

**JAPAN AT A CROSSROADS IN 2014:
ABE SHINZO'S POLITICS
AND ABENOMICS**

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Executive Summary

1. In 2014, Prime Minister Abe Shinzo consolidated his power, facilitating his initiative to transform postwar Japan despite two major setbacks in the year: the stalling of the economy after the hiking of an unpopular consumption tax in April from five to eight per cent and the resignation of two female ministers in October for money scandals.
2. There were also public misgivings over Abe's controversial policies: the restarting of nuclear power stations idled after the 2011 nuclear meltdown at Fukushima, the cabinet decision to reinterpret the pacifist postwar constitution to permit collective security and the implementation of a state secrecy law in November 2014.
3. In a bold gambit to seek public support for Abenomics, renew his political mandate and catch the political opposition unprepared, Abe dissolved the Lower House and won at a snap election with a "super majority" of more than two-thirds of the Lower House seats in December 2014.
4. For the following four years after this election, the ruling coalition's two-thirds majority in the Lower House will allow it to override any veto of the Upper House over legislation. This "super majority" of seats will empower the ruling coalition to hold the chairmanship of all 17 standing committees in the Lower House.
5. The Abe administration will control the legislative process and agenda, and avoid the political gridlock of a split parliament (Lower and Upper Houses in the hands of different parties) which had previously paralysed policymaking since 2007.
6. After securing his landslide electoral victory in December 2014, Prime Minister Abe will probably win another three-year term as the president of the ruling LDP in September 2015. If his administration can avoid further political scandals, then Abe is in a good position to remain in power until 2018.

7. Though Abe claimed that his greatest priority after winning the 2014 Lower House Election is to boost the Japanese economy, he may be distracted by his ideological quest to “escape” from the pacifist “postwar regime” of Japan. Shortly after his electoral victory, Abe declared that constitutional revision has consistently been the ruling Liberal Democratic Party’s goal since its establishment in 1955.
8. If Abenomics were to succeed within the next two years, Prime Minister Abe has the opportunity to secure a two-thirds majority in the forthcoming 2016 Upper House Election. He will probably push for constitutional revision in both Houses of parliament followed by a national referendum.