

JAPANESE POLITICS IN 2017: LOOKING AHEAD



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I. THE SECOND AND THIRD ABE CABINET

1. Prime Minister Abe in the Fifth year as the prime minister

⇒ PM Abe has kept his position since Dec 26, 2012.

2. No reshuffling until Sep 3, 2014 ⇒ Unprecedented!

3. Long serving ministers ⇒ Unprecedented!!

1) Aso Taro (Deputy PM & Finance Minister)

Dec 26, 2012~

2) Suga Yoshihide (Chief Cabinet Secretary)

Dec 26, 2012~

3) Kishida Fumio (Foreign Minister)

Dec 26, 2012~

4) Yasuhisa Shiozaki (Minister for Welfare and Labor)

Sep 3, 2014~

5) Sanae Takaichi (Minister for Internal Affairs and Communications)

Sep 3, 2014~

II. Transformation of Japanese Parliamentary System and Prime Minister's Power

1. Political reform of 1994

- 1) The electoral reform: SNTV \Rightarrow FPTP+PR
- 2) Stricter regulations on political funding.

2. Administrative reform of 2001

- 1) More authority for the PM to formulate policies.
- 2) Expansion of the organizations supporting the PM
 - (1) The reorganization of the Cabinet Secretariat.
 - (2) The creation of the Cabinet Office.

3. Creation of the Cabinet Bureau of Personnel Affairs in 2014

\Rightarrow Expansion of Prime Minister's Power

III. Constraints on the Prime Minister: Diet

1. A strong second chamber: the House of Councilors
 - 1) Independent from the cabinet
 - 2) Almost the same power as the Lower House
2. PM with not so much to control over parliamentary business
 - 1) A decentralized committee system
 - 2) No control over agenda

IV. Challenges for PM Abe 2017

1. Three major challenges

- 1) Trump Administration
- 2) "Abenomics" and "Work Style" Reform
- 3) Legal measures to prepare abdication

2. Other challenges

- 1) Sino-Japan relation
- 2) Russo-Japan relation
- 3) Japan-Korea relation
- 4) Timing of general election

V. Three Major Challenges

1. Trump Administration

1) The largest issue: predictability

2) Withdrawal from TPP \Rightarrow Japan has to redesign its external economic policy.

(1) US-Japan FTA?

(2) Regional Comprehensive Economic Partnership?

(3) Japan-EU Economic Partnership?

3) Pressure on Japanese companies to abide by the principle of "America First"?

4) Larger role in the regional security?

(1) Increase in defense budget?

(2) More involvement in South China Sea?

2-1. "Abenomics" fading or stagnating

1) The change in monetary policy in September 2016.

(「総括的な検証」と「長短金利操作付き量的・質的金融緩和」)

2) Growth Strategy or Structural reform

(1) Slow since spring of 2015

(2) A little progress toward the end of 2016

⇒ TPP related bills and IR bill

(3) Important issues stagnating

a) Labor market reform

b) Deregulation related to internet related services (Eg. Uber and AirBnB)

2-2. "Work Style" Reform (「働き方改革」)

1) Equal pay for equal work (「同一賃金同一労働」)

(1) Eliminate wage differences between the regular workforce and irregular workforce

(2) Raise wage level

⇒ Real issue: job security

2) Other possible agendas

(1) Elimination of long working hours

(2) Job training

(3) More flexible labor market?

⇒ □ Real issue: more flexibility needed for a certain segment of the labor force.

3. Legal measures to prepare abdication

- 1) Abe cabinet intends to legislate a special bill.
- 2) Advisory council has been discussing this issue.
- 3) Issues to be considered.

(1) Legislation of a special bill or revision of Imperial Household Law?

(2) Government bill or private bill?

(3) Ordinary session or extra-ordinary session?

VI. Other Challenges

1. Sino-Japan relationship

- 1) Tension over the Senkaku islands
- 2) South China Sea

2. Russo-Japan relationship

- 1) PM Abe eager to conclude peace treaty negotiations.
- 2) Joint economic activities (共同經濟活動) in the northern territories.

⇒ Russia has no intention to return any of the northern territories.

3. Japan-Korea relationship

Deteriorating because of the comfort woman statue in Pusan.

4. Timing of the next general election

1) 2017?

(1) January or February

(2) Toward the end of the year

(3) Why? It is very difficult to hold a general election once preparations for legal measures to enable abdication begin.

2) 2018? → The more you wait, the more you lose leeway to choose the timing of the election.