Secret Meetings Hidden in the Schedule: Who is Whispering to the Bank of Japan?

Investigating Political Influence on Monetary Policy and Central Bank Independence in Japan Using Data

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INTRODUCTION

Political leaders in both Japan and the U.S. have *openly expressed strong preferences about monetary policy*, raising longstanding questions about *political pressure on independent central banks*.

JAPAN
"We must keep monetary policy accommodative until real wages stably turn positive." "I think it would be stupid to raise interest rates now."
Sanae Takaichi, quoted in Kihara (2024)

UNITED STATES
"Who is our bigger enemy, Jay Powell or Chairman Xi?" "THE BOARD SHOULD ASSUME CONTROL, AND DO WHAT EVERYONE KNOWS HAS TO BE DONE!"
Donald Trump, quoted in Trump (2019) and Reuters (2025)

This project *constructs* and *interprets data* to examine whether the Bank of Japan's formal, de jure independence is reflected in de facto political practice in Japan.

- **CBI: Central bank independence laws** serves to **protect monetary policy** from short-term political incentives, often harmful long-term. However, this is **not always enforced** and thus political influence is important to study, especially in Japan where the Bank of Japan (BOJ) is obligated to maintain close contact with the government (Bank of Japan).
- **Method:** Although financial meeting details are not explicitly tracked, **by-the-minute, public Prime Minister daily schedules** make it possible to **construct** this **data**. **Interpretations** can then be made to **predict** instances of **high political pressure**.
- **Similar Studies:** My project takes inspiration from Drechsel (2026), who uses Presidential Daily Diaries to measure meetings between U.S. presidents and Fed officials and a narrative approach to show how political pressure leads to higher inflation.
- **Main contribution:** the construction of **new dataset from Yomiuri Shimbun/ Yomidas** daily PM schedules, recording date, start/end time, duration, location and the officials names, titles and parties (when relevant) for **2,130 financial meetings from 1989-2026** (Yomidas).

METHODOLOGY

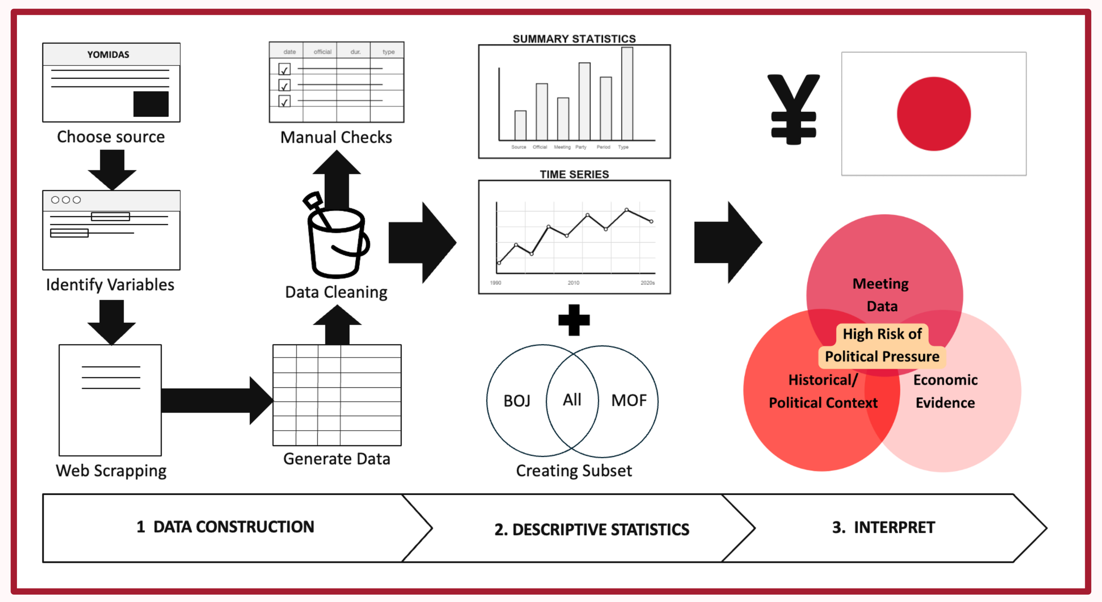

Figure 1. Overview of the Methodology: *The visual gives an overview of the methodology, broken down into 3 crucial steps. Descriptive statistics were made using data constructed via researching, web scraping and cleaning/ checking entries. Political pressure was then predicted when all three components of the framework, including the meeting data, historical/ political context and economic evidence, led to the same narrative. The highest risk of political pressure is thought to be found at the intersection of the Venn diagram.*

1. Scrapping Japanese Text and Constructing New Dataset

PM daily schedules were collected from the Yomidas Historical Database (Yomiuri Shimbun), and the key variables shown in Figure 2 were extracted. The PM's name, party, and meeting duration were then derived. When meeting times were unclear, durations were estimated using consistent rules and a large sample of entries were manually checked (Figure 1).

Japanese Web-scraped from Yomidas

【平成元年】1989.11.9(木) 全国版 東京朝刊 三面 3頁 372文字
［首相の一日］ １１月８日
【午前】７時５０分…１１時１０分、公邸。同４５分、官邸に戻り、澄田智・日銀総裁ら…
【午後】０時３０分、政府与党連絡会議…

Web-scraped Data Translated Into English

【Heisei 1】 November 9, 1989 (Thu) – National Edition, Tokyo Morning Edition, Page 3 (3rd Section), 372 characters
［The Prime Minister's Day］ November 8
【Morning】7:50 MIN... 11:10 MIN: Official residence. 45 MIN: Returned to the Prime Minister's Official Residence; met with Bank of Japan Governor Satoshi Sumita and others...
【Afternoon】12:30 MIN Government-Ruling Party Liaison Meeting...

Extracted Variables
Date: Nov. 8, 1989
Day of the Week: Thursday
PM: Kaifu Toshiki
PM Party: Liberal Democratic Party (LDP)
Official Name: Satoshi Sumita
Official Position: Bank of Japan Governor
Place: Prime Minister's Office
Start Time: 11:45 AM
End Time: 12:30 PM
Duration: 45 min

Note: Derived Variables = PM Name, PM Party and Duration was derived from data.

Figure 2. Example of Data Construction Process for November 8th, 1989: *The figure shows the Japanese text web-scraped directly from Yomidas, its English translation and a summary of the constructed variables, including those extracted and those derived.*

2. Visualising and Summarising Data

Visual summaries were created to examine meeting frequency, duration, location, personnel, and one-on-one meeting patterns for each PM. Restricted samples e.g. BOJ-only meetings, were also created to focus more on political pressure by eliminating standard fiscal meetings.

3. Interpreting Results Using Historical and Economic Data

To avoid treating meetings caused by economic conditions as political pressure, high-meeting periods were interpreted alongside historical, political, and economic context. This helps construct a more plausible narrative and tackles endogeneity.

RESULTS

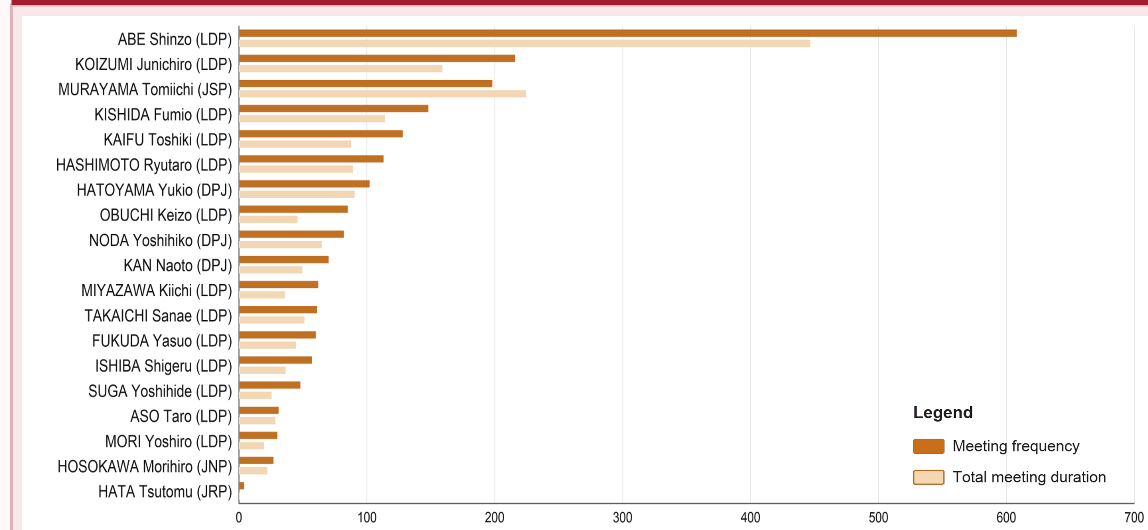

Figure 3. PM Interactions with Minister of Finance, BOJ Governor and/or BOJ Deputy Governor: *Abe, Koizumi, Murayama, and Kishida rank highest in both the frequency and duration of meetings.*

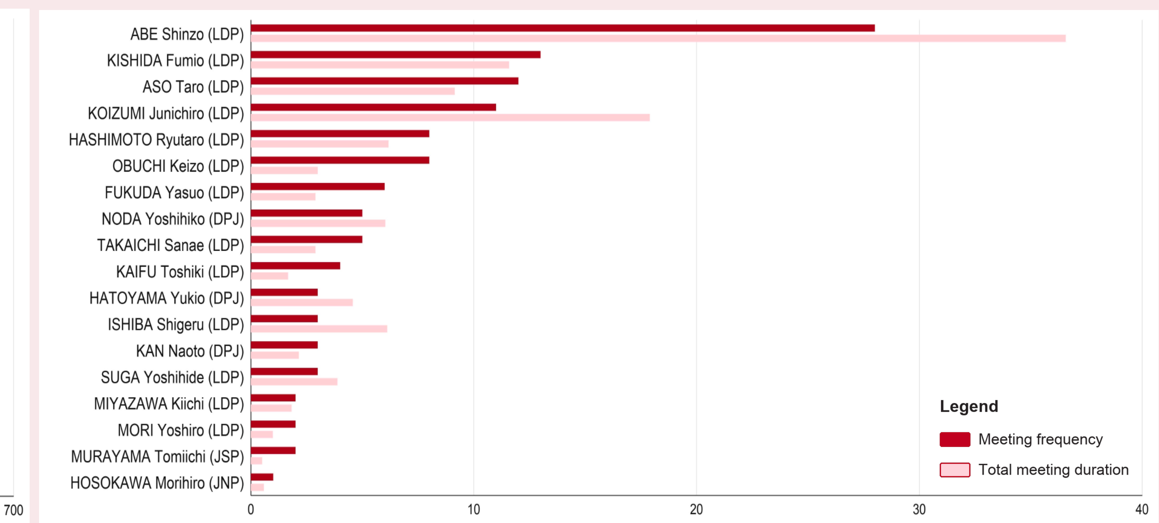

Figure 4. PM Interactions with BOJ Governor and/or BOJ Deputy Governor: *Abe, Kishida, Aso, and Koizumi generally rank highest in the frequency and duration of meetings.*

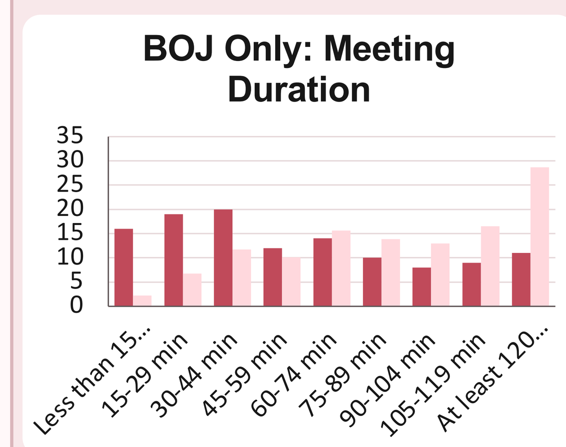

Figure 5. Duration of All Recorded Meetings: *There is a relatively equal spread in the duration of meetings, although there is a higher frequency of shorter meetings than longer meetings.*

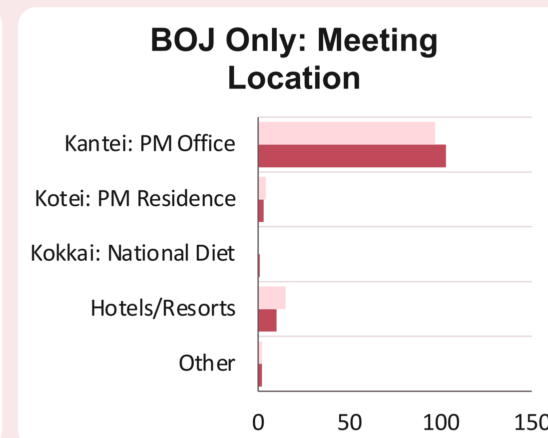

Figure 6. Location of All Recorded Meetings: *Most interactions are at the Kantei, the PM's office. Fair amounts of hotel and resort interactions may suggest more personal and informal relations between the PM and BOJ officials.*

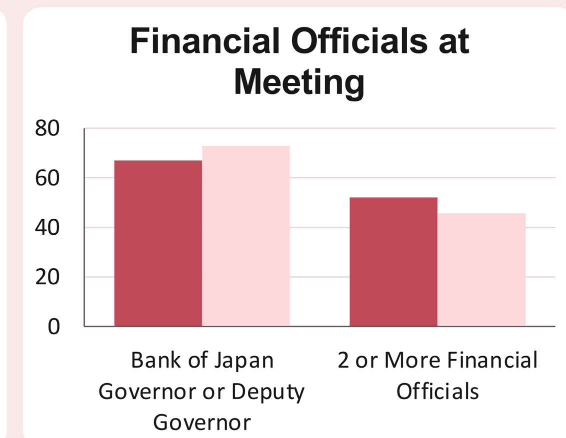

Figure 7. Number of Financial Officials in the Meeting: *Not a significant difference in the proportion of meetings between just the BOJ officials and those with multiple financial officials (BOJ Governor/ Deputy Governor/ MOF) recorded.*

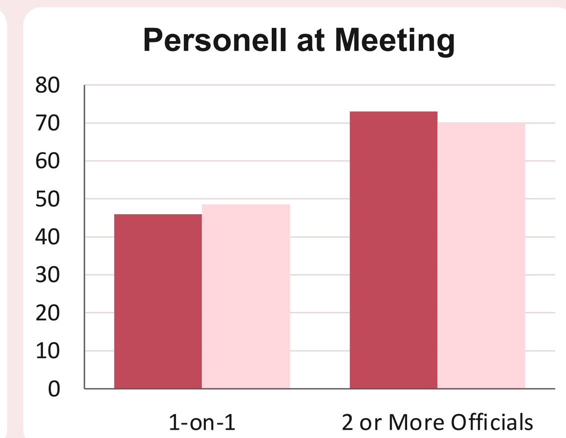

Figure 8. Share of 1-on-1 Interactions by PM: *The proportion of 1-1 meetings are lower than meetings with multiple people. This suggests that there may have been limited instances where the PM could converse privately and apply pressure.*

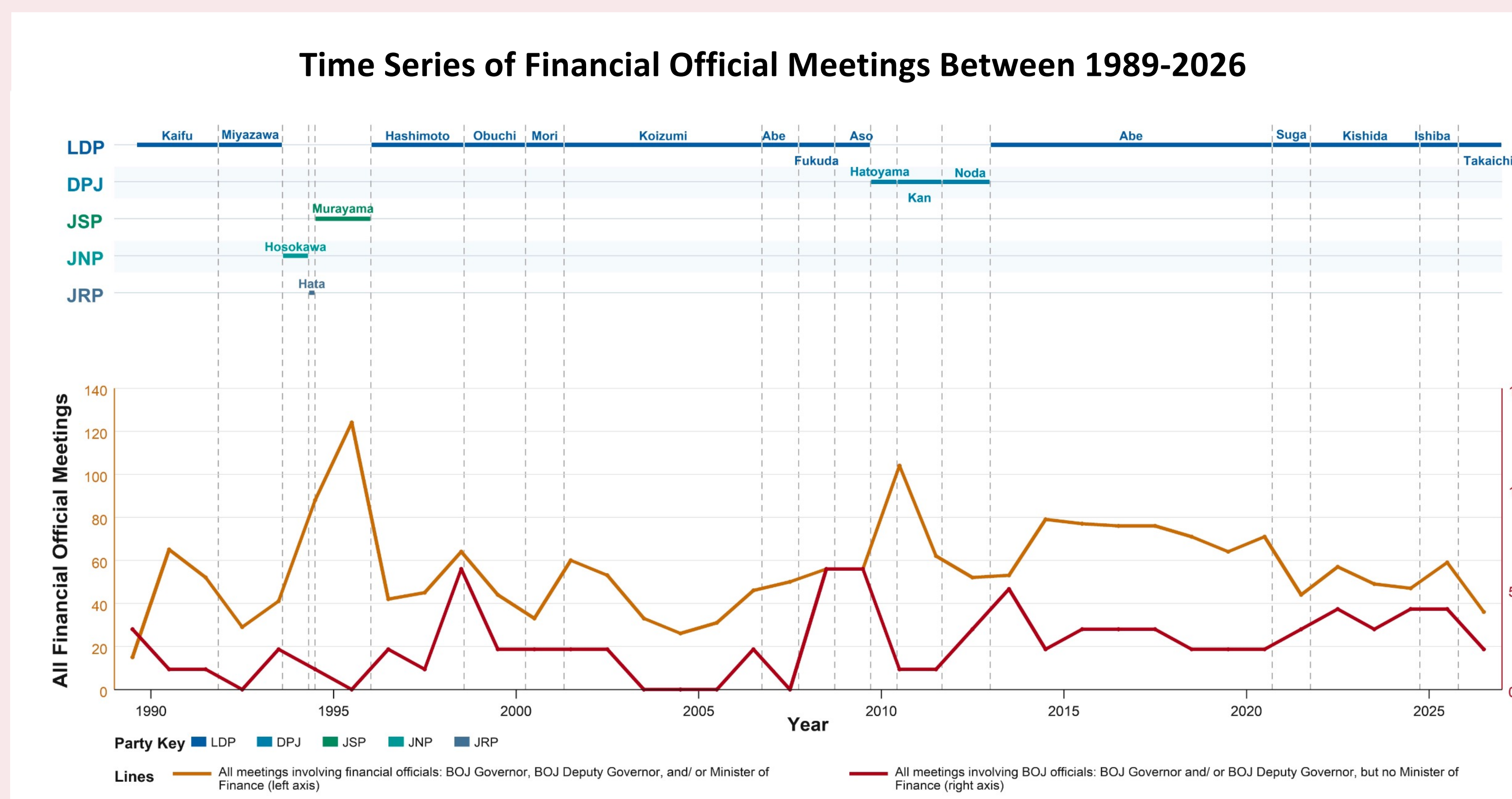

Figure 9. Time Series of PM Interactions with Financial Officials: *Demonstrates when PM interacted more frequently via meetings with financial officials in relation to time. The orange line includes meetings with the MOF, BOJ Governor, and/or BOJ Deputy Governor, while the red line isolates BOJ Governor/Deputy Governor meetings where the Minister of Finance was not present. Paired with political context, this helps identify periods where meeting frequency increased before elections, during scandals, or under other politically sensitive conditions.*

SUBSET

Why Focus on BOJ-Only Meetings?

Most analyses use the stricter BOJ-only subset sample to focus on direct PM-BOJ contact and avoid treating routine MOF fiscal coordination meetings as monetary policy and central bank pressure.

VARIABLE KEY

PM = Prime Minister
BOJ = Bank of Japan
MOF = Minister of Finance
CBI = Central Bank Independence
MPM = Monetary Policy Meeting

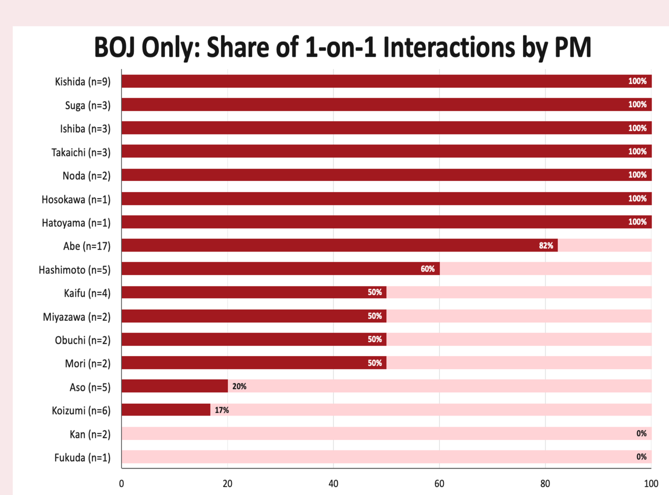

Figure 10. Share of 1-on-1 Interactions by PM: *Higher shares of 1-on-1 interactions suggest more direct PM-BOJ contact, which may make political influence more plausible, but the framework should be referenced. Kishida and Abe stand out the most as they combine relatively higher BOJ-only meeting counts with high 1-on-1 shares. This may also be evidence of their close, personal relationships with one another.*

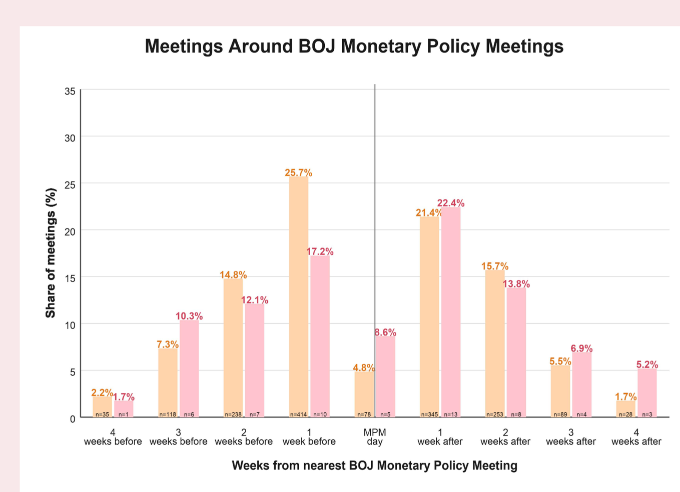

Figure 11. PM-Financial Official Meetings Around BOJ Monetary Policy Meetings: *Shows when recorded PM-financial meetings occurred relative to the nearest BOJ Monetary Policy Meeting (MPM) (Bank of Japan, 2026). The clustering of meetings in the week before and after MPMs suggests that PM-financial official contact often occurred close to formal monetary policy decision-making, though this may reflect routine policy explanation rather than direct political pressure. November 1989-May 31, 2026, data only.*

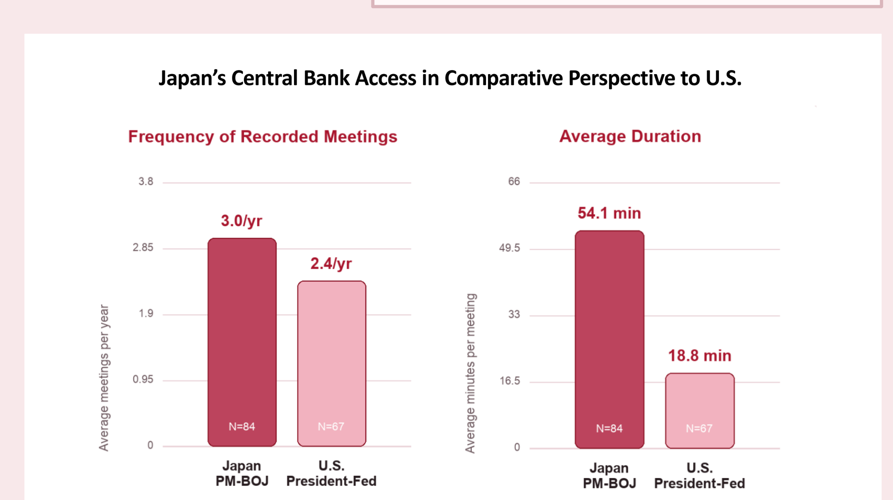

Figure 12. Comparing Meeting Times Between the Leader of Japan/ U.S. and Financial Officials: *Japan's PM-BOJ meetings (3.0/ year) occur at a somewhat similar frequency to U.S. President-Fed meetings (2.4/ year) between 1989-2016, but last much longer on average. Since Drechsel (2026) shows that President-Fed meetings can affect inflation and expectations, Japan is an interesting case to study political access to central bankers, while it is still crucial to treat meetings as evidence rather than proof of pressure.*

CONCLUSION

General Approach

- **Meeting patterns vary sharply by PM, suggesting that contact with financial officials was not constant but changed depending on the administration, economic conditions, political context, leadership styles and personal relationships, among other factors.**
- Drechsel (2026) identifies political pressure in the U.S. from President-Fed interactions, even though the meetings recorded for the same time period were not as long or frequent as in Japan. This makes **Japan** a **valuable case** for **studying whether meeting-based data may also signal pressure** outside the U.S.
- Poisson results show that BOJ-only meetings increase by 35% in the month after industrial production declines. Therefore, some **meeting spikes may reflect real economic stress** and thus, the **framework and narrative approach are necessary** to distinguish routine meetings from politically incentivised ones.

Abenomics: Period of High Political Pressure

- The high PM-BOJ contact and share of 1-on-1 interactions during the Abenomics period suggest that Abe had more direct access to BOJ officials compared to the other PMs. With changes to monetary policy and aggressive easing to achieve a 2% inflation target being central to Abe's political platform, there is **strong evidence** that **political pressure existed** during the **Abenomics period**. His implied threat to revise the BOJ Act, which protects CBI, if the BOJ refused to cooperate with his policies in his statement further supports this view (Kaneko and Kihara, 2012).
- Nonetheless, given Japan's prolonged deflation, **monetary easing** appeared to be not only politically convenient but also **economically necessary** at the time, although economists have mixed opinions about the results ex post.

SIGNIFICANCE & FUTURE WORKS

- **Significance:** Although CBI is typically studied through laws and formal policy decisions, this project **shows** how **meeting-level data** can be used to **study political influence more practically**. While most countries do not have similarly detailed public schedule data, Japan's case demonstrates the **value of publicising political schedules** and suggests that other countries could benefit from more transparent media coverage for CBI.
- **Future Works**: **Expanding the framework** by looking at data beyond the three pillars via analysing Nikkei and other economic newspapers could help understand the more ambiguous. Takaichi's recent plan to revise Japan's economic blueprint to clarify BOJ independence shows that this framework can keep being used to see whether political pressure continues even when policy language formally protects the BOJ (Reuters, 2026).

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