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Japan Ruled by the Ghost of ABENOMICS

Political Assassination or Grudge Murder?

The murder of former Prime Minister Shinzo Abe is not a political assassination but a grudge murder.* The argument as if it were "political terrorism," such as "a challenge to democracy" or "the extermination of an irreplaceable politician," is misleading. In Japan, whipping the dead is considered to be against social norms, and it is common to honor the deceased. However, when it comes to politicians, shouldn't the achievements and harms caused by their claims and policies be sorted out and evaluated?

* The murderer harbored an intense grudge against the Unification Church and initially targeted Unification Church officials, but failed to achieve his goal. Therefore, he turned his

target to Shinzo Abe, who had sent a congratulatory address message (<https://www.youtube.com/watch?v=qtzkP2Pi9tY&t=71s>) to the conference organized by Unification Church in 2021, in an attempt to fulfill his grudge for the destruction of his own family. Furthermore, it should be noted that ex-Prime Minister Nobusuke Kishi, Shinzo Abe's grandfather played a key role to invite the Unification Church to Japan in the 1960s. Not only his grandfather but his father Shintaro Abe had also been involved in the expansion of the Unification Church. The two politicians, i.e. Kishi and Abe (Shizo's father) had a personal relationship with the founder of the Unification Church. Thus, three generations of Kishi-Abe families have been deeply involved in the movement and activities of the Unification Church in Japan.

Over the years, the murderer's mother made huge donations of more than 100 million yen to the Unification Church, which forced the family to compel into poverty and caused his father to commit suicide, thus destroying his family entirely and leaving him to spend his boyhood in hardship and poverty.

At present, the Unification Church of Japan has many lawsuits. In the past 35 years, the organization got about 35,000 lawsuits amounting to more than 100 billion yen. A large amount of the claims are from the fraudulent sale of exorcism services (to people led to believe that they are possessed by evil spirits).

Many politicians, mainly of the ruling party get political donations from the Unification Church, simply because the organization pledges to the anti-communist organization, and thus politicians and the Church have mutual benefit from their relationships.

In recent years, grudge murders have been frequent in Japan. In the Kyoto Animation arson case and the arson case at a clinic in Kita-District, Osaka, the lives of many people (36 lives and 26 lives respectively lost in a very short time) who had nothing to do with the perpetrators were lost. These are extremely inexcusable murders that have been caused by selfish resentment. The regret of the victims and their families is unimaginable. We need to carefully analyze the pathology of Japanese society that allows such grudge murders to occur and take possible countermeasures.

On the other hand, am I the only one who feels that there is something unsettling about the murder of former Prime Minister Abe? The birth of Prime Minister Abe has stimulated the activation of many right-wing and extreme right-wing forces. This is because the breakthrough of the sense of stagnation that had filled the right-wing forces in Japan has become a reality. In fact, Shinzo Abe, a politician with a single-minded mindset, was so determined that he steered Japan toward the exercise of the right to collective self-defense with the U.S., which the right-wing forces in Japan had failed to

achieve, and raised expectations for constitutional change. In any historical era, politicians who raise simple slogans and forcefully push one-sided arguments are always needed to break the deadlock. Such a chance is rare, but for the right-wing forces in Japan, which had been feeling a bit blasé about the situation, the emergence of a politician who was thoughtless but recklessly assertive was a once-in-a-lifetime opportunity. Shinzo Abe himself also actively sought to expand his own power by working with a number of right-wing organizations.

Shinzo Abe's lip service to the former Unification Church* is part of this movement. Former Osaka Governor Toru Hashimoto has said that the Unification Church is "just one of many organizations that Prime Minister Abe was involved with," but Shinzo Abe has actively recruited organizations and individuals that he considers close to his ideology. Regardless of their backgrounds, he has actively facilitated the organizations and individuals that have approached him and has made maximum use of them to expand his influence. Moritomo Gakuen (the organization which established an elementary school with Sinto religion and appointed Mrs. Abe as the school headmistress) is also one such organization. Lest we forget, in the course of granting facilities to the organization, a local official committed suicide because he was enforced to execute illegal procedures by the command of the prime minister's office. Whenever this kind of issue is raised at the parliament, Prime Minister Abe has always avoided responsibility, claiming that he was not directly involved in the matter, and has never shown a shred of integrity as a politician.

* Originally, Unification Church, and now renamed Family Federation for World Peace and Unification which was established by Korean Sun Myung Moon (1920–2012).

On the other hand, the organizations and individuals who court politicians and make donations to them have their own calculations and designs. In particular, it is important for exploitative organizations that are anti-communist and run unscrupulous business practices to have the backing of politicians in order to avoid intervention by the police. A "give and take" relationship has been established, in which the exploitative organizations have become the politicians' close friends, and the politicians get political donations from

dishonest businesses and/or cult religious organizations. However, this relationship always turns into one of defection and resentment. When an exploitative organization becomes a social problem, politicians are quick to claim their innocence and explain that their names were used without their permission. The words and actions of these politicians are a source of resentment and revenge. In the current case, i.e. the Unification Church all the politicians who are being discussed for their relationship with the former Unification Church are also running for cover. They are not ashamed of their own ignorance. It is truly unbecoming.

The Economic Crime of ABENOMICS

Another argument that is disconcerting is the unconditional praise of ABENOMICS, triumphantly announced by Prime Minister Abe, which is no more than a reflationary policy with the nature of an economic ideology.

Did Japan's economy revive with the massive monetary easing and the weakening of the yen? The Bank of Japan's long-term monetary easing has inflated its holdings of government bonds of the BOJ to the equivalent of one year's GDP. No other central bank in the advanced economies has underwritten so much government debt. On the other hand, accumulated government debt has reached 2.5 times GDP. In effect, the BOJ is providing fiscal financing. The possibility that this will have a serious and critical impact on the Japanese economy in the future is as probable as the earthquake below the Tokyo metropolitan area. Even without a final crisis, each crisis in the global economy will expose its vulnerabilities. The current round of general price increases is one such phenomenon.

The BOJ has already lost its monetary policy tools. While other advanced economies have responded to price hikes by raising interest rates, the BOJ has been unable to change its accommodative monetary policy. Raising policy rates would not only increase the burden of government debt on the national budget but would also cause the BOJ's financial balance to deteriorate, possibly resulting in excess liabilities. Furthermore, a

change in monetary easing policy would result in the withdrawal of funds from the financial markets and a collapse of the stock market.

The easing policy, which has continued for as long as 10 years, has led not only financial institutions but also manufacturing and trading companies to invest their surplus and borrowed funds in financial investments. Much of the easing funds have gone into a financial investment rather than into expanding the real economy. Monetary easing policies have stimulated financial investment more than they have stimulated the real economy. Large corporations and wealthy investors who can afford to make financial investments are the biggest beneficiaries of ABENOMICS. If the monetary tightening policy were to be changed at this point, the performance of companies that are deeply involved in financial investment would deteriorate. Furthermore, companies that rely solely on imports will suffer from soaring import prices, while large companies that can consolidate the earnings of their overseas subsidiaries will benefit from the persistent depreciation of the yen, which has brought them a windfall of foreign exchange gains. This is why the yen cannot be induced to appreciate through monetary tightening. The present Kishida cabinet's excuse to avoid tightening policy is that this will cause a downturn in the economy.

On the other hand, what will happen if monetary easing policies are continued and economic stimulus policies supported by the fiscal stimulus through the issuance of government bonds are implemented? The Japanese economy will become increasingly unable to escape from the "debt trap," and the super depreciation of the yen and hyperinflation will eventually sink the Japanese economy.

In short, Japan can no longer get out of the current situation without suffering a major blow, whether it continues with monetary easing or turns to austerity measures. The "hell of going forward and the hell of going backward" awaits Japan. This situation has been brought about by a decade-long continuation of the thoughtless economic policy known as ABENOMICS.

Even at this stage, the majority of political forces in Japan are still advocating ABENOMICS and insisting that the economy will recover through fiscal stimulus by

issuing deficit-covering government bonds. The inept opposition parties also either agree with the ruling party's claims or, like the "Reiwa Shinsengumi," only advocate policies that are even more ill-considered than those of the ruling party. If Putin's invasion of Ukraine was a war crime, ABENOMICS is an economic crime that will leave serious repercussions for the Japanese economy. Yet, the majority of the society in question only praises their respective political leaders. What would we call this without calling it fascism? Despite the difference between wartime and peacetime, Russia and Japan are identical in that the majority of the society unanimously praises the political leaders for their misguided policies. Before criticizing Russian society, we should realize the abnormality of our own society.

The Pseudoscience of Economics

We were surprised, however, by the words of Professor Emeritus Koichi Hamada of Yale University. He said, "I have learned a lot from Prime Minister Abe," (*Asahi Shimbun Digital*, July 22). Mr. Abe was a student who had never studied economics properly. Nothing tells us more about the ineffectiveness of contemporary economics than this statement and action. If it is possible to talk about economic policy whether one has studied economics or not, what value does economics have?

Economists like Prof. Hamada, who uses mathematical models to discuss extremely limited abstract problems, have no awareness of the question of how well their arguments capture the real world. They are caught in the deluded idealism that the conclusions of abstract thinking contribute to understanding the real world. This is a fatal flaw common to "contemporary economics," which argues only with abstract numbers and logic. No matter how many Nobel laureates are produced, this will not help us understand the real world.

However, it is not only academics who have never run a company and are exclusively speculating in their laboratories who are under this illusion. High-ranking bureaucrats and politicians like Governor Kuroda, who have never bought an airline ticket or paid for a

hotel with their own wallet, also never feel the yen's depreciation or the rise in consumer prices. Nevertheless, they can advocate a 2% inflation target and policies to induce a weaker yen without knowing the reality. This is the reality of contemporary economics and economic policy.

The perception of deflation, that prices have continued to fall, is also strange. Prices have not risen, but there is no evidence that they are continuing to fall. What has clearly continued to fall over the past decade is the exchange rate of the yen. If they have never made daily purchases, and if their organization pays for their airline tickets and hotels, they have no idea of the real consumer economy. These people are deciding the nation's economic policy. Is this normal national decision-making?

There are also some people and politicians who claim that since consumption accounts for 70% of GDP, the way to economic recovery is to increase consumption. This argument looks at GDP, a production concept, from the phenomenon (result) of expenditure composition, but this is a mistake of judging the essence by looking only at the phenomenon. It is a simple tautology and not an economic, but an arithmetic calculation. GDP is not just an arithmetic calculation; it is the quality and quantity of labor that determines the size of GDP. In a mature economy, the number of new workers is not increasing; on the contrary, the labor force is decreasing. Productivity gains through technological innovation are also limited. In an economy with a declining population and decreasing labor force like Japan, GDP itself will shrink over the long term. The goal of Japanese society should be to build a socially stable and sustainable economic society, not to increase the GDP, an abstract and inorganic number. The Japanese prosperous era of rapid economic growth is long over. We need to build our socioeconomic policies based on this understanding.

The deterioration of economic discussions to inorganic numbers and mathematically based models is degrading the quality of economic discussions. When the late Shinzo Abe, retired prime minister, claimed that the Bank of Japan is a subsidiary of the government and that it should just print more and more banknotes, there is no honest

criticism from "economists". Does Prof. Hamada not have the ability to judge this ridiculous claim? This is a truly bizarre social phenomenon.

The government has responded to the question raised by the MP that the government and the BOJ are not in a parent-subsidiary relationship, but what do economists other than scholars flattering to power think about this? No clear criticism has been made by so-called macroeconomists. The lack of criticism could be taken as acceptance. Is contemporary economics that impotent?

The government's accumulated debt, which has ballooned to more than twice GDP, is equivalent to roughly 25 years of tax revenues. The question is simple. Can this accumulated debt be eventually "cleared" without having to be repaid, or is it a debt that Japan's future generations will have to carry for a long time? It is the flattering scholars and the late Shinzo Abe who believe that "there is no debt problem in Japan because the parent company and its subsidiaries' credits and debts will be offset." Spreading this demagoguery and inducing the accumulation of public debt is the same economic fraud as the psychic sales method like the Unification Church, and is a clear national economic crime.

Claiming that "the debt will disappear because the government and the Bank of Japan are a parent and subsidiary companies" is an imaginary question and answer in one's mind. Even if it disappears in the mind, in reality, government debt and BOJ claims cannot be offset. If the BOJ were to actually publicly announce the offsetting, the BOJ would at one stroke fall into a massive debt overhang, Japan's national credit would collapse, and a massive plunge in the yen would ensue. As long as the offsetting is done in one's mind, there will be no credit collapse.

These self-evident truths also seem to be difficult to understand for the professors who are considered to be the gurus of economics who are developing mathematical models. Or do they think that government finance and Bank of Japan policy are not issues for economists, but for government and Bank of Japan bureaucrats? Many academics have wondered why Prof. Hamada has become a chaperone of ABENOMICS. It is simply a relationship of "haves and have-nots", in which a "big shot" who has nothing to

do with economic policy has used flattery against the former Prime Minister Abe, while Shinzo Abe, a politician with an academic career complex, uses the dignity of "Yale University professor and economic big shot" who agrees with his policies. Some were concerned that this might tarnish the scholar's later years of Prof. Hamada, but there have been many cases of scholars who have not had the opportunity to be in the limelight on the political stage, but who have become dazzled by worldly honors in their later years. Still, one can only realize the powerlessness of contemporary economics.

I had hoped that former Prime Minister Abe would see the final result of ABENOMICS. How the public debt that has accumulated over the past 10 years of ABENOMICS has brought disaster to Japan's economy and society. The LDP, which has claimed that nuclear power plants are 100% safe, has not taken any responsibility for the nuclear accident. The same goes for Even if the insincere politician Shinzo Abe were still alive, he would never admit that ABENOMICS brought about future disasters. After all, that is what politicians are for. It is a vindictive murder that leaves only a sense of futility.