

Radical Economic Policy Shift in Japan

How will Big Spending and Inflation Target Setting work out?

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Krugman is rejoicing about the big spending program announced by Japan's new prime minister ABE Shinzo.

Abe is better positioned than anyone in the OECD countries to pursue this course, but the key question of whether this can, under today's globalized trade regime, allow an advanced high-pay industrialized country to grow sufficiently to pay back the debt still seems open and insufficiently addressed by the pundits, be it Takahashi or Krugman.

To understand how Mario Monti thinks, it helps to be familiar Corriere della Sera.

To understand Abe Shinzo and his ministers, watching SakuraSoTV helps a lot.

I have been following both for years.

Here Abenomics guru Takahashi explains Benefit/Cost analysis for public infrastructure investments.

Takahashi is a counsellor of Asou Tarō who is running economic policy in Abe's government, and several of the ministers have been guests in the weekly discussion programs of Sakura, where they helped to shape a policy consensus that was directly transferred into the current government.

Here's more Abenomics from Takahashi, with reference to Krugman and suggestion that Germany will lose as Japan wins, quoting uneasiness expressed by Schäuble.

Takahashi says that Germany is a victim of its export-dependence and of monetarist orthodoxy, and is taking the eurozone down with itself.

Sounds like what Berlusconi says, who is btw continuing to rise in polls also because of objective weaknesses of other positions.

Here's a thoughtful skeptical view of Abenomics.

Here's a German warning against "currency war" launched by Abe government:

TAMURA Hideo, economics journalist of Sankei Shinbun who also participated in consensus-shaping discussions of recent years at SakuraSoTV explains Abenomics, for which he has just published an introductory advocacy book.

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