</td>
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<tr>
<td>CEFP</td>
<td>Council of Economic and Fiscal Policy</td>
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<tr>
<td>CEO</td>
<td>chief executive officer</td>
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<tr>
<td>CGC</td>
<td>Corporate Governance Code</td>
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<tr>
<td>CLB</td>
<td>Cabinet Legislation Bureau</td>
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<tr>
<td>CNN</td>
<td>Cable News Network</td>
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<tr>
<td>CO₂</td>
<td>carbon dioxide</td>
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<tr>
<td>COVID</td>
<td>coronavirus disease</td>
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<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
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<tr>
<td>CPTPP</td>
<td>Comprehensive and Progressive Agreement for Trans-Pacific Partnership</td>
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<tr>
<td>CRRA</td>
<td>constant relative risk aversion</td>
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<tr>
<td>CSD</td>
<td>collective self-defense</td>
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<tr>
<td>CWNC</td>
<td>company with nominating committee</td>
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<tr>
<td>DARPA</td>
<td>Defense Advanced Research Projects Agency</td>
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<tr>
<td>DPJ</td>
<td>Democratic Party of Japan</td>
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<tr>
<td>EEOL</td>
<td>Equal Employment Opportunity Law</td>
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<tr>
<td>EPA</td>
<td>Economic Partnership Agreement</td>
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<td>ETF</td>
<td>exchange-traded fund</td>
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<td>EU</td>
<td>European Union</td>
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<td>FDI</td>
<td>foreign direct investment</td>
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<tr>
<td>FIES</td>
<td>Family Income and Expenditure Survey</td>
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<td>FIT</td>
<td>feed-in tariff</td>
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<tr>
<td>FLCBs</td>
<td>farmland consolidation banks</td>
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<tr>
<td>FOIP</td>
<td>Free and Open Indo-Pacific</td>
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<tr>
<td>FTA</td>
<td>Free Trade Agreement</td>
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</table>
List of Abbreviations

G7 Group of Seven
GATT General Agreement on Tariffs and Trade
GDP gross domestic product
GPIF Government Pension Investment Fund
ICT Information and Communications Technology
ILO International Labour Organization
IMF International Monetary Fund
INDEC Intended Nationally Determined Contributions
IoT Internet of Things
IPOs initial public offerings
ISS Institutional Shareholder Services
IT information technology
J-NSC Jiminto (Liberal Democratic Party) Net Supporters Club
JA Japan Agricultural Cooperatives
JANE Japan Association of New Economy
JCG Japan Coast Guard
JILPT Japan Institute for Labor Policy and Training
JIP Japan Industrial Productivity
JGBs Japanese Government Bonds
JMA Japan Medical Association
JSC Japanese Stewardship Code
JSDF Japan Self-Defense Forces
JSP Japan Socialist Party
KPIs key performance indicators
LCC low-cost carriers
LDP Liberal Democratic Party
MAFF Ministry of Agriculture, Forestry and Fisheries
M&A mergers and acquisitions
METI Ministry of Economy, Trade, and Industry
MHLW Ministry of Health, Labor and Welfare
MOE Ministry of the Environment
MOF Ministry of Finance
MOFA Ministry of Foreign Affairs
MP Member of Parliament
MTDPs Medium-Term Defense Programs
NATO North Atlantic Treaty Organization
NDPG National Defense Program Guidelines
**List of Abbreviations**

NEDO New Energy and Industrial Development Organization
NIH National Institute of Health
NIPSSR National Institute of Population and Social Security Research
NISA Nuclear and Industrial Safety Agency
NRA Nuclear Regulatory Authority
NSC National Security Council, Nuclear Safety Commission
NSF National Science Foundation
NSS National Security Secretariat
OECD Organisation for Economic Co-operation and Development
PARC Policy Affairs Research Council
PAYGO pay-as-you-go
PFG Party for Future Generations
PM prime minister
PPP purchasing power parity
PR proportional representation
QQE quantitative and qualitative easing
R&D research and development
ROA return on assets
ROE return on equity
SMD single-member district
SMEs small and medium-sized enterprises
SNTV-MMD single nontransferable vote, multimember district
SRJE Secretariat for the Revitalization of the Japanese Economy
STOVL short take-off and vertical landing
TEPCO Tokyo Electric Power Company
TFP total factor productivity
TLOs Technology Licensing Offices
TPP Trans-Pacific Partnership
TSE Tokyo Stock Exchange
UN PKO United Nations Peacekeeping Operations
UNESCO United Nations Educational, Scientific and Cultural Organization
UNFCCC United Nations Framework Convention on Climate Change
### List of Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>US/USA</td>
<td>United States of America</td>
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<tr>
<td>VAT</td>
<td>value-added tax</td>
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<tr>
<td>VAR</td>
<td>vector auto regression</td>
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<tr>
<td>VC</td>
<td>venture capital</td>
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