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Author(s): Margarita Estévez-Abe

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# JAPAN'S SHIFT TOWARD A WESTMINSTER SYSTEM

## *A Structural Analysis of the 2005 Lower House Election and Its Aftermath*

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Margarita Estévez-Abe

### Abstract

This article argues that the political drama surrounding Prime Minister Koizumi Junichiro is a direct result of the political reforms implemented in Japan during the last decade. The new rules of the game have produced a *structural force* pushing Japan to resemble a Westminster system.

Keywords: Japan, election, party system, prime minister, political reform

The 2005 lower house election ended in a landslide victory for Japan's ruling Liberal Democratic Party (LDP). The election results were a big disappointment for the Democratic Party of Japan (DPJ) and for all those wishing for Japan to become a *normal* democracy, where alternation of power occurs from time to time. The recent lower house election, however, was not just another victory for the LDP over the DPJ, its major contender. More importantly—and bizarrely—it was also a victory for incumbent Prime Minister Koizumi Junichiro over his opponents within his own party. By playing up the battle between the charismatic Koizumi and “the forces of resistance,” as he calls his LDP opponents, both the Japanese and foreign media failed to take notice of the real historic importance of the past election. The election results

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Margarita Estévez-Abe is Paul Sack Associate Professor of Political Economy in the Department of Government at Harvard University. She would like to thank the anonymous reviewer, Hikotani Takako, Hirohashi Yui, Glyn Morgan, and Nagayama Hiroyuki for their comments. Email: <mestevez@fas.harvard.edu>.

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demonstrated that the centralization of party control—and hence the weakening of *habatsu* (intra-party factions)—has now progressed to the point of no return. Whether voters intended to do so or not, Koizumi's 2005 landslide has cast the die in favor of a Westminster system that centralizes power in the hands of the party leadership and prime minister. Call it the Britannicization of Japan.

This article presents a structural analysis of the transformation of the LDP into a more centralized and cohesive party and the implications of such a transformation on Japanese politics more generally.<sup>1</sup> While the media—both Japanese and foreign—have tended to focus almost exclusively on Koizumi's personality in reporting on Japanese politics, this article argues that the political drama associated with him is instead a direct result of a series of changes in the key rules of the political game. These changes, as we see it, have impelled the LDP to adopt a new party organization structure and electoral strategy. Koizumi's recent landslide and its aftermath hence need to be understood within this structural context. This article contends in fact that Koizumi is as much a “product” of *structural* changes in how politics is played as he is an agent of specific rule changes.

Koizumi's term in office provides us with a useful case with which to study the interplay of *structure* and *agency* in political affairs. Simply stated, structure refers to institutions and socioeconomic conditions, while agency refers to individual actors. Social scientists have long debated over the tension between structure and agency in explaining social phenomena. Some attribute a particular social phenomenon—democratization, for instance—to a specific socioeconomic condition; others see it as deriving from decisions made by specific individuals. Despite its emphasis on structure, this article does not simply accept the old-fashioned dichotomy of “structure” versus “agency” as fact. It thus does not preclude the importance of agency within a specific structural context. When key political institutions such as electoral rules change, the change sets into motion a chain reaction of institutional reforms. Economic studies of politics assume that a new institutional equilibrium will emerge sooner or later but do not explicate the mechanism by which this occurs. Here, we argue that political entrepreneurs play an important role during such a transformative period.<sup>2</sup> When one key political institution changes, a handful of political

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1. T. J. Pempel and Gerald Curtis also pursue broad structural logics of change ranging from socio-economic shifts to the end of the Cold War. My analysis differs from theirs in its emphasis on changes in the rules of the political game more narrowly. See T. J. Pempel, *Regime Shift: Comparative Dynamics of the Japanese Political Economy* (Ithaca, N. Y.: Cornell University Press, 1990); and Gerald L. Curtis, *The Logic of Japanese Politics: Leaders, Institutions, and the Limits of Change* (New York: Columbia University Press, 1999).

2. For an extremely insightful account of the role of political entrepreneurs in his latest book, see Richard J. Samuels, *Machiavelli's Children: Leaders and Their Legacies in Italy and Japan* (Ithaca, N. Y.: Cornell University Press, 2003).

entrepreneurs emerge with a better grasp of the game's new rules than their fellow politicians. These entrepreneurs play a role in bringing about further institutional change and, as a consequence, push the political system toward a new institutional equilibrium.

The structural analysis put forth in this article is highly relevant to the existing debate over the state of Japanese politics. Currently, the most contentious issue is whether Japan will develop a two-party system as a result of the 1994 Electoral Reform.<sup>3</sup> This important question is part of a broader research tradition in comparative politics that explores the impact of electoral rules on party systems.<sup>4</sup> For those mostly interested in Japanese politics, this question is synonymous to a more practical question as to whether the Japanese policy-making process will change or not. Observers of Japan—scholars, journalists, and foreign policymakers—have long lamented the slow speed of reform in Japan. Scholars have generally attributed this tortoise-like pace to Japan's old electoral rules—i.e., the single non-transferable vote (SNTV) and multi-member districts. Japan's electoral rules, it has been argued, produced *habatsu* within the LDP. *Habatsu* controlled all key aspects of the party organization: money, candidate nomination, allocation of posts, and selection of the party president. Subsequently, the *habatsu* acted as veto players within their party's government to block reforms.<sup>5</sup> Scholars have thus expected that a visible shift in policy

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3. For this debate, see Karen Cox and Leonard Schoppa, "Interaction Effects in Mixed-Member Electoral Systems: Theory and Evidence from Germany, Japan, and Italy," *Comparative Political Studies* 35:9 (November 2002), pp. 1027–53; Steven Reed, "Evaluating Political Reform in Japan: A Midterm Report," *Japanese Journal of Political Science* 3:2 (November 2002), pp. 243–63; Margaret McKean and Ethan Scheiner, "Japan's New Electoral System: La Plus Ça Change . . .," *Electoral Studies* 19:4 (December 2000), pp. 447–77; Ray Christensen, "The Effects of Electoral Reform on Campaign Practices in Japan: Putting New Wine into Old Bottles," *Asian Survey* 38:10 (1998), pp. 986–1004; Steven Reed and Michael Thies, "The Consequences of Electoral Reform in Japan," in *Mixed-Member Electoral Systems: The Best of Both Worlds?* eds. Matthew Shugart and Martin Wattenberg (New York: Oxford University Press, 2001), pp. 380–403; and Erik Herron and Misa Nishikawa, "Contamination Effects and the Number of Parties in Mixed-Superposition Electoral Systems," *Electoral Studies* 20:1 (March 2001), pp. 63–86.

4. Maurice Duverger, *Political Parties: Their Organization and Activity in the Modern State* (New York: John Wiley, 1954); Anthony Downs, *An Economic Theory of Democracy* (New York: Harper and Row 1957); Douglas Rae, *The Political Consequences of Electoral Laws* (New Haven: Yale University Press, 1971); Gary Cox, "Centripetal and Centrifugal Incentives in Electoral Systems," *American Journal of Political Science* 34:4 (November 1990), pp. 903–35; and G. Bingham Powell, "Voting Turnout in Thirty Democracies: Partisan, Legal, and Socio-Economic Influences," in *Electoral Participation: A Comparative Analysis*, ed. Richard Rose (Beverly Hills: Sage, 1980).

5. Aurelia George Mulgan, "Japan's 'Un-Westminster' System: Impediments to Reform in a Crisis Economy," *Government and Opposition* 38:1 (Winter 2003), pp. 73–91; and Edward Lincoln, *Arthritic Japan: The Slow Pace of Economic Reform* (Washington, D.C.: Brookings Institution Press, 2001).

style and outcome would accompany the 1994 Electoral Reform. This article, too, is ultimately interested in such possible policy shifts in Japan. Because the fragmented nature of the LDP has been considered one of Japan's main political problems, this article pays special attention to changes *within* Japan's ruling party—i.e., the centralization of its decision-making process—rather than the development of a two-party system per se. This article uses Koizumi's recent electoral victory as a lens to analyze the centralization of the LDP that is under way.

My analysis shares some similarities with Gary Cox's discussion of the rise of party cohesion in Victorian England.<sup>6</sup> To summarize, Cox attributes the rise in cohesion to the concentration of power in the Cabinet, which occurred as a response to increased electoral competition brought about by the extension of suffrage in the mid-nineteenth century. Similarly, my structural analysis emphasizes the importance of reforms that have strengthened the Japanese Cabinet. These reforms made the prime minister's policy position more visible to the public and increased his influence vis-à-vis his fellow party members. While these Japanese developments parallel those Cox has observed, my analysis differs from his in two main ways: it places greater emphasis on the interplay between the new electoral rules and other rule changes, and it highlights the role of political entrepreneurs.

While Cox's historical narrative refers to changes in the electoral rules (from two-member districts to single-member districts) in the U.K., he nonetheless underplays the effect of single-member districts (SMDs) on the level of party cohesion. Most likely, this is because Cox is implicitly comparing the U.K. to the U.S., another country with SMDs, yet one that is not known for strong political parties. Thus, because SMDs did not cause political parties in the U.S. to centralize their decision-making, Cox may have overlooked the role of SMDs as a significant factor in the party centralization process in the U.K. Here, we assert that Japan provides an important additional case study for thinking about the role of electoral systems in party centralization. Like contemporary American political parties and pre-reform Victorian English parties, the LDP has long been a weak party.<sup>7</sup> Unlike the U.S., however, both Japan and the U.K. are parliamentary democracies where parliamentarians select the prime

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6. Gary Cox, *The Efficient Secret: The Cabinet and the Development of Political Parties in Victorian England* (Cambridge, U.K.: Cambridge University Press, 1987). I would like to thank the anonymous reader for pointing out the similarities between my argument and Gary Cox's and for urging me to clarify how my argument differs.

7. Note that John Carey and Matthew Shugart consider Japan and the U.S. as countries where personal votes count more than party votes. In other words, they consider Japan and the U.S. to have the weakest political parties among the advanced democracies. John Carey and Matthew Shugart, "Incentives to Cultivate a Personal Vote: A Rank Ordering of Electoral Formulas," *Electoral Studies* 12:4 (December 1993), pp. 417–39.

minister. The application of SMDs in parliamentary systems therefore has altogether different implications than it does in presidential systems. In parliamentary democracies, SMDs give voters a voice in the selection of the prime minister. This is not the case in presidential systems. In other words, an implicit comparison of Japan and the U.K. reveals the real importance of electoral rules in parliamentary systems that the U.K.-U.S. comparison masks. Once we focus our attention on parliamentary systems, the role of the prime minister in transforming his party surges in importance. In addition, although Cox frequently refers to key decisions made by political entrepreneurs such as then-British Prime Minister Robert Peel to centralize further the Conservative Party, he does not include the role of political entrepreneurs in his theoretical argument. Although the present article emphasizes the importance of political institutions in shaping politics, it attempts to integrate the role of individuals occupying the prime ministerial office in understanding the party centralization of the LDP.

This article proceeds in four sections. Section One summarizes the events immediately before and after the lower house elections last year. Section Two discusses the series of rule changes that have taken place in Japan since the mid-1990s and the ways in which Koizumi has capitalized on the new rules in his attempt to centralize the LDP's decision-making process. Section Three turns to the role of political entrepreneurship during the period of institutional adjustment. Section Four concludes my argument.

### I. "Smashing the LDP": Koizumi and the 2005 Lower House Elections

Four years ago, Koizumi ran for the presidency of the ruling LDP by vowing to "smash the LDP." The day after the 2005 lower house election, Koizumi boasted that "the old LDP was smashed and a new party [had] emerged." Ever since becoming prime minister, Koizumi, who initially lacked a wide personal political power base within the LDP, has had little to rely upon other than his own political skills and the formal powers relegated to him by his position. His tactical success is a function both of his political savvy as well as the power bestowed upon him by the new political structure, which concentrates power in the hands of the prime minister. Koizumi's adoption of the formal rules of his office, as opposed to the unwritten legislative routines of the LDP, angered many senior members of his party, whose power relied on their peers' conforming to the venerable unwritten rules of the game.

On paper, postwar Japan has always been a parliamentary democracy with a strong Cabinet resembling that of the U.K. In reality, however, Japan has had a very weak Cabinet that simply rubber-stamped decisions made by others. In the pre-Koizumi era, any legislative proposal to reach the level of Cabinet

endorsement and thence to the Diet floor had to be approved by all relevant LDP committees, among them, most importantly, the Seichokai (Policy Affairs Research Committee), its *bukai* (subcommittees), and the Somukai (General Affairs Committee). Furthermore, by a custom that dated back to 1960, the Cabinet would only discuss legislative proposals unanimously approved by the LDP's Somukai even though there was nothing in the law—even in the party's written rules—requiring the Cabinet to respect Somukai decisions or insisting on unanimous support for such decisions. In short, the unwritten rules of the game have always tied the hands of the prime minister and his Cabinet, diffusing the locus of decision-making.<sup>8</sup>

To the surprise and dismay of party traditionalists, Koizumi challenged the status quo and ignored the unwritten rules. He simply decided that a majority vote sufficed to determine the collective will of the Somukai, thereby stripping his opponents of the veto power that the unanimity rule had afforded them. Take, for example, Koizumi's maneuvering of the Postal Privatization Bill through the Somukai. Without the authority of the unanimity rule, those who opposed postal privatization had no means by which to prevent Koizumi's Cabinet from submitting the bill to the Diet. Dissatisfaction with Koizumi's handling of the bill and their loss of power was what led his opponents to engage in a standoff with him, one which ended with the prime minister dissolving the lower house.

The "old guard" such as lower house members Kamei Shizuka, leader of the Kamei faction, and Watanuki Tamisuke, former speaker of the house, have been vocal opponents of Koizumi's reform efforts. After they failed to block his Postal Privatization Bill in the Somukai and again in the lower house, they successfully mobilized LDP defectors to vote it down in the upper house. Given the ruling coalition's marginal majority in the upper house, a small defection from the LDP was sufficient to achieve Kamei's and Watanuki's goal of suppressing the bill. Yet, to everyone's surprise, as soon as the upper house voted against his bill, Koizumi called their bluff, dissolving the lower house and bringing about a new election. Not only did Koizumi turn the lower house election into a de facto referendum on his reform initiative, he also stripped Kamei, Watanuki, and other "old guard" politicians of their official party nominations for the new election. Consequently, 33 former LDP politicians were forced either to run as independents or to form new political parties (when politicians from proportional districts are included, the total was 37 LDP defectors). Many of these rebels lost their seats: only 15 were re-elected. Today, 83—about a quarter—of LDP members in the upper house are completely new faces. Many were candidates either handpicked by the central leadership or chosen in an open selection process instituted by the prefectural-level LDP branches.

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8. For this reason, Aurelia George Mulgan aptly calls the Japanese political system an "un-Westminster system." Mulgan, "Japan's 'Un-Westminster' System," pp. 73–91.

The events of the 2005 lower house election are quite extraordinary. The LDP, which has ruled during most of the post-war period, has paradoxically always been a weak party, akin to its American counterparts. In the past, LDP prime ministers never controlled the party nominations. Indeed, under the old electoral system, in which multiple LDP candidates ran and competed in the same multi-member districts, candidates relied on the backing of a *habatsu* to run. Yet, lateral coordination of party nomination among *habatsu* was largely absent. Hence, the old LDP lacked any mechanism to resolve internal conflicts that arose during the party nomination process. Candidates who failed to obtain an official LDP nomination frequently ran as independents *against* the official, party-supported candidates. Traditionally, if these independents were elected, the LDP welcomed them into the party as their own. In the 2005 election, however, the fate of the rebels who were reelected was very different: they were all asked to leave the LDP.

From a scholarly point of view, what happened in the aftermath of the election was as interesting as, if not more than, the much publicized pre-election drama. The steps that Koizumi took after the elections were all intended to centralize the decision-making structure of the LDP—i.e., to weaken *habatsu* leaders and intra-party committee chairs. In fact, the roots of the intra-party fallout that led to the dissolution of the lower house lay more in disagreements about procedural issues, such as how party decisions should be reached, than about the Postal Privatization Bill itself. The “old guard” wanted to preserve the highly decentralized nature of the party, while Koizumi and his supporters wanted a more centralized party. Koizumi’s repeated neglect of intra-party legislative procedures thus directly caused the rebellion in the lower house and subsequently in the upper house. Nonetheless, his landslide victory has further enabled him to achieve his goal. Table 1 summarizes the post-election decisions aimed at centralizing the party. Indeed, one of the first decisions that the party leadership made after the election was to punish regional party branch leaders who had opted to remain loyal to and campaigned for rebel members running as independents against official LDP candidates. After the election, such leaders were forced to resign from their positions. In addition, Koizumi acted against his upper house opponents, forcing those who had opposed the Postal Privatization Bill to resign from key official positions. For instance, the LDP leadership forced Nakasone Hirofumi (the son of former Prime Minister Nakasone Yasuhiro) to resign from the chairmanship of the Budget Committee in the upper house.

The Koizumi government also decided to reform some legal provisions for public grants for political parties in order to further strengthen LDP central leadership control.<sup>9</sup> Under the current legal framework, the central party has little

9. “Jimin, Hantaiha Giin No Shibu Haishi Ni Muke Seitô Jyosei-hô Kaisei E” [LDP reforms party subsidy law in attempt to eliminate rebel representatives branches], *Asahi Shimbun* [Asahi News], September 20, 2005, <<http://www.asahi.com/politics/update/0920/004.html>>.



TABLE 1 *Party Centralization Measures (Post-2005 Election)*

<i>Decisions Taken by the Koizumi LDP</i>	<i>Content</i>
Punishment of the rebels	<ul style="list-style-type: none"> <li>• Those who ran against the LDP's official candidates were asked to leave the party (if not, they were to be expelled).</li> <li>• Those who voted against Koizumi's Postal Reform Bill were asked to resign from official positions.</li> <li>• Local politicians who campaigned on behalf of the rebel candidates against the official party candidates were asked to resign from official party positions.</li> </ul>
Preparation of a reform bill for Campaign Finance Law	<ul style="list-style-type: none"> <li>• Centralize the party's control over individual MPs' fund raising activities in the name of the party.</li> </ul>
Treatment of new Diet members	<ul style="list-style-type: none"> <li>• Koizumi instructed the new MPs not to join <i>habatsu</i>.</li> <li>• Instead, the party has embarked on a new effort to create a mechanism to train and assist new MPs.</li> </ul>
Preparation for a new Human Resources Management system	<ul style="list-style-type: none"> <li>• Create a central personnel file within the party on each of the Diet members about their policy expertise; and use the information in future Cabinet appointments.</li> </ul>
Non- <i>habatsu</i> -based Cabinet reshuffling	<ul style="list-style-type: none"> <li>• Do not solicit recommendations from <i>habatsu</i> leaders for filling the Cabinet positions.</li> <li>• All Cabinet-level appointments are decided by the Prime Minister.</li> </ul>
Imposing a new term limit on chairmanship of PARCs*	<ul style="list-style-type: none"> <li>• Set a two-year limit on the chairmanship of the same intra-party committees to prevent the persistence of fiefdoms.</li> </ul>

SOURCE: By the author.

\*PARCs: Policy Affairs Research Committees.

control over its local party branches: once LDP politicians set up local branches, the central party leadership has no power to close them down. The planned reform, however, will permit the central leadership to shut down local party branches at will. Because the local party branch is vital for fund-raising purposes, this reform will create a strong financial incentive for individual politicians and local branches not to deviate too much from official party decisions.

Another critical decision made by the LDP leadership was to pressure new Diet members not to join a *habatsu*. Immediately after the election, Koizumi directly made this request of freshmen Diet members. As a substitute for *habatsu* support, he instructed the party leadership to devise a system whereby the party would directly take care of its novice members. Following Koizumi's

order, the party leadership organized an orientation session for members of the incoming “freshman class.” In future, the leadership plans to hold weekly meetings for the freshmen as a way of providing them with necessary information and support. Such initiatives are precisely the kinds of selective incentives that *habatsu* used to offer and that, taken over by the central party, serve to reduce the influence of *habatsu*.<sup>10</sup>

After the 2005 election, Koizumi continued to neglect *habatsu* interests in appointing his new Cabinet. Prior to Koizumi’s arrival, the LDP routine had been to allocate Cabinet positions to different *habatsu* according to their size, with *their* leaders holding jurisdiction over appointment decisions. As a consequence, Diet members who became ministers or junior ministers owed their appointments, and thus their loyalty, to their *habatsu* leaders and not the prime minister. In the post-election period, Koizumi embraced a new plan to institutionalize a central “personnel management” practice within the party. The aim of this practice is for the central party leadership to maintain a tally of the expertise and performance of each LDP Diet member and to use the information when allocating Cabinet and party positions, instead of simply giving *habatsu* leaders free rein.

Without a doubt, *habatsu* have been decisively weakened under Koizumi.<sup>11</sup> He has not, however, merely been singling out *habatsu* as a major cause of the LDP’s decentralized organization. Koizumi also challenged senior LDP members who control different policy issue areas within the Diet based on their positions as chairs of intraparty policy committees such as the Policy Affairs Research Council and its subcommittees. Because the LDP’s legislative routines require consent of these intraparty committees for any legislative action to proceed to the Cabinet level, these routines have endowed committee chairs with unofficial veto power. Consequently, some senior Diet members who have long held chair positions have become de facto decision makers on matters within their “jurisdiction.”<sup>12</sup> Immediately following the 2005 elections, Koizumi succeeded in imposing a term limit on chairman positions for LDP committees.

Ironically, because the LDP has always been a highly decentralized party, any attempt by its leader to centralize and strengthen it would necessarily have to

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10. “Shinjin Kenshū Wa Tō De Yarimasu ‘Datsu Habatsu’ E Shushō Ga Shudō” [The party will do the freshman orientation. The prime minister leads the charge to weaken *habatsu*], *Sankei Shimbun* [Sankei News], 2005 Election Special, September 14 2005, <[http://www.sankei.co.jp/databox/election2005/0509/050914m\\_pol\\_45\\_1.htm](http://www.sankei.co.jp/databox/election2005/0509/050914m_pol_45_1.htm)>.

11. Ellis Krauss and Robert Pekkanen, “Explaining Party Adaptation to Electoral Reform: The Discreet Charm of the LDP,” *Journal of Japanese Studies* 30:1 (Winter 2004), pp. 1–34.

12. Late Yamanaka Teisoku, who served as the chair of the LDP Tax Committee, provides the best-known example. Until his death recently, LDP prime ministers simply deferred tax-related party decisions to Yamanaka.

involve “smashing” the party as we know it. It is in this sense that Koizumi, who vowed to “smash the LDP” and who since coming to power has strategically stripped the *habatsu* of their sources of influence, has made significant progress.

## II. Understanding the Structure

Koizumi has been much more successful than his predecessors in his attempts to centralize the party. Throughout his term, he has been a tactful strategist and a great campaigner. However, the recent centralization of the LDP nomination process cannot solely be attributed to Koizumi’s genius: he would not have been able to do what he did if the key rules of the game had not changed. In politics, these rules matter greatly in benefiting some actors over others. This section argues that the new rules of the game gave Koizumi a major tactical advantage in his bid for the LDP presidency and later in his efforts to centralize the party. Let me first describe the key rule changes that have come into existence since the mid-1990s, as listed in Table 2.

The 1994 Electoral Reform disposed of the old electoral system of multi-member districts. Currently, the Japanese lower house election implements a combination of two distinct electoral rules. Of the 480 seats in the lower house, 300 are elected from SMDs, while the remaining 180 are elected from 11 regional proportional representation (PR) districts. Voters cast two votes—one for an individual candidate in the SMD and another for a party in the regional PR district. The 180 regional district seats are then distributed among the political parties proportionally to their share of the regional district vote; the bigger the share, the more politicians from the party’s candidate list get elected. In addition, political parties are allowed to include SMD candidates on their party candidate lists for the PR districts. This arrangement allows for the resuscitation of “dead candidates,” those who have lost their bid for a SMD seat, by ranking them high enough on the party’s PR list to secure them a seat through the regional district. This feature can potentially be turned into a tool for the party leader to maintain party loyalty and to discipline party members who fall out of line with the central leadership. In fact, Koizumi took full advantage of this feature in confronting the rebels of the 2005 election, as shall be discussed later.

Despite the scholarly attention on Japan’s new SMD, adopting such an electoral system does not by itself transform Japanese politics into the British image. As the American political system demonstrates, single-member districting *per se* does not necessarily lead to a British-style centralized party system in which the party leadership controls the nomination process and voters vote for the party rather than individual candidates. As this section will identify, political institutions other than the SMD also function as key “triggers” in pushing the party toward greater centralization. Having said that, the adoption of PR in

TABLE 2 *Recent Rules Changes*

<i>Rule Change (year in effect)</i>	<i>Before</i>	<i>After</i>
Electoral rules (1994) (the first election under the new system: 1996)	Multi-member districts, single non-transferable votes	Single member districts and proportional representation districts
Campaign finance (1994)	No public funding of political parties	New tax-financed grants for political parties represented in the Diet
Central government reform (2001)	22 ministries and one office; little cross-ministerial policy coordination	13 ministries and one office; the Cabinet Office to be placed above all other ministries with comprehensive coordinating authority
Cabinet reform (2000)	Two political appointees per minister; a bigger de facto Cabinet role for bureaucrats (as government committee members)	48 new junior minister positions; abolishing of the government committee members
LDP president election rules (2001)	Either by closed door negotiation or election with rules that weighted Diet members' votes	U.S.-primaries style with much reduced weight of Diet members' votes
PM's question time (2000)		A weekly debate between the prime minister and an opposition leader
Party manifesto (2003)		Political parties formally list their party policy platform as a campaign promise

SOURCE: By the author.

Japan should be considered as one such trigger—because votes are pooled for the party.<sup>13</sup> As we will discuss below, in addition to the use of PR districts, the institutional changes that increased the visibility of the prime minister and

13. Japan's PR does not in itself guarantee a party vote, however, because Japan adopted an open party list in 2001. An open party list PR system allows voters to cast their vote for a specific candidate on the party list. Despite this policy, the fact that there is any vote sharing at all among candidates from the same party strengthens the party to a much greater degree than was ever possible under the old multi-member district and the SNTV system. Steven Reed and Michael Thies highlight the party-enhancing features of Japan's mixed system. Reed and Thies, "The Consequences," p. 401.

concentrated power in his hands have been critical in “tipping” the LDP in a more centralized direction.

One such institutional change was the 1994 reform of the Campaign Finance Law, which introduced a new public grant for political parties, determined by the number of party members in the Diet. This money is allocated to the party organization rather than to individual Diet members, and it is the party that has jurisdiction over its use. The implication of the new public grants for party structure is rather straightforward: the position of the central party vis-à-vis its members will most likely be strengthened because the central party now has more funds to distribute to them.

#### *Reform of the LDP Presidency*

Another target of reform has been the LDP presidential election process. Historically, the rules for selecting the party’s president have tended to be more flexible than other rules. For instance, on multiple occasions the LDP has avoided holding party presidential elections, opting instead for behind-the-scenes agreements among the main *habatsu* leaders to decide who among them, or their surrogates, would become president.<sup>14</sup> In 2001, the LDP adopted a new selection process that resembled the U.S. primaries. Ordinary LDP members—those who had paid party membership dues for at least two consecutive years—were allowed to vote in the primaries held in their respective prefectures. All prefectures, except for Osaka, adopted the winner-takes-all system, whereby the candidate who comes in first in the prefectural race takes all of the prefecture’s votes. This new method was designed to amplify the voices of ordinary dues-paying LDP supporters vis-à-vis Diet members in the selection of the party’s leader and also to produce a decisive winner.

The stable decline of LDP electoral fortunes prior to the 2005 election played a large role in bringing forth the rule change for the party presidential selection process. Prior to the election, the LDP’s vote shares were consistently shrinking in PR districts and the party was losing seats in urban SMDs. At the same time, the LDP’s major opponent, the DPJ, had steadily increased its share of seats in PR districts. In order to be reelected, LDP politicians running in PR districts and in urban SMDs needed more exposure and support than *koenkai* (traditional personal political machines) could provide them. Because it is very costly to campaign and organize voters in large PR districts and heterogeneous urban SMDs, LDP politicians began turning to their party leader—whose face is known to the general public in his capacity as prime minister—for help

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14. A recent instance is the back-door decision to select Mori Yoshiro as prime minister, as his predecessor, Prime Minister Obuchi, lay unconscious in his hospital bed in his final days of life.

during electoral campaigns.<sup>15</sup> Once this happened, it became important for rank-and-file party members to have a say in the party leadership selection process and to elect someone popular as their leader. The new rule gave ordinary party supporters a chance not merely to select the LDP president but also—because the LDP is the ruling party—to choose the prime minister.

The primary-style election system has provided the party leader with very strong ammunition vis-à-vis his opponents in his own party. It allows the successful candidate to impose his campaign promises on his Cabinet by asserting that party members have voted him into office to carry out those promises. The level of legitimacy and independence that LDP prime ministers directly elected by party members enjoy is clearly greater than that retained by past LDP prime ministers, who owed their selection to behind-the-scenes dealings among *habatsu* leaders. For the first time, the prime minister has been able to untangle himself, even if only partially, from *habatsu* influence.

A restructuring of government ministries and the Cabinet also came into effect in January 2001. The reforms that eventually led to the government reorganization were first introduced in the late 1990s by then-Prime Minister Hashimoto Ryutaro as part of his ambitious administrative reform initiative. Hashimoto had two goals: to streamline the government by reducing the number of ministries and to concentrate more power in the Prime Minister's Office and the Cabinet Office. As a result of the reform, the Cabinet Office expanded in both size and authority, simultaneously strengthening the position of the prime minister. For instance, while ministers still retain authority over appointments in their respective ministries, the new rule requires that the Cabinet approve the ministers' decisions.<sup>16</sup> The newly invigorated Cabinet Office has also created a high profile committee chaired by the prime minister called the Keizai Zaisei Shimon Kaigi (Council on Economic and Fiscal Policy). Unlike other advisory councils, this council counts among its participants all key economic ministers. The council thus provides a way for the prime minister to lead the public policy debate by making the discussions among his advisors and key ministers open to the public while excluding meddlesome bureaucrats who are preoccupied with their jurisdictional turf. In the ensuing period after the reforms were instituted, the public policy debates conducted openly in the prime minister's name in the high profile Council on Economic and Fiscal Policy attracted substantial media attention to the prime minister and his policy agenda.

15. Indeed, empirical evidence indicates a big jump in the number of LDP prime minister's visits to candidate districts during the 1996 lower house election—the first election under the new electoral rules. See Ellis Krauss and Benjamin Nyblade, "'Presidentialization' in Japan? The Prime Minister, Media, and Elections in Japan," *British Journal of Political Science* 35:2 (April 2005), pp. 357–68 and Figure 3.

16. Shinoda Tomohito, *Kantei Gaiko: Seiji Ridashippu no Yukue* [Prime ministerial diplomacy: The future of political leadership] (Tokyo: Asahi Shinbun-sha 2004), p. 20.

Another very important reform, expansion of the Cabinet, was carried out by Hashimoto's successor, Prime Minister Obuchi Keizo.<sup>17</sup> Prior to the reform, the Japanese government had only two real political appointees in each ministry, one minister and one political vice minister. The real power, however, lay in the hands of the administrative vice minister, the ministry's top civil servant. Because Japanese ministers were often uninformed and therefore incapable of answering questions from the Diet floor about issues within their jurisdictions, the career bureaucrats of the ministries served as "government committee members" to answer Diet members' questions in lieu of their ministers. It was not uncommon for ministers to make remarks like, "Since your question is a very important one, I'd like to have my government committee members answer it for me." In order to curtail the power that bureaucrats had over ministries, Obuchi abolished the government committee member system and introduced 48 junior minister positions to be filled by non-bureaucrats appointed directly by the prime minister. Although the reform was intended to enhance the political parties' control over bureaucrats, it more importantly increased the "spoils" that the prime minister controls, effectively augmenting his political capital within the party.

In addition to increasing the number of Cabinet positions, Obuchi instated a British-style "Prime Minister's Question Time" in January 2000. Media coverage of these debates gave not only the prime minister but also opposition party leaders more public exposure. Such visibility has given average citizens a chance to size up the opposition party leaders' prime ministerial potential, as well as to evaluate the performance of the current prime minister. Communication skills hence have become for the first time part of the skill set required of prime ministers. The more visible the prime minister, the more weight he carries in the electoral fortunes of his party in PR districts and heterogeneous urban SMDs, areas where it is very costly for individual candidates to reach out to unorganized voters. In other words, LDP politicians running in PR districts and urban SMDs become increasingly dependent on the popularity of their party leader.

Since the 2003 lower house election, when candidates of the DPJ campaigned on the basis of their party manifesto, a manifesto-based campaign has become

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17. This reform under the Obuchi government is referred to as the Ozawa Reform, after Liberal Party leader Ozawa Ichiro who demanded the reform. The Obuchi government was a coalition government formed with the Liberal Party, which explains Ozawa's ability to influence reform. Hikotani Takako cleverly calls the previous reform discussed in this section "the Hashimoto Reform" and the reform under Obuchi "the Ozawa Reform." See Hikotani Takako, "Shibirian Kontororu no Shōrai" [The future of civilian control], *Kokka Anzen Hoshō* [National Security] 32:1 (June 2004), pp. 21–48. For the chronology and process of these reforms, see Harutaka Takenaka "Introducing Junior Ministers and Reforming the Diet in Japan," *Asian Survey* 42:6 (November–December 2002), pp. 928–39.

the norm for all political parties to communicate their policy platforms to the electorate. This new norm forces party members to find common “programmatic” ground and standardize their policy promises with those of the party, creating more cohesive parties and making elected officials liable for any breach of campaign promises. With party manifestos in operation it has become more legitimate to discipline individual members who deviate from the party line—something that was difficult to do in the absence of a formal document identifying the party’s official position. Parties also issued manifestos in the 2005 election.

In sum, while the new electoral rules themselves were indeterminate as to whether or not Japan would develop a more centralized and cohesive party system, the other reforms described in this section all created structural pressures that have favored the emergence of a more centralized ruling party. Some of these reforms—the central government reform, the Cabinet reform and the institution of the Prime Minister’s Question Time—have increased the power and visibility of the prime minister and his Cabinet. Others—the campaign finance reform, the new LDP presidential election rules, and the manifesto-based electoral campaigns—have strengthened the party leader vis-à-vis his own party. The first set of reforms concentrates power resources—information and government posts—in the hands of the prime minister. The second set of reforms increases the party leader’s ability to discipline party members, regardless of their *habatsu* backing. In the context of the new electoral rules, these reforms exercise strong centralizing tendencies within the LDP, whose leader can now also tap into his resources as prime minister to neutralize his opponents within the party. Thus, the new rules *produced* Koizumi and not the other way around. Koizumi, who lacked a political power base within the party, would never have been elected had the current election process not been in place. In fact, his earlier bids for the party presidency under the old rules had ended in failure.

#### *Centralization of Political Parties in the U.K.*

The recent political developments in Japan resonate with Gary Cox’s analysis of the evolution of political parties in Victorian England. Cox attributes the rise of party cohesion in the U.K. to a shift toward concentration of power in the Cabinet, observed in the mid-19th century. The English political system in the first decades of that century looked very much like the American system: individual members of Parliament (MPs) were powerful in the legislature, MPs often voted against their party, and voters cast their votes for specific candidates rather than for parties.<sup>18</sup> All this changed, Cox argues, when the extension of

18. As Cox carefully notes, votes within the Parliament may not correctly reflect the level of party cohesion. In instances when the party leader can only present legislative proposals that have already been approved within his party, we might witness significant “party discipline” in the Par-



suffrage enhanced electoral competition. Patronage, which had been an effective method for mobilizing voters when there were relatively few of them, no longer served its function. Politicians responded to the increased competition by promising their constituents and interest groups “policies.” Cox explains that the increasing demand for policies produced a new problem, inflated legislative time.

Out of an effort to devise a solution, MPs began to delegate more authority to the Cabinet, with the aim of streamlining the legislative process. The more power the Cabinet gained relative to the MPs, Cox argues, the more voters began to vote for the party rather than the individual candidate and the more loyal MPs became to their party in their parliamentary votes. This was because voters, realizing that individual politicians mattered little, voted for the party they wanted to see in control of the Cabinet. In addition, the concentration of legislative power in the Cabinet created strong incentives for MPs to seek a Cabinet post and, concomitantly, to do favors for frontbenchers. Because the prime minister controlled Cabinet positions, his influence vis-à-vis the backbenchers increased.

Although Cox’s analysis of political parties in Victorian England makes it appear as if the transformation to a more centralized and cohesive party was a smooth, gradual transition to a new equilibrium point, the more recent lessons from the Japanese case hint at the importance of political entrepreneurs in changing the political system. The following section discusses this issue.

### III. Political Entrepreneurship: Agency and Structure

So far this article has emphasized the importance of structure in explaining Koizumi’s recent victory. However, this is not to deny the importance of agency. On the contrary, the recent electoral episode in Japan points to the importance of agency, in particular, political entrepreneurship, during the transition period when political actors adjust to the new rules of the game. We can understand a political game as an institutional equilibrium. When one piece of the equilibrium is altered, a whole set of changes transpires until a new equilibrium is attained. Although economists pay no attention to agency, in the sense that all rational actors with the same payoff structure should react in the same way, given identical incentives, in the realm of politics, one frequently finds that two actors in very similar situations react quite differently. Some political actors are simply more skillful than others. When the rules of the game begin to change,

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liament without the party actually being cohesive. The LDP offers one such example. Because of the LDP’s highly elaborate, intra-party, consensus-based decision-making process described earlier in this article, the range of policies that the LDP government could submit to the Diet was very narrow.

political entrepreneurs—those who adjust earlier to the new rules than their peers and take advantage of such rules—take on an important role.<sup>19</sup>

The LDP's unwritten rules, for instance, made sense under the old electoral structure.<sup>20</sup> Such was not the case after the new electoral rules were instituted. Nevertheless, it took almost 10 years for the LDP party leader to control the party's nomination process, as was finally done in the 2005 election.<sup>21</sup> Why did it take four LDP prime ministers—Hashimoto, Obuchi, Mori Yoshiro, and then Koizumi—to challenge the unwritten rules? At least in the case of Hashimoto and Obuchi, they were no less committed to political and economic reforms than Koizumi. Both realized that the Japanese decision-making process was deficient in coping with new policy problems and both conducted reforms to strengthen the Prime Minister's Office and his Cabinet. The difference between these three men is that while calling for the end of *habatsu* politics, neither Hashimoto nor Obuchi really challenged the intra-party decision-making rules.

Both Hashimoto and Obuchi came to power largely on the basis of the old rules of the game. They were chosen party president by LDP Diet members' votes and owed a great part of their victory to their *habatsu*. Their situations contrast with that of Koizumi, who became LDP president on the basis of the popular vote of LDP supporters. Hashimoto and Obuchi thus lacked the kind of legitimacy that Koizumi has utilized against his intraparty opponents. In the case of Hashimoto, he subsequently lost to Koizumi, who ran for the party presidency in 2001 with the promise to "smash the LDP."

Could Hashimoto have made the same war call as Koizumi, promising to change the LDP forever? One might argue that it would have been impossible for Hashimoto to do so while simultaneously being the leader of the former Tanaka *habatsu*. He did have the option of withdrawing from his faction, a step he did not take. In fact, circumstances were not so obviously favorable for Koizumi either. Back in 2001, many critics considered it absurd that Koizumi would run for LDP president with an intention to "smash the LDP." After all, Koizumi belonged to the same *habatsu* as unpopular departing Prime Minister Mori.<sup>22</sup> Koizumi, however, managed to convince LDP voters that voting for him

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19. For a thorough analysis of political entrepreneurs from a comparative perspective, see Samuels, *Machiavelli's Children*.

20. For a full analysis of this point, see Margarita Estévez-Abe, *Welfare and Capitalism in Post-war Japan* (New York: Cambridge University Press, forthcoming).

21. Steve Reed has noted a potential time lag between the 1994 Electoral Reform and politicians' adjustments to the new rule, but he almost exclusively pays attention to the electoral rules as the independent variable. See his remarks in Steven Reed, *Japanese Electoral Politics: Creating a New Party System* (New York: Routledge Curzon, 2003), p. 178.

22. His immediate predecessor, Mori Yoshiro, had not been voted in as party president. Rather, five senior LDP members who had first-hand knowledge that Prime Minister Obuchi's death was imminent handpicked Mori as his successor in a behind-the-door negotiation.

did not mean the continuation of the Mori faction's rule. In other words, Koizumi had the ability to communicate effectively to the electorate in ways that Hashimoto lacked.

Political entrepreneurship matters greatly when the new rules of the game are put in place. Some politicians seize the opportunities created by the changes sooner than others. Two factors are critical for effective entrepreneurship during political transitions: timing and skill. When new circumstances arise, the first people to realize the implications and modify their strategies gain significant advantage over those who continue to operate under the old assumptions. Hence, the timing of any strategic shift matters as much as the political entrepreneur's possession of the skills most needed to thrive under the new circumstances. Koizumi was fortunate in both dimensions. The new method that the LDP employed for electing the party president provided a crucial opportunity for someone like Koizumi to seize power, but it was ultimately Koizumi's personal skills that led him to a landslide victory in his 2001 bid for the party presidency and again in the 2005 lower house election.

In evolutionary terms, Koizumi is just the kind of politician who is fittest to survive under the new rules of the game. Under the new electoral system, it has become crucial to appeal to unorganized, average voters, especially in the heterogeneous, urban SMDs. As discussed earlier, the LDP's weakness in the PR districts means that the party needs an effective mass messenger who can reach a voter base beyond the traditional party base comprising well-organized occupational groups such as physicians and special postmasters. The fact that Koizumi has had the skill to maintain a historically unprecedented record of high popularity ratings has made the rank-and-file in his party increasingly dependent on his support for their reelection. This explains why even some senior LDP members—most notably Aoki Mikio from the Hashimoto faction, then the largest *habatsu*—in 2003 parted company with other leaders of their *habatsu* to support Koizumi's reelection as prime minister. Throughout his tenure, Koizumi has very adeptly maintained the media focus on himself by making full use of the Prime Minister's Question Time, receiving journalists in his residence for interviews and promoting an image of himself as a fighter against the “forces of resistance.”

Koizumi is far from being a mere mediagenic populist. He is a politician who understands the possibilities that a particular set of institutions produces. He has used the formal authority of his dual offices to exploit such opportunities. His predecessor, Mori Yoshiro, did neither despite the fact that Mori enjoyed almost exactly the same institutional prerogatives (except for the party manifesto). Koizumi was simply the first to understand how the new electoral rules provided a chance to change intraparty dynamics and cut loose from the vested interests that the LDP politicians had long depended upon for money and votes. Koizumi recognized that once the unwritten rules of the LDP were overturned, the

position of prime minister actually held all the formal authority necessary to reclaim real decision-making power from the party “old guard” and the bureaucracy. Indeed, back in 1998, just two years after the first election under the new electoral system, Koizumi had openly discussed such possibilities in an interview.<sup>23</sup>

The counterfactual here is that had Koizumi been less skillful in handling the media, communicating to voters, and understanding the new rules of the game, we would not have observed what we did in the 2005 election. Two alternative scenarios would have occurred. Either the LDP would have gotten rid of Koizumi earlier or—if the LDP was then incapable of selecting another popular leader—it would have simply lost more votes in the 2005 election, possibly leading to the first DPJ government. The second scenario is particularly relevant in analyzing the LDP’s future after Koizumi leaves office. The argument in this article implies that in order to seal an electoral victory, the DPJ will have to centralize its party and elect a popular leader like the LDP did. In other words, the structural component pushes both of the major parties to become more centralized and cohesive. Sooner or later this will happen naturally, as long as the same institutions are in place. Nonetheless, in the short term, *agency* matters greatly. A capable leader can successfully accelerate the process of institutional adjustment, leading his party to electoral victory; an incompetent leader will at best delay the natural process and, at worst, cost his party a chance at obtaining power.

#### IV. Conclusion: The Britannicization of Japan

The 2005 election carried great historical significance. Koizumi’s victory has taught all Japanese politicians, and would-be politicians, two lessons. The first is a lesson for would-be political leaders. Koizumi has shown that the new rules of the game have transformed the formal prerogatives of the LDP president and prime minister into real sources of power. He has also demonstrated the new skills that have become all-important for politicians to have to successfully navigate through the new rules of the game.

The second is a lesson for rank-and-file party members. Koizumi’s success has established the importance of the party leader at the electoral polls. Maintaining a popular leader who can communicate policy goals to voters benefits everyone in the party. Because they lack the kind of party loyalty characteristic of old-fashioned organized interests, unorganized voters’ support is easier to win over but also harder to keep. Under the new electoral system even a small percentage difference in vote share can produce a huge landslide in seat

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23. This interview is recorded in Oshima Shinzo, “Shiroyama Saburō Ga Origami Tsuketa Seijika: Kosei Daijin Koizumi Junichirō” [The politician Saburo Shiroyama has praised: Minister of Health Koizumi Junichiro], *Seiron* [Correct Opinion] 305 (January 1998), pp. 200–14.

shares, thereby raising the stakes of elections.<sup>24</sup> More than ever before, the face of the party now carries great political weight. This means that the rank-and-file cannot afford to antagonize their party leader when he is popular.

Koizumi's lesson has not been lost on the DPJ. After party leader Okada Katsuya resigned, taking responsibility for the party's 2005 electoral defeat, younger members of the DPJ rejected their senior colleagues' suggestion to choose a new leader in closed-door negotiations, for the sake of preserving party unity. Instead, the DPJ held an election, and a young, attractive face was chosen to represent them. The new DPJ leader, Maehara Seiji, was 43 years old, photogenic, and eloquent. Unexpectedly, however, Maehara's mishandling of a high-profile financial scandal led to his premature resignation from the leadership position in April 2006. Subsequently, Ozawa Ichiro was elected as interim party leader until the leadership election scheduled for September 2006. Currently, the DPJ continues to be a fragmented party just like the old LDP; its next leader needs to take actions resembling the restructuring Koizumi has been implementing within his party for the past five years. In considering the task ahead, however, one must keep in mind that the political capital available to the DPJ leader is far more limited than that which Koizumi has had as prime minister and leader of the ruling party.

Where is Japan going? The answer is, toward a Westminster system. The increasingly centralized party structure of the LDP and the strengthening of the Cabinet will push Japan in the direction of a British-style parliamentary democracy. Interestingly, Koizumi's critics accuse him of emulating a "presidential" style. They claim that he forgets he is first and foremost accountable to his fellow Diet members. "Old guard" opponents such as lower house representatives Kamei Shizuka and Watanuki Tamisuke have even accused Koizumi of being an undemocratic fascist. British Prime Minister Tony Blair, however, has often been accused in much the same manner. In the post-Thatcher Westminster system, the prime minister becomes presidential, often opting to appeal directly to the electorate at large over his party colleagues. While a full analysis of the "presidentialization" of leadership positions is beyond the scope of this article, it is worth noting that both Thatcher and Blair recognized that the sole path to electoral victory lay in steering their respective parties away from traditional voter bases and, instead, appealing to the median voter.<sup>25</sup> What Koizumi has done for his party and the Japanese political system during his term in office is indeed very similar to what Thatcher and Blair have done in the U.K.

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24. In the past election, the vote shares for the LDP and DPJ were 38.2% and 31.0%, respectively. These vote shares, however, produced a big gap when converted into actual numbers of seats: 296 (62%) for the LDP and 113 (24%) for the DPJ. See election results reported by *Asahi Shimbun* in its online election report, <<http://www2.asahi.com/senkyo2005/>>.

25. See Krauss and Nyblade, "'Presidentialization' in Japan?" for a good discussion of presidentialization.