

# Japan's Attempts at Political Reform: Are they Helping or Hurting?

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## **Introduction**

During the last six years political reform in Japan has become an issue of enormous proportions. The people of Japan have been demanding change due to the recent political scandals but unfortunately because of all the upheaval that has taken place, the reform agenda is not always top priority. Political parties such as the Liberal Democratic Party (LDP) have primarily been concerned with keeping themselves in office even if it is not always the right thing to do for the people of Japan. The LDP was the monopoly of Japanese politics for 38 years that finally fell to an opposition coalition in 1993. After some major electoral changes, the LDP regained the forefront once again in 1996. As of yet the effects of this struggle for power in Japanese politics and reform can not be critically analyzed. But I feel the LDP has learned some crucial lessons on what the Japanese people want and how to better serve them. These lessons that they have learned will help the LDP remain in power longer.

To help better understand what reform means, it is defined as to amend one's way, or to improve. This paper will explain that not all reforms are the same and not all of the political parties in Japan view reform the same way. Corruption is another important concept to be covered in depth and is defined as to make rotten, or to be

influenced by bribery. Reform and corruption are two central and opposing key terms to the LDP rule and the opposing coalition rule. It is interesting to see that they are also inter-related because corruption greatly influences reform and reform has an impact on corruption.

In this paper, I am discussing the history of political reform in Japan, why reforms are so needed in the Japanese political system, and the progress that has been made to enact reforms. I will also look at the differing views on political reform according to party and the success or failure of many reforms. Through analyzing all this data I hope to conclude whether the drive for reform is actually helping or hurting Japan as a political nation.

### **The Beginnings of Reform**

In the postwar period, Japan's central and local bureaucracies formed unofficial but strong alliances with many businessmen and politicians around the country. The bureaucracy's power was built on regulation, but still remains somewhat dependent on the government. The politicians have an important role in the triangle because of their strong influence over the bureaucrats. Even the most senior bureaucrat officials could never be appointed without certain politicians' approval. Despite this dependability on politicians, unaccountable bureaucrats were still able to thrive in a system where they were not kept in check. During the postwar era politicians would avoid controversial issues in order to perpetuate their standing in office. When the Japanese public began to question the frequency of political corruption in the 1980's, the LDP told them that political corruption was inevitable because the electoral system was so expensive and

therefore they needed as much money as possible.<sup>1</sup> The LDP argued that because of the multi-seat electoral system, politicians were thrown into a trap of competition between themselves and other members of the LDP, each trying to buy support through favors. In May 1989 the LDP adopted an Outline on Political Reform which stipulated mainly electoral reform. But the public wanted more than electoral reform, they wanted an end to corruption. So the LDP proposed tighter rules on political funding and fines on violators, at the same time as proposing to change the electoral system. This debate went on for four years before another scandal became known and the LDP realized they had to do something. This scandal was called the Kanemaru scandal, and was the one that exposed the iron triangle.

The iron triangle is a link formed between big corporations, politicians, and bureaucrats in Japan. It has crushed any popular demand for change in Japan for numerous years and has been under intense scrutiny for some time. The side effects of the LDP power for so many decades tainted not only politics, but also government and business, as explained by Masumi in,

The [LDP] party's policy research councils, set up to deal with each ministry and agency, poked their noses into administration business, while the bureaucrats began habitually to bypass the Diet, seeking policy adjustments only with LDP-related committees. (260)

Bureaucrats were even able to persuade the private companies under their jurisdiction to manipulate their employees to vote for the LDP. Corporations chose to join the iron triangle by trading donations for political favors and hiring retired bureaucrats to serve as advisors. Only when a non-LDP coalition government took power were bureaucrats forced to change their ways.

Political corruption unfortunately worsened in the 1980's due to the success of the economy. This caused politicians to become very rich off the fast and easy money that people were willing to spend on them. As a consequence politicians became greedy and the understanding of what they were elected to accomplish became skewed.

The LDP was able to keep its hegemonic hold on power for three reasons.<sup>2</sup> The first is because Japan's sustained economy kept support strong for the LDP in the earlier years its 38 year reign. Also, as said before, the LDP had a monopoly on leadership from senior bureaucrats and finally, the business community always provided the LDP with a substantial flow of funding while the opposition parties did not have such an asset.

When the Liberal Democratic Party fell apart at the beginning of 1993, the coalition of opposition parties that filled the void was as unlikely as could be, and the succession of Prime Ministers to follow almost parallels Italian instability. Japan was in the greatest period of turmoil in four decades.<sup>3</sup> The opposition consisted of other conservative parties, the Democratic Socialist Party (DSP), the Japanese New Party (JNP), the Japan Renewal Party (JRP), and the Japan Socialist Party (JSP), to name a few. The reason the opposition held itself together at all after the LDP fell in 1993 was the drive to achieve a new political reform system that did not consist of the corrupt politics that brought them together in the first place. Before, opposition parties had always been badly fragmented and never offered a cohesive alternative to the LDP. But the opposition coalition really came together successfully when they claimed power in 1993. Also during the 1993 elections the socialists lost, but were replaced by other conservative reformist groups: the Japan Renewal Party, and the Japan New Party (led by Hosokawa). These new parties formed to clean up politics and promote decentralization.

One important achievement of the three new parties was to provide voters with more of a choice than just the LDP. This means that a large number of parties were switching and merging between the years of 1993-1996, and it is nearly impossible to track deals that may have led to one candidate getting chosen over another.

Two internal developments were always a factor within the LDP – factions and corruption. The scandals that broke down the four-decade rule of the LDP however were much more numerous in recent history though and called for concern outright. Public outraged by the scandals is part of why the LDP was voted out in 1993. The LDP, before the elections, threatened that chaos would ensue should their one-party rule come to an end.<sup>4</sup> But this was just a scare tactic intended to convince the people to vote them back into office. Corruption still remains a problem even today.

To understand a little of the transformation in Japanese politics we must not only look at the whole member cast but also concentrate on a particular subset. The junior politicians of the system were initially the ones who started the hails for reform. They were just as infuriated over the corruption scandals in the early 1990's as the general public and went about to set the reforms into motion.<sup>5</sup> What many of these junior LDP members did not realize was that they were actually leading up to the downfall of their own party in 1993 and the aiding of opposition parties. The reforms of the system are so important because without them the system would continue to operate like clockwork while the public would be cheated out of an efficient running political environment. In the minds of most Japanese, reforms were needed to combat political corruption. Progress on combating corruption has taken shape through reform bills passed in the Diet in 1994, such as restrictions on donations to individual politicians, but these have not been very

effective. On the electoral front, the new system has had success through the adoption of a process that eliminated many of the multi-seat constituencies. The aim of electoral reform is to shift the focus from faction politics to national politics. Japan's changes have come primarily through confrontation and sometimes even reform seems unattainable to politicians.

### **The Two Major Attempts at Reform: Electoral and Administrative**

Political reform in Japan has come in all lengths of shapes and sizes with varying degrees of success. The most common type of reform in Japan has been electoral reform of the Diet, but another type that has just as much importance is administrative reform. I discuss each one of them respectively.

The efforts at a new electoral system actually started in the 1970's when the LDP tried to create a new electoral system that incorporated single-seat districts to advance their party's power, but this attempt failed and the old system of multi-seat constituencies was brought back. In the early 1990's electoral reform was used as a way to get at the roots of corruption, and once again a single-seat electoral system for the House of Representatives was proposed. This was called Kaifu's proposal, because he was the Prime Minister at the time and overseer of the new electoral system proposal.

Unfortunately Kaifu's proposal lost support and the bill was never passed. Hosokawa, after becoming Prime Minister in July of 1993, enacted a modified bill of electoral law in January of 1994. This was a big moment in the reform history of Japan because of the substantial change it caused in to the system. In the new electoral law, 300 of the 500

seats in the Lower House were reserved for the single-seat system, while the remaining 200 were reserved for proportional representation.<sup>6</sup>

There are many advantages as well as disadvantages to having a single-seat system. The first advantage is that the numbers of seats were broken up into single and proportional as a way for smaller parties to win more seats. A single-seat system for the Lower House would also try to eliminate faction loyalties and factions all together by not having a whole faction of a party working together to try and run things the way that would help them the most. Another advantage of having a single-seat constituency as opposed to a multi-seat constituency is that political funds would be transferred to the party itself instead of the political candidates. This would help cut down on scandal and corruption. Predictions are that if the electoral reform and single-seat constituencies are successful, then one day a stable two party system will evolve, and if not that, than something resembling a two party system.<sup>7</sup> Basically, the new electoral system is designed to halt money politics and limit the influence of special interests.

The political world was so shaken up by the electoral reform that the interim period between the new electoral system and the October 1996 election was filled with political events that directly effected election tactics, such as the forming and breaking of coalitions. Even foreign policy during the years of 1993-1996 was put on hold because of all the transition that took place. This corruption that was so commonplace kept the Japanese market initially closed to foreign competitors. In 1993 some politicians in urban areas felt the need to move toward a more consumer oriented society whereby Japan would focus on importing foreign goods instead of exporting. The Hosokawa government wanted consumers to benefit more. And Silk and Kono start to see some

changes between business and government when they say, “As Japanese companies have become more affluent and global, they have grown more independent and even defiant of government ‘administrative guidance’” (121). They feel the best chance for reform in Japan is deregulation and an open market.

The real test of the new electoral system came in 1996 when elections were held for the first time after the adoption of the new system. How do the elections in 1996 compare with former ones under the old system? The results are actually surprising. There was little change in outcome between the two systems, and the SDP continues to decline in voting. On a whole nothing truly distinguished the make-up of the new system from the old. For example, many factions continue to exist despite predictions that they would fall apart under the new system. And unfortunately not too much data exists yet to determine how campaign funds were used under the new system. The LDP base held firm after the election, but at least another couple of elections are required to seriously analyze and see if a new stability is to arise once again for the LDP. As the coalition learned, the consolidation of opposition parties and decisive cooperation requires much more than a new electoral system to keep them in power. Unfortunately the new system failed to bring in public support in many numbers; which is a crucial element if political reform is to take place. Just how the electoral reform is supposed to reduce the influence of money on politicians is still a bit unclear.

There are downsides to the electoral reform that exist also. For example, smaller parties, who were originally thought to benefit from single-seat constituencies, are getting pushed out of seats because they do not have enough money to campaign nationwide. Murayama, for example, of the Social Democrats actually tried to push through a bill that

would reverse electoral reforms because of the adverse effects they have on his party. This creates a paradox in Japanese politics. The smaller parties that need money cannot get it, and the larger parties that have money and have the resources already to campaign do not need the extra money.<sup>8</sup> There are even battles within the LDP for who will win a single-seat and who will have to settle for the proportional representation. This causes unsuitability and unrest within the party. I feel electoral reform still has many years to go before politicians can fully work out a system that fits to their needs, and the needs of the country.

Hosokawa stressed his mission to change political reform, and was arguably his most important mission as a government official, but he did not want to solely deal with electoral rules. He also wanted to concentrate on administrative reform. Hosokawa argued that to endure fairness in government, deregulation and decentralization were critical to administrative reform. Hosokawa met so much resistance to his ideas within his own party that he resigned and formed the Japanese New Party (JNP). Eventually Sakigake merged with the JNP. When Hosokawa was elected Prime Minister, political reform bills became the primary concern of the coalition government and administrative reform was pushed aside. In early 1994, the SDJP and the LDP were at a loss as to what policy proposals to offer. This lack of ideas opened the door for the JNP to instigate administrative reform and place it on the political agenda. The LDP became more concerned with the reinstatement of old attempts at administrative reform which were to create a simple and effective government, but proposals from the JNP included the establishment of an Administrative Reform Supervision Commission. I feel the LDP

needs to reflect their interest in reform more seriously for them to hold any real weight with the Japanese people.

Administrative reform started in Japan in 1993 when a non-LDP party won, but when the LDP returned to power in 1996 administrative reform took a different stance under Prime Minister Hashimoto, who was elected in early 1996. The original idea was to reduce bureaucracy and increase government accountability. After 1993, administrative reform was seen as just as important as political reform or electoral reform with the goal of making the government more accountable to the people rather than less costly. When the LDP came back into power they modified this original version to fit their own agenda and heighten their power. They wanted to reduce government costs and reorganize administrative agencies, instead of increase government accountability. The New Party Sakigake (or simply Sakigake) provided the initial definition of administrative reform and placed it on the political agenda because of the pivotal position it played in between the LDP and the Social Democratic Party of Japan (SDPJ). Sakigake wanted to bring about change from bureaucratic to democratic politics. But Sakigake's controls over the outcomes of reform were much different than that of the LDP or SDJP. Its power to reform was much more limited because the LDP controlled the whole of reform from its perch. Unfortunately because the LDP issued control, the focus of administrative reform was changed from what Sakigake originally wanted.<sup>9</sup>

Before, there was an organization in the works in the Diet to watch over the governments' actions as explained in this quote by Nakano,

The Hosokawa government issued a cabinet decision to set up an Administrative Reform Commission (ARC) that would deliberate over legislation on the disclosure of government information, supervise the

implementation of deregulation measures, and advise the government on these matters. (301)

But the ARC is not within the Diet and the Sakigake feel that it will not be very effective in supervising the politicians. They want an organization independent from the bureaucracy. In matters of administrative reform within the government, Sakigake has always placed an added emphasis on accountability within the government.

Unfortunately Sakigake carries very little weight in the political system and a larger party is necessary to create and establish the reforms that are needed. An increasing number of parties and politicians call for decentralization as a part of administrative reforms.

Eventually Hasimoto created the Administrative Reform Conference where he wanted to modernize the administrative system and make the focus of reform on how to govern. In my view, administrative reform seems to be taking shape and becoming more effective; the future looks bright.

### **Differing Views on Reform**

After the LDP lost power in 1993 it split into smaller groups. This splitting was attributed to the failure of the LDP to address the problem of political corruption and because junior politicians were strongly advocating reforms within their own parties. Before, in a crisis, the LDP was able to shift public spending and co-opt new groups in order to maintain its power but because political corruption was not amiable in the eyes of many people, the LDP was finally thrown out of power. Within the LDP the focus of reforms on political corruption has not kept members of the party from actively seeking popular appeal. Public opinion is very sensitive to the political leader the LDP chooses, and when the LDP chose Obouchi as the leader of the Takeshita faction in the middle

1990's instead of the known reformer, Hata, there was a public outcry. For example, the members of Wakate Giin no Kai are mainstream LDP reformers who are more concerned with the drafting process of reform rather than in public opinion.<sup>10</sup>

The subsets of the LDP surprisingly have very different views on reform. The Utopia Political Research Group, for example, is heavily influenced by the idea of the politician and money. Whereby they say an invisible barrier has always prevented the poor class from ever becoming politicians. Unfortunately their stance does not hold much weight within the LDP. Another group such as the Liberal Reform League is similar. The decision of reformers to leave the LDP was chiefly because of their inability to bring about change from within the party and their willingness to survive outside the party. Old LDP members do not want reform because it will hurt them the most.

Actually most politicians agree on reform in principle but LDP members drag out negotiations so much that soon the public becomes sick of the whole idea. The LDP does this deliberately so the public will view reform in a more antagonistic light and eventually give up support. Masumi feels that political reform is an over popularized phrase today and says, "Political reform is a catch-all phrase used ambiguously by the media both in Japan and overseas. Political reform is associated in the minds of most Japanese with the battle against political corruption" (255). Reform is not just talk; the real implementation of it is important. Another reason the Japanese people called for reform is because competition from other fast growing countries in Asia are making it very hard for old-fashioned Japanese bureaucrats to maintain the country's advantage.

## What Has Been Done?

Many people predicted that the fall of the LDP in 1993 would bring about great changes in reform. Prime Minister Hosokawa promised to make political reform top priority but colliding factions make talk on reform difficult. Key members of the government became converts from the Liberal Democrats but are still conservative. The reforms in office in 1993 promised a freedom of information law but it has yet to materialize. Hosokawa wanted to open the economy, clean up political corruption, and break apart the iron triangle. Finally, these practices are getting the attention they deserve. People were optimistic about Hosokawa's plans for reform, but after a while they saw the government was not as serious as they had hoped. Some in Japan feel that too much deregulation would cause too much confusion, and destroy systems that have existed for so long. Hosokawa's record does not inspire confidence in many people. For example, deregulatory decisions were postponed which raised suspicions about his commitment to change.<sup>11</sup>

He announced his plan for political reform in 1993 that composed of single-seat constituencies, and proportional representation for the corruption prone.<sup>12</sup> Unfortunately this system will be unlikely to clean up politics completely. The multi-seat system would favor parties that could afford to run nationwide campaigns, and with the single-seats the parties now have to more than one candidate from the same party in one district. This practice is too expensive for many smaller parties and thus makes it harder for them to compete. Hosokawa favored a view of reform where each voter would be able to cast two votes; one for a single-seat candidate and the other a party under the proportional representation system. Unfortunately the new coalition and the old LDP are not likely to

agree on reform. Two attempts have been made before for single member constituencies and were both abandoned because of an actual increase in corruption. In April of 1996, only 4% of the people questioned thought politics would be bettered by the changes.<sup>13</sup>

Hata became Prime Minister after Hosokawa and pledged to continue reforms but they did not materialize. Many people feel change equals instability. Because Hata's political party is so small corruption was able to throw it over and drive him out of power. He does not have the support he needed to accomplish the things he wanted to; one of which is to negotiate a broad trade agreement with the US. Public opinion was also not very favorable of Hata's cabinet either, which was very conservative. Surprisingly, only 56.8 percent of people polled in 1994 said they supported the new minority government, compared with 71.9 percent approval when Hosokawa took office.<sup>14</sup>

## **Conclusion**

The future hope for reform in Japan, in my opinion, is bright despite all the bumps it has had in the past. I feel the Japanese have learned well from their mistakes and are on the road to serious commitment to reform. Overall I think the process of reforming has been hard for Japan but the actual reforms and their consequences have done much good. But to speculate too much is risky because of the dramatic political changes that have occurred in the 1990's. In this paper I have discussed the two major types of reform, electoral and administrative, and their evolution throughout the latter few years in Japan. I feel these two examples exemplify the persistence of political leaders to improve the political stance of their country. The

reformers have been somewhat overly optimistic about their ability to change the political system, but I think this optimism is a big key factor that will drive Japan to solve their reform issues for the better.

## Endnotes

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<sup>1</sup> Masumi, p. 255

<sup>2</sup> Seligmann, p. 410

<sup>3</sup> Sterngold, p.1

<sup>4</sup> Delfs, p.10

<sup>5</sup> Hideo, p. 275

<sup>6</sup> Seligmann, p.410

<sup>7</sup> Seligmann, p. 415

<sup>8</sup> *Reform won't change Japan after all*, p.31

<sup>9</sup> Nakano, p.292

<sup>10</sup> Wolfe, p.1067

<sup>11</sup> *Whispering Reform*, p. 21

<sup>12</sup> Smith, p.22

<sup>13</sup> *Reform won't change Japan after all*, p.32

<sup>14</sup> Sterngold, p. 4

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