

FORUM REPORT 003

Party Politics: Are Political Parties Still Relevant?

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The Challenges of Party Leadership and Policymaking in Japan

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Many scholars and commentators have suggested that Japanese party politics and political leadership are at the root of political malaise in Japan. However, complaints about party politics and lack of political leadership are certainly not new. Have the changes in party politics and political leadership in Japan actually contributed to greater difficulty in policymaking? Are these changes seen in policymaking and political leaders distinctive to Japan?

One way to assess the changes in policymaking is to draw on the framework used by Campbell and Scheiner. Campbell and Scheiner develop a modified framework that captures the distinction of the classic debate between power elites vs. pluralist policy-making perspectives. They distinguish agenda formation, policy enactment, and policy implementation. They focus on the relationships between and within a top 'general policy-making arena' in which political heavyweights directly engage with each other and the large number of policy sub-arenas. Doing so allows them to distinguish five types of policy-making: (I) Within sub-arena, (II) Between sub-arenas, (III) Bottom-up, (IV) Top-down, and (V) Within the center.

How has policymaking changed in Japan over time across these five types? In examining Type I policymaking, scholars have highlighted the rise of "Zoku Giin" ("tribes") of policy specialists amongst Liberal Democratic Party (LDP) MPs in the 1970s and 1980s. This led to a greater role for politicians in policy-making in specific policy sub-arenas in Japan. However, the greater turnover of politicians in the 1990s and 2000s and the greater incentives for politicians to develop

broad expertise rather than specialize under the new electoral system have combined to lead to many fewer long-term policy specialists in the Diet, leading some to suggest that the role of policy specialist MPs in sub-arena policymaking has declined.

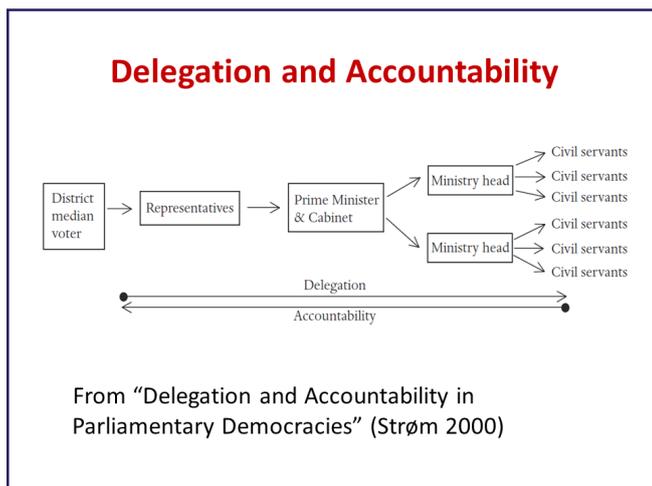
It is not merely the actors involved in sub-arena policymaking that may have changed, but the extent of policy-making that is done in the sub-arena. The major political issues in Japan in recent years, from deflation and poor economic performance to crisis management, nuclear power, and the pressures of an aging population, all require co-ordination beyond a single policy sub-arena. This has led to fewer important policy issues being resolved in Type I policy processes and a greater need for policymaking to cross sub-arenas (Type II). Type II policy-making, however, only proceeds successfully when the issues are relatively minor and/or the interests of the major actors in both arenas are sufficiently aligned to avoid involving the broader 'general policy-making arena.' If not, policy-making is likely to be bottom-up (Type III), with the policy agenda and policy proposals being set at the sub-arena stage, and any lower-level conflicts ironed out at higher levels. This is consonant with the traditional view of Japanese political leadership as being 'reactive' at best.

The Hashimoto administrative reforms strengthened the capacity for top-down leadership in Japan (Type IV) by enhancing the administrative resources available to the Cabinet and the Japanese prime minister. Regardless of how many administrative resources are provided to the prime minister, however, the power of the position is fundamentally deter-



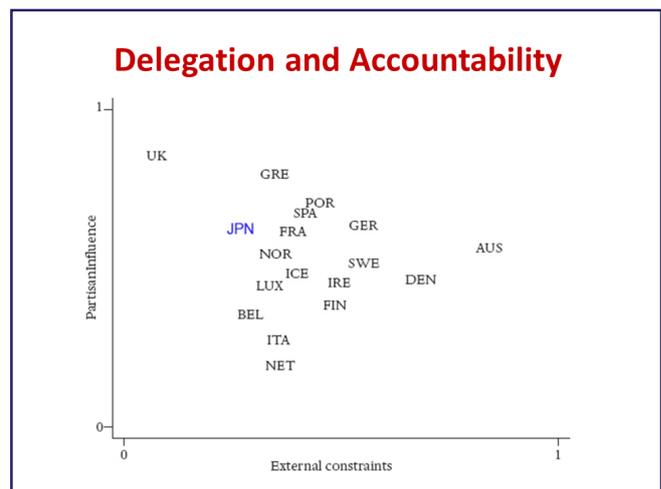
mined by the degree of parliamentary confidence the prime minister enjoys. Increasingly, the image and public perception of the prime minister are the most important determinants of his ability to engage in top-down political leadership, or to take a strong hand in policy-making (Type V). Popularity is a double-edged sword: popular prime ministers have substantial coattails, and unpopular prime ministers doom their party to electoral defeat in an increasingly volatile Japanese electorate.

The Campbell and Scheiner framework provides one method of assessing changes in policymaking in Japan in recent years, but does not directly provide a theory about the nature and source of the changes and explores neither what motivates the key actors nor what drives ineffectual policymaking. An alternative approach, drawing on the delegation and accountability framework for understanding parliamentary democracy developed by Strøm and his colleagues, provides a key comparative and temporal perspective on the nature of the changes that we have seen. In this approach, parliamentary democracy is defined as a political system in which the key political decisions are made through a unitary chain of delegation and accountability relationships, which extends from voters to their MPs, from MPs to Cabinet and the prime minister, and from Cabinet and the prime minister to bureaucrats. As in the principal-agent perspective brought to the study of Japanese politics by scholars such as Ramseyer and Rosenbluth, these relationships face fundamental challenges of adverse selection and moral hazard owing to the presence of hidden information and hidden action. Various institutional and organizational means may mitigate, but never entirely eliminate these threats to effective delegation and accountability.



There are two key dimensions along which parliamentary democracies vary: the extent to which the parliamentary chain of delegation and accountability is constrained by external actors (domestically and potentially internationally) and the extent to which mechanisms exist (primarily

through parties) to overcome agency problems internal to the chain of parliamentary delegation. In joint work with Mikitaka Masuyama, we have collected data on Japanese parliamentary democracy that are comparable to those collected by Strøm et al., which suggests that Japanese parliamentary democracy fits well within the patterns of Western European parliamentary democracies, with Japan looking closer to majoritarian/Westminster style systems such as those of the United Kingdom and Greece, which have weak external constraints but strong potential for partisan control of the parliamentary chain of delegation and accountability. If we examine changes over time in Japan, we see that although the lower levels of partisan identification and greater fluidity in the party system potentially weakens voters' ability to hold parties and politicians accountable, the partisan dimension of delegation and accountability in Japan is strong compared to many other countries. However, our research also highlights some areas in which the cross-national indicators are lacking—in particular, with respect to intra-party politics and bicameralism. Failing to account for these factors in cross-national assessments of the parliamentary chain of delegation and accountability may overstate the extent to which Japan's parliamentary democracy has been performing well.



Perhaps the most distinctive thing about Japanese parliamentary democracy in comparative perspective in recent years has been the unprecedented turnover in the position of the prime minister (both historically and in comparison to other developed parliamentary democracies). Not only has replacing the prime minister been an almost annual rite in recent years, it is particularly distinctive because most of these changes have been intra-party replacements of the prime minister that have occurred despite the existence of solid majorities in the House of Representatives.

In other work, I have highlighted how the recent turnover in the Japanese prime minister has been tied to an inability to maintain public support. Public expectations regarding the prime minister in Japan appear to have changed, and we

challenges to party unity, and the friction between electorally vulnerable backbenchers and more secure politicians has been particularly notable. This has provided an opportunity for political entrepreneurs to mobilize and see electoral success outside of the two party system.

However, in the immediate short-run, this may work to Prime Minister Shinzo Abe's advantage. With the LDP's solid House of Representatives majority and (relatively) strong position in the House of Councillors, Abe has solid parliamentary footing, one that need not necessarily be upended for another three full years until the next required national elections. Abe has learned a great deal both from his previous short stint as prime minister and from his current term thus far. He is keenly aware both of the leverage a strong prime minister can have and of the challenges of governing while unpopular.

In the medium-term, Abe faces many of the same challenges that other political leaders in Japan have faced. Political problems in Japan have not gotten any easier, and the pressure upon Abe to enact unpopular reforms (most prominently raising the consumption tax) is strong. He is supported by a politically inexperienced and electorally vulnerable party caucus—one that will likely be quite nervous about their electoral prospects as the next election approaches. And the Japanese electorate has consistently voted against incumbents (to a greater or lesser extent) for a decade or more.

Given the fluidity of the party system and volatility in the electorate, Japanese party politics and policymaking seem to have moved back in recent years to some of the political patterns of the mid-1990s. However, a popular prime minister who enjoys a solid parliamentary majority has a great deal of leverage: Abe faces a rare opportunity to enact significant changes through effective policymaking even in face of the substantial challenges.



In the Q&A session following Professor Nyblade's presentation, the first question concerned the extent to which the Japanese parliamentary system resembles other Western systems. Professor Nyblade and the panelists agreed that Japan's is in an institutional sense broadly similar, but that procedural differences are notable and important. For example, in Japanese parliamentary procedure, the government (i.e., the Cabinet and the bureaucracy) does not have power in the Diet and has to ask the ruling party for aid in negotiating with opposition parties. In this regard, the Japanese system more closely resembles the American one, which has a similarly strict separation of executive and legislative powers, than a European parliamentary system. Also, the tenure of prime ministers in Japan is typically much shorter than that of European leaders. In the case of the UK, there is no election for the Upper House. In Japan, the prime minister must

take responsibility for both houses, which makes the legislative process more complex. Procedural differences such as this give rise to serious collective action problems (i.e., punishment for politicians ranging from the prime minister to ordinary Diet members), with the Japanese system relying more heavily on factions for enforcing discipline and punishing bad behaviour.

The second topic of discussion was the role of factions in Japanese party politics and the cultural importance of both respect for authority and a preference for order. Professor Nyblade argued that the intra-party-political dimension is one of the most distinctive and most important characteristics of the Japanese system. However, he emphasized that since we cannot measure the degree to which culture is important, we must do our best with "rationalist" explanations—and after all, Japanese politicians want to get reelected just as much as politicians elsewhere. Rather than using culture as a catch-all concept, we should use it in a historical-institutionalist sense. The Japanese do indeed emphasize respect for authority and evince a preference for order, but the Japanese political process pays little more than lip service to these norms. In reality, politics in Japan is rough-and-tumble. In this respect there is a mismatch between stereotypical culture and political institutions; but a mismatch of this kind is hardly unique to Japan.

The third question was about the link between foreign policy and party politics in Japan. In postwar Japan, the international environment had little impact on day-to-day politics. Weak prime ministers, a lack of a strategic agenda, and timidity and obeisance in foreign affairs was not seen as a serious obstacle to business as usual; indeed, many Japanese saw foreign policy issues through a domestic political lens. Foreign policy played more of an ideation role in distinguishing political parties rather than an operational one.

The final topic of discussion was the role of parties in recruiting and training quality politicians. This is an especially significant issue, as we witness many second-generation politicians conducting politics as a kind of "family business" in Japan. While this is not unique to Japan (the phenomenon is evident also in Ireland and Brazil, for example), it is indeed more widespread in Japan, and many argue that it has contributed to the LDP's dominance, giving it a massive advantage in recruiting quality politicians. But now the system is different; we now have genuine two-party competition. More important question is the future of second-generation politicians. Along with two-party competition, we have seen changes in the relationship between local and national politics. Second-generation politicians fared well in the past as their influence in local politics was assured by "free money" from the national government that could be distributed locally. In this regard, Japanese politics has always been a hybrid nationalized and decentralized system, leading some analysts to call it "unitary but decentralized."

Now that free money from the national government is understood as a main source of national debt it is beginning to dry up. Incumbents and second-generation politicians who

used to rely on it must reinvent their ways. What kind of effect this has on second-generation politicians, and on local politics in general, remains to be seen.

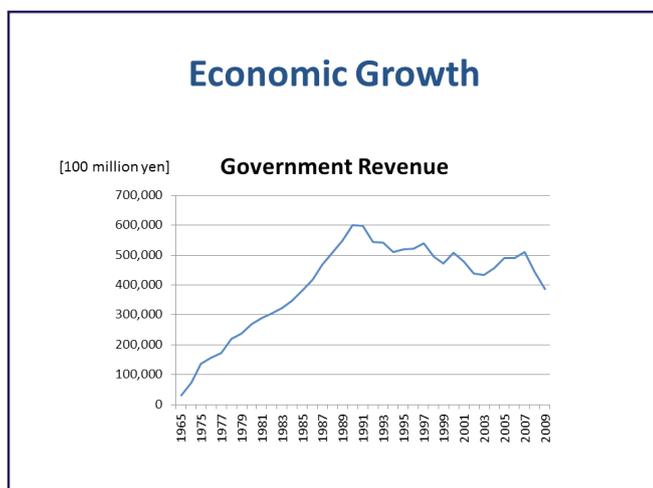
The LDP and Postwar Japanese Politics: Conditions, Consequences, and Changes of an Advanced Cartel Party and “Easy Money Politics”

Professor Naoto Nonaka

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The LDP’s political dominance in postwar Japan greatly contributed to the stability and development of the country. However, the party’s internal destabilization and inefficient governance from the 1990s has also led many analysts to point to it as a cause of Japan’s serious economic stagnation. In order to understand why the LDP’s role has changed drastically, we must look into the nature of postwar party politics in Japan.

Postwar Japanese politics has rightly been called an “LDP-led one party dominant system.” How was this system formed, and what kind of mechanism sustained it? The LDP was officially formed in 1955 as a coalition of conservative political parties, and except for very short transitional periods enjoyed a dominant position until 2009. External conditions during this period allowed Japan to focus on its domestic economy, making possible sustained economic development. Moreover, the existence of a competent, professional bureaucracy facilitated rapid growth.



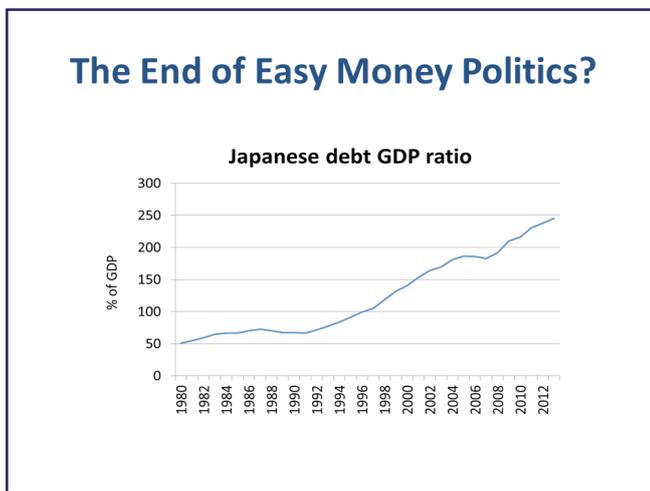
However, it must be noted that the LDP’s dominance was also based on the party’s own internal mechanisms. First, the party avoided internal division by implementing a flexible, equality-based power-sharing structure and governance mechanism in the form of promotion through factions. Second, the party benefited from the Single Non-Transferable Vote (SNTV) electoral system through a “catch-all strategy,” in which intra-party competition among factions and candidates’ lobbying groups were balanced by actively

and consistently expanding the party’s support base across socio-economic divisions. Electoral competition within the party was coordinated by the Policy Affairs Research Council (PARC), thus enabling the LDP to formulate policies based on a wide range of constituencies’ bottom-up pressures and to keep various constituencies on-side by means of pork-barrel politics. Compared to the LDP’s strategy, those of the opposition parties—especially the Socialists—failed as a result of both unrealism and ineptitude. Third, the nature of the LDP’s one-party dominance was closely linked to the workings of the Japanese parliamentary system itself. With no regular alteration of power, the positions of the LDP and the opposition parties became fixed features of the political landscape, making space for the development of the LDP’s intra-party governance features mentioned earlier. Moreover, the limited power of the government in the Diet led to the institutionalization of a prior-consultation system between the government and the LDP in the policy coordination process. In a typical parliamentary system, coordination between the ruling party and the government is done through legislative processes within the parliament. During the LDP period in Japan, however, this role was taken over by the pre-examination mechanism between the LDP PARC Diet committees and related government ministries in a bottom-up fashion, thus incorporating electoral pressures felt by the party. This mechanism resembles the “iron triangle” of U.S. politics, with divided powers and strategies for exploiting or coping with weak prime ministerial and Cabinet leadership.

Professor Nonaka argued that the LDP can be considered a “flexible cartel party.” The party, with its ideological diversity, has weak membership, weak discipline, and strong parliamentary groups. Despite limited political resources of its own, the LDP has been adept at maintaining politicians’ support by means of the pork barrel, as well as at maintaining its strong network with the bureaucracies at both the national and prefectural levels by using “Easy Money Politics (EMP).” As long as economic development and the political status quo were maintained, this system was highly sustainable. The main characteristics of the postwar Japanese political system—(1) limits on the government’s influence in the Diet; and (2) the separation of power between the govern-

ment, the Cabinet, and the party—led the LDP to institutionalize its own governance and power distribution mechanisms. In short, the LDP’s dominance, sustained by the party’s adaptation to the SNTV electoral system and the co-existence with the bureaucracy for mutual benefit, were made possible by a favourable postwar international political economic environment as well as by the domestic political principles of parliamentarism and the separation of powers.

From the 1990s, however, the end of the Cold War and economic globalization began to undermine the LDP-led system, as Japan entered a period of long-term economic stagnation once the bubble burst and society began to age quickly. In the past twenty years, government revenues have decreased while public debt has increased dramatically. Politics based on the distribution of easy money is no longer possible.



The postwar model of LDP dominance was based on the assumption that the party and the bureaucracy would cooperate to maintain a consistent policy direction. The “cartel party” LDP was able to exert power in an atypical parliamentary system despite its weak internal discipline, because it prioritized balance among factions and the electoral pressures of party politicians when the messy decision-making of the Diet and the separation of power between the party and the government prevented the emergence of top-down leadership in Japanese politics.

As we have witnessed since 2009, the postwar LDP model is no longer functional. The LDP has made a comeback under Abe, but no new system has been put in place of the old one. Although Abenomics can be regarded as the latest (and perhaps last) manifestation of EMP, party politics in Japan has shifted from the distribution of easy money to the distribution of burden. Japan must reform its parliamentary system and the LDP must undertake painstaking transformation to adapt to the realities of the 21st century.



The second Q&A began with a question about why Japanese political parties other than the LDP have not performed well in the role of opposition. Concerning the Socialists,

Professor Nonaka pointed out that their extreme ideological stance, supported strongly by left-wing academics, prevented the party from moderating later on. The Socialists (and Communists) have also maintained contradictory lines on welfare—supporting welfare but opposing tax increases and spending—which the voters have recognized as unrealistic. Moreover, a European-style social welfare state platform is not exclusive to the Socialists; the DPJ has largely embraced it as well, and has been considered a better option by many. Now the voters and the LDP seem to be experiencing a “rightward-drift,” which, Professor Nonaka emphasized, will result in vacuum at the centre-left and the left. If the DPJ takes advantage of this vacuum it may be able to recoup its position in the future. However, as the DPJ-led government demonstrated as recently as last year, the party has a number of issues to resolve, particularly its link with the bureaucracy. For example, the DPJ manifesto in the past demonized the bureaucracy, which has understandably soured the party’s relations with officials.

The participants then returned to the topic of the second-generation politicians. If the “easy money” is gone, what would be the future of the second generation politicians, especially in rural areas? Professor Nonaka predicted that although Abe will try to distribute some “easy money” in the future to support rural LDP politicians of the traditional type, this will eventually become impossible. As a result, second-generation conservative politicians in rural areas will likely experience intermittent political terms. This change will also force changes in the LDP’s internal party structure.

The third question concerned the applicability of the “separation of powers” framework. Some participants argued that this is not as clear-cut in the case of Japan as it is in other countries. The separation of powers is a dilemma experienced by all parliamentary democracies, as it is difficult to coordinate policy-making legislative processes when the interests of the parliament, the Cabinet, and the bureaucracy are often in tension. Panelists argued that states come up with their own ways to resolve this dilemma and get things done; what we often witness is not a clear separation of power but complex delegation and accountability. Professor Nonaka countered that Japan’s case is still different from that of other parliamentary states in Europe, as the Japanese government has no power at all in the Diet (except in budget proposals and statements during sessions). Moreover, the government can be summoned by the Diet to answer questions to the extent not witnessed in any other country. But Professor Nonaka and the panelists agreed that this could be used equally well as an example of the prime minister’s accountability to the parliament and not a separation of power. The participants agreed that in the end, what is indeed unusual is the Japanese (or, rather, the LDP) attempt to solve the dilemma by using various external mechanisms outside the Diet to get around it.

The final questions to both presenters were (1) whether they could imagine an alternative to a party system in Japan,

and (2) what they would prescribe as a remedy for the current problems of Japanese politics. The presenters argued that although a reconfiguration of the party system is possible, doing away with parties is not, as any political group needs an organized “label” once they reach a certain size, strictly as a response to the problem of scale. Moreover, political parties do not only function for elections; parties coordinate policies and exercise governance between elec-

tions, and thus parties are not only voters’ electoral choices but mechanisms for assuring democratic governance. The presenters suggested that, for Japan, the most important task is to empower the government in the Diet by means of changes to the constitution, Diet procedure, and/or internal regulations. They also felt that more frequent and more regular alternations power would certainly be helpful.

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Balsillie School of International Affairs, Waterloo, Ontario, Canada

Keynote Speakers

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- Professor Naoto NONAKA, *Professor of Comparative Politics, Gakushuin University*

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Professor Benjamin Nyblade researches and writes in the areas of comparative democratic institutions, political parties, and elections (with particular emphasis on Japan and Western Europe). His current research projects are concerned with investigating the effect of electoral system reform in Japan, the dynamics of coalition government formation and duration in Western Europe, and theories of party competition. He is also an expert in Japanese foreign policy, empirical political theory, and research methodology.



Professor Naoto Nonaka studies Japanese and comparative politics. He has written extensively on subjects such as political parties and electoral systems, with particular attention to comparisons between France and Japan. He is also a noted expert on the Liberal Democratic Party. He is the author of *The Political Elite under LDP Rule* (University of Tokyo Press, 1995).



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