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PARTY-BUREAUCRATIC GOVERNMENT

This chapter details the structural obstacles in Japan's policymaking process which are preventing Koizumi from realising his stated reform goals and from capitalising on the positive political conditions for reform which he has enjoyed.

— Koizumi has a strong legislative base of support, but in practice this is insufficient as a political basis of reform

The LDP with Koizumi as leader ruling in coalition with two smaller parties, the New Kômeitô and the Conservative Party, has a solid majority in the Diet, which should in theory provide a strong base for the administration to enact its legislative program. Indeed, Koizumi's party, the LDP, is in a position where it might even regain its majority in the next Upper House election in 2004. However, the LDP-ruling coalition's majority of seats in both houses of the Diet is in practice an insufficient political base because the strongest opposition to Koizumi's reform is not coming from the opposition parties in the Diet, but from institutions within the governing apparatus which should in theory support him. These are the ruling LDP and the bureaucracy, a dual structure of institutions that dominates Japan's traditional policymaking system. The executive comprising the prime minister and cabinet thus faces the *de facto* veto power of the LDP and the bureaucracy.

THE EXECUTIVE AND THE PARTY IN THE TRADITIONAL POLICYMAKING SYSTEM

The LDP represents a veto point for the prime minister and cabinet because all major policies, including those requiring legislation, must be submitted to the 'advance scrutiny' (*yotô shinsa*) and 'prior approval' (*jizen shōnin*) of the party's policymaking machinery before they even reach the cabinet or the Diet.¹ This machinery comprises the Policy Affairs Research Council, or PARC (Seimu Chōsakai),² which is composed of a large number of policy committees,³ and the organ that acts as a clearing-house for the PARC, the Executive Council (Sōmukai).⁴ The PARC's operations are extensive, formalised and institutionalised. Approval is a three-stage process. Bills need the approval of the relevant committee, then the PARC itself (its chairman, acting chairman, vice-chairmen and members of its Policy Deliberation Commission, or Seichō Shingikai) and finally the Executive Council. As Kato observes, '[u]nder the current process of making policy decisions in Japan, the most intensive discussions take place in the LDP's policy-related committees and the party's Executive Council'.⁵

The executive in Japan's governing structure is bound by this advance screening-cum-prior-approval system. It makes the LDP and its PARC a vital veto point for major policies and legislation even though the policymaking process of the LDP has no legal status whatsoever in government. Officially the party has no power to make policy decisions.⁶ The prior approval system was put in place because LDP policy leaders demanded it. The system dates back to 1962 and the Ikeda administration, when LDP Executive Council Chairman Akagi Munenori tendered a written request to Chief Cabinet Secretary Ōhira Masayoshi for the government to have cabinet-drafted bills referred to the Executive Council in advance of cabinet decisions on the bills. The practice became entrenched in the 1970s with draft bills screened, modified and approved first by PARC committees and then by the Executive Council before they were finalised for presentation to the Diet.⁷ Subsequently, the LDP was able to mould the system into a powerful mechanism for shaping policy in the interests of the party's Diet members.

The LDP's considerable *de facto* power over government policy means that the party is not subordinate to the executive as is customary in a parliamentary cabinet system. Because of its right of veto, the party represents a parallel structure with equivalent if not superior powers. As Yamato points out,

[c]abinet policies, new laws, and the budget by which they are implemented are...introduced to the Diet only after review and debate by the ruling party...The LDP conducts prior deliberations on all policy proposals called for by the cabinet, and if that deliberation process is not complete the proposals will not be approved for introduction to the Diet. Thus, behind the government stands the ever-present restraining force of the ruling Liberal Democratic party...The LDP is the *de facto* power behind the cabinet.⁸

In other words, the party mechanism has 'the ultimate power to determine whether the bills pass or die'.⁹ The LDP thus functions as a discrete entity that is quite separate from the executive.

No other parliamentary system has a well-established convention in which the ruling party(ies) must approve all legislation including budgets.¹⁰ Admittedly a potential ruling party veto to cabinet policies exists in any parliamentary system.¹¹ Approval of government legislation is not necessarily guaranteed. Backbenchers sometimes disagree with the cabinet in politically sensitive policy areas that will cost them votes in their electorates. But for most part, this power is latent and exercised informally through anticipated reactions rather than formally in policymaking contexts within the party. In the Japanese case, party policymaking power is both overt and regularised.¹² Moreover, with the emergence of coalition governments in recent years, the two other ruling parties have 'simply adopted the LDP's prior screening procedures. Thus the...practice has put down even deeper roots and Diet deliberations have increasingly developed into nothing more than a mere formality'.¹³

The primary political function of the PARC is to enable LDP politicians acting as representatives of special interests to put their stamp on policy through their activities in PARC committees. Indeed, this is the purpose for which the PARC exists. It provides a medium for LDP Diet members to get the credit for delivering policy benefits to their supporters and thus gives effect to the special interests that LDP Diet members represent.¹⁴ The PARC is the main, formal channel for representation by LDP Diet members of particular industries and groups like the farmers, doctors, small retailers, truckers, postmasters and construction companies on policy issues of concern to their interests like rice policy, doctors' fees, deregulating retail stores, privatising the postal service, road construction and so on. In the PARC committees, LDP Diet members can influence policy decisions and the content of legislation. They amend, modify and extract concessions from any policy or legislative proposal subject to PARC scrutiny.¹⁵

What makes the PARC and its committees a really potent influence on policy is the fact that LDP members form an independently strong group. The LDP collectively represents an independent set of interests from the executive and has the power to make these interests effective. In other words, prior approval is important because the party is independently strong, rather than the party being independently strong because its prior approval is required.

LDP members form an independently strong group because the survival of the party in government requires that LDP Diet members are effective in servicing their individual support networks. LDP politicians have their own individual interests that are defined by their resource needs and electoral incentives. PARC activities ultimately translate into votes, funding support (including campaign donations) and organised backup for individual politicians. These are vital resources for Diet members in their quest for power and position within their own party and in the government, as well as important determinants of their electoral fortunes.¹⁶ Moreover, these resources are insufficiently provided by the state via party organisations.¹⁷ They are supplied by interest groups, public and semi-public organisations, companies and individuals who gain political influence and access by aligning themselves with individual politicians and by enlisting them as direct and indirect representatives of their interests.¹⁸ Accordingly, there is a very high level of dependency on extra-party generation of electoral, organisational and personal resources and consequently high levels of policy debt on the part of individual Diet members to outside interests. The PARC provides a locus in which individual LDP politicians can bring these interests to bear in policymaking contexts. The long-term success of the LDP as a political machine in postwar Japan is testimony to the enduring nature of the support networks centring on special interests carefully cultivated by individual Diet members and maintained by liberal quantities of policy benefits.

The most influential members of the PARC committees are their executives. These are the directors, special directors, acting directors and deputy directors of PARC divisions (*bukai*), including the directors of divisional subcommittees (*shotiinkai*), the chairmen, acting chairmen, advisors and deputy chairmen of investigation committees (*chōsa iinkai*) and special committees (*tokubetsu iinkai*), including the chairmen of their subcommittees. Committee executives represent the leading members of the informal policy cliques or 'tribes' (*zoku*) of LDP Diet members who specialise in particular areas of policy.¹⁹ Specific *zoku* groups

also include politicians who have previously held executive positions in PARC committees, but who have moved into more senior positions in the party and in the government. An executive position in a PARC policy committee and 'tribe' Diet member (*zoku giin*) status require seniority in the party (defined in terms of numbers of election victories), policy experience gained through LDP committee service over a long period, policy specialism acquired through policy experience inside or outside the Diet (a former career in the relevant ministry, holding a political position like parliamentary vice-minister (*seimujikan*)—now deputy minister (*fukudaijin*) and parliamentary secretary (*seimukan*)²⁰—and executive positions in Diet standing committees), and well-established connections with relevant industry groups. Such attributes may or may not be complemented by policy status as a minister or former minister.

PARC committee executives and policy *zoku* are the most influential representatives of specific industry interests within the LDP and the most influential politician–decisionmakers on policies for these industries. They are considered to be 'persons of power and influence' (*kenryokusha*). In the agricultural policy sector, for example, a small clique of PARC agricultural committee executives—the so-called *nôrin zoku*²¹—who number between eight and 10 politicians are the principal policymakers for the party on agriculture-related issues.²² They meet daily for breakfast during parliamentary sessions and act as gatekeepers to PARC agricultural policy committees, effectively deciding all party policy on agriculture, with the votes of the larger membership of PARC agricultural committees and party following their leadership.

The role of the *nôrin zoku* is similar to the *zoku* representing all the other policy sectors in which the LDP's major supporting interests are located, and which in many cases correspond to the divisions within the PARC.²³ In addition to agriculture and forestry, policy 'tribes' exist for fisheries (*suisan zoku*), postal services (*yûsei zoku*), transport (*kôtsû zoku*), telecommunications (*tsûshin zoku*), fiscal policy (*zaisei zoku*), finance (*ôkura zoku*), tax (*zeisei zoku*), education (*kyôiku zoku*), welfare (*kôsei zoku*), defence (*bôei zoku*), banking (*ginkô zoku*), foreign affairs (*gaikô zoku*), construction (*kensetsu zoku*), road construction (*dôro zoku*), tobacco (*tabako zoku*), and commerce and industry (*shôkô zoku*)—meaning small and medium-sized enterprises of all kinds, including those in retail, distribution, manufacturing. Others have included inter-party relations (*giun zoku*), Diet coordination (*kokutai zoku*), administrative reform (*gyôkaku zoku*), national railways (*kokutetsu zoku*), energy resources (*enerugi shigen zoku*), space

(*uchû zoku*), private sector promotion (*minkan sekutâ shinkô zoku*) and new media (*nyû medeia zoku*). As the list reveals, not all the *zoku* represent specific industries backing the LDP. Some are organised around specific kinds of policies like the *gyôkaku zoku*, or a function like the *kokutai zoku*, or even a ministry like the *ôkura zoku*. The membership of these groups varies from three to 10, with most averaging around eight.²⁴

Many of the industries represented by *zoku* are laggard sectors long used to government protection and large infusions of public funds, with the 'big three' *zoku* found in the agricultural and forestry, commerce and industry, and construction sectors. The *zoku* are the strongest in these sectors because, traditionally, they have been areas of policy where large quantities of benefits and concessions have been available for distribution to supporters, and where these supporters have been crucially important for LDP Diet members. The foundations of LDP power thus rest on uncompetitive and unproductive domestic sectors, which are highly organised to defend their interests, and which provide LDP politicians, particularly their most influential representatives within the party, with indispensable political resources. As Stockwin observes, the LDP exhibits 'interest network dependence [which] creates a skewed pattern of representation of interests, in that the special interests are predominantly those in the more "backward" areas of the economy...which press for State intervention in order to survive'.²⁵ It is not surprising that Koizumi's reforms, which strike at the very heart of this system, elicit such a storm of protest from politicians in his own party.

The position of PARC committee executives and *zoku* has been strengthened by the new arrangements put in place following electoral reform of the Lower House in 1994, which allow LDP Diet members to attend the meetings of any PARC divisional committee they choose. In short, the memberships of these committees are no longer fixed.²⁶ The executives remain fixed, however, and they control the entire business of the divisions, bringing the larger membership into line and thus acting effectively in the role of party whips within the party (because all decisions must be unanimous) and thus ultimately the Diet.²⁷ As Krauss and Pekkanen observe,

[o]ne of the most neglected and ignored functions of the PARC divisions has been to allow the LDP to maintain party discipline on legislation by an institutionalized structure that makes it virtually impossible for back-benchers to oppose a policy or have influence over legislation that the specialised *zoku giin* wanted.²⁸

Non-executive members of the committees attend meetings as gestures to their supporters outside the Diet and to act as cheer groups for the executives. However, the broader membership wields only marginal influence over final outcomes except in rare and much publicised cases.²⁹ In general there are powerful disincentives for members to present unorthodox or dissenting views, because their future careers can depend on pleasing the policy leadership. The uniform view of the committee is then presented as a 'consensus', despite the fact that it hides a lack of influence by those outside the leadership group. As Sugimoto observes, 'it is the leaders of the division and bureaucrats who make the final decision. In the end, because the right to make policy belongs to these executives and bureaucrats, 'junior' politicians lose their enthusiasm and ability'.³⁰ Moreover, Japan's much vaunted consensus policymaking process in practice disguises the fact that the real decisionmaking takes place informally amongst a small group of people in senior positions who then impose their views on the rest. Consensus actually equates with control by those in leadership positions who use their power to enforce their views. This makes the position of a few policy kingpins absolutely pivotal in each sector of government policy.

Modification by the party of executive and bureaucratic policy proposals accounts for the ubiquitous use of the term 'intervention' (*kainyū*) to describe the activities of LDP politicians led by PARC executives and *zoku* in directly influencing the policy formation process.³¹ The party is said to 'intervene' in policymaking. This refers to the intervention of LDP politicians representing special interests, with party policymaking processes providing the medium through which these interests can be expressed and represented. Party interests must, therefore, be distinguished from the interests of the executive. In the Japanese system, backbenchers have independent interests and thus weak incentives to unite behind the government leadership. They respond to a separate set of incentives and thus operate in a stance of negotiation with the executive, rather than showing quasi-automatic support for it as is normal in parliamentary cabinet systems.

Koizumi has reputedly eschewed *zoku* status in the sense of acting as a political representative for specific industries, which, as already noted, makes him unusual in the LDP. As Endō explains, one characteristic of Koizumi is that, even if he takes a position in government or in the party, he does not stick to it and use it to expand his personal connections.³² Koizumi was Parliamentary Vice-Minister of Finance in 1979, Minister of Health and Welfare

four times (in 1988, 1989, 1996 and 1997) and Minister of Posts and Telecommunications once (1992). He has also held executive positions in the PARC and Diet policy committees on financial policy as Director of the Fiscal Policy Division (Zaisei Bukai) and Chairman of the Lower House Standing Committee on Finance (Ôkura Iinkai), and on health and welfare policy as Chairman of the Basic Medical Care Problems Investigation Committee (Iryô Kihon Mondai Chôsakai). With this kind of background, Koizumi should, by rights, be a fiscal policy (*zaisei*), finance (*ôkura*) and welfare (*kôsei*) *zoku*. Certainly, some commentators consider him as such.³³

Although Koizumi did become an expert in policy in these fields, he did not become a *zoku* in the true sense of the term. That is, he did not accumulate power in the relevant *bukai* as a representative of health, welfare or financial interests. He retained his independence from the industries operating in these sectors and did not use his policy power or specialism to build connections with established interest groups and private companies for his own political advancement. As Endô notes, when Koizumi was Minister of Health and Welfare, he did not establish strong contacts with medical associations or pharmaceutical companies. Because he kept his distance from these interests, he was able to stick to his own views, disregard their opposition and mount reforms that were antipathetic to them.³⁴

On the other hand, Saikawa argues that one of the reasons why Koizumi supports postal savings reform is because it would benefit private sector financial institutions.³⁵ According to Saikawa, not only does Koizumi get financial support from the Bank of Yokohama,³⁶ but he pulls back from injecting public funds into the banks because this would mean that the presidents of the banks would have to resign without their retirement allowances.³⁷ In Saikawa's view, this makes him a representative of banking interests (*ginkô zoku*).³⁸ On top of that, there are very few designated post offices in his electorate, and therefore his advocacy of postal privatisation does not influence his electoral prospects.³⁹ These factors help to explain Koizumi's consistent line on postal policy along with his closeness to the MOF.⁴⁰ When Koizumi was first elected in 1972, he belonged to the Lower House Standing Committee on Finance, from where he took the MOF's and private banks' line against the Ministry of Posts and Telecommunications in the postal savings versus bank battle in the late 1970s. His advocacy of privatisation of postal services would be in the interests of the MOF, because it wants to control postal savings.⁴¹ Koizumi's pro-MOF stance

also makes sense of his policy of attacking the special public corporations including the road corporations because postal savings and insurance are a source of funds for these corporations. On the other hand, when Koizumi became Minister of Posts and Telecommunications he was unable to accomplish any reforms in these areas because of obstruction from *zoku giin* and the ministry. This is behind his animosity towards the *dôro zoku* and *yûsei zoku*.⁴²

As already noted, however, Koizumi has not operated as a banking *zoku* within LDP policymaking circles and is not a covert supporter of sectional interests. A number of commentators have pointed to Koizumi's lack of interest and understanding of the banking problem (on which he takes lectures from experts) and the seriousness of the mountain of bad debt plaguing the financial sector.⁴³ Koizumi's position on the banks and on postal savings and related issues is consistent with his overall neo-liberal agenda in favour of shrinking the public sector, curtailing wasteful government expenditure, transferring loss-making public businesses to the private sector, lifting productivity and efficiency in the economy, and maximising the free play of market forces. Furthermore, as some economic commentators point out, speeding up bad debt management may precipitate a financial crisis, as well as spur more bankruptcies and unemployment which would only aggravate deflation.⁴⁴ Although Koizumi has said that unemployment will increase as part of the pain of structural reform,⁴⁵ it is possible that he also shares the fears of many of his fellow LDP Diet members about the consequences for the party and for Japanese society of widespread joblessness consequent upon the bankruptcies that would inevitably accompany a radical clean-up of non-performing loans in the banking system.

The problem for Koizumi in trying to enact his program of economic reform is that, while his party in coalition has a working majority in both houses of the Diet and thus the executive agenda should, in theory, carry the day, the prime minister does not necessarily carry the LDP policymaking machinery with him. In the LDP's policy committees, individual LDP Diet members acting on behalf of supporting interests block those reform proposals that directly attack the vested interests of their supporters before they even reach the Diet or can be submitted for Cabinet approval. For example, in December 2001, the Executive Council vetoed the administration's plan on medical reform which set a target year of 2003 for increasing the portion of medical expenses paid by health insurance policyholders. Koizumi's plans to scale back the nation's expressway projects met a similar fate. The PARC's Land, Infrastructure and

Transport Division (Kokudo Kōtsū Bukai), the Highways Investigation Committee (Dōro Chōsakai) and the Housing and Land Policy Investigation Committee (Jūtaku Tochi Taisaku Chōsakai) rejected the proposed freeze on the highway construction plan and demanded that construction proceed as scheduled.⁴⁶ They adopted a combined resolution calling for full implementation of expressway construction, whilst agreeing to privatise four road-related public corporations and two housing-related corporations. Their intervention resulted in the freeze being downgraded to a review at the same time as permitting Koizumi's restructuring plans for the road and housing corporations to go ahead (see Table 1.1).⁴⁷ Their pressure also resulted in the revival of a road construction project of the Japan Highway Public Corporation, one of the public corporations slated for privatisation. Furthermore, while the government's independent committee on privatisation of the four road-related public corporations has been sitting, a study panel of the Highways Investigation Committee chaired by Koga has been generating counterproposals, including one for making highways toll-free and for restarting at an early date the pending construction of 2,400 kilometres of highways.

On the separate issue of privatising postal services, the Koizumi Cabinet submitted the four bills for postal services reform to the Diet in April–May 2002 without the approval of the PARC. The division formally in charge of scrutinising the postal bills was the PARC's Public Management, Home Affairs, Posts and Telecommunications Division (Sōmu Bukai). Chairman Arai Hiroyuki and many of the division's members were opposed to the bills. Arai personally criticised the prime minister for the cabinet's submission of the bills to the Diet in disregard of the division's views and for Koizumi's comment that the passage of the bills would be a milestone on the path towards privatisation of all postal services.⁴⁸ Many of the division's members claimed that the bills should be aborted and subsequently waged a campaign against them in the Lower House Standing Committee on Public Management, Home Affairs, Posts and Telecommunications Committee (Sōmu Inikai),⁴⁹ which had the formal task of discussing and passing the bills on to the plenary session.⁵⁰ The prime minister was also advised by former Chief Cabinet Secretary Nakagawa Hidenao 'not to irritate LDP members excessively' over the issue.⁵¹ Koizumi, however, bracing himself 'for a showdown with antireform forces...said, "This is going to be a battle in which either the LDP will destroy the Koizumi Cabinet or the Koizumi Cabinet will destroy the LDP"'.⁵²

Strong resentment has thus surfaced within the LDP towards Koizumi's attempts to upset the 'natural' order of things by seizing the policy initiative and undermining the party's policymaking power. Members of the LDP have resented Koizumi's attempts as leader of the executive to dominate the party. Aoki Mikio, the LDP Secretary-General for Upper House members expressed concern about the dominance of the Koizumi government's leadership over the ruling party.⁵³ He lambasted Koizumi's style, asserting: 'This is party politics. He should openly discuss things with the party'.⁵⁴ He was followed by a member of the Mori faction who commented that discontent was growing over the prime minister's 'independent decisions'.⁵⁵ In a similar vein, the Chairman of the PARC, Asô Tarô, suggested that Koizumi was making too many unilateral moves: 'He should give us some clue as to what he plans to do. He can't just say, "This is how it's to be done"'.⁵⁶ Likewise, Suzuki Muneo, ousted from the LDP in early 2002 over a money-for-favours scandal, but formerly a prominent member of the Hashimoto faction, called Koizumi a fascist, while Nonaka, a vehement opponent of the privatisation of postal services made two striking comments about Koizumi's speech accompanying the submission of postal reform bills to the Diet in May 2002: 'He thinks in a manner entirely different from our thinking. If he undermines our efforts to form a consensus on the bills (within the LDP), I have no reason to work responsibly (for the passage of the bills)';⁵⁷ 'Although I made efforts, he lacks consideration. Under such a situation, I cannot undertake responsibility. A matter cannot be decided by a dictator'.⁵⁸ These remarks are not surprising given that Nonaka is the boss of the LDP's postal policy 'tribe' (*yûsei zoku*), former Chairman of the Posts and Telecommunications Division (prior to administration reform, the main LDP policy committee concerned with postal policy issues), and the leading representative within LDP policymaking circles of the Association of Special Postmasters.⁵⁹ The *yûsei zoku* opposed privatisation on the grounds that it violated the clause in the Central Ministries and Agencies Reform Basic Law (*Chûô Shôchôtô Kaikaku Kihonhō*) which stated that 'privatisation will not be reconsidered'.⁶⁰ They threatened to revise the bill privatising mail collection and delivery services in order to minimise the potential number of commercial firms able to enter the business by restricting the definition of the word 'letter' or 'postal mail' (*shinsho*) in the title of the bill.⁶¹ Other suggested revisions included exempting the new postal corporation from paying taxes equivalent to the corporate tax rate and allowing the

corporation to invest in subsidiary organisations.⁶² Nonaka commented that if these revisions were incorporated into the bills, the majority of LDP members would vote for them.⁶³

The LDP's prior approval system thus produces a separation of powers between the executive and the ruling party, rather than a fusion of powers which is customary in a parliamentary cabinet system. The majority party normally delivers strength to the executive because the executive can rely on the support of backbenchers, but in Japan the executive cannot expect the party's automatic support. It has to negotiate policy outcomes with it. The upshot is that, despite a swathe of reform initiatives coming from the executive, Koizumi cannot necessarily count on the acquiescence of his own party and hence the successful execution of his reform plans.⁶⁴ Koizumi is in the anomalous position of being leader of a party that elected him as president, but which does not necessarily support him.⁶⁵ The factions that may have supported Koizumi as reluctant realists in the 2001 LDP presidential election do not necessarily support his policies. In the absence of strong backing from his own party, Koizumi faces an uphill battle in implementing his administration's policies.

In this respect, the Japanese political system departs quite significantly from some key aspects of the present-day Westminster model⁶⁶ on which it is based.⁶⁷ Historically, the British Westminster parliamentary cabinet system with its fusion of powers was chosen for Japan by the Occupation authorities over the American separation of powers system in order to centralise government power and create an unambiguous line of authority and responsibility.⁶⁸ As Stockwin comments: 'A British-style cabinet government structure fitted much better with the aims of the Occupation than an American separation-of-powers system, and was entrenched as the centrepiece of politics and government. To my mind, this is the great paradox of the Occupation, that the Americans should have left Japan with the Westminster model, rather than with the Washington model!'⁶⁹ As it has evolved in practice, however, the Japanese political system under the single-party dominant system led by the LDP has metamorphosed into an 'Un-Westminster model'.⁷⁰

Arguably, the central feature of Westminster systems is strong executive (that is, cabinet) government.⁷¹ The executive is drawn from the parliament and exercises strong decisionmaking power in the form of a cabinet. Westminster systems in which single-party majorities prevail in a dominant Lower House (which Japan has had with the ruling Liberal Democratic Party in power from

1955 right through until 1993 and between September 1997 and January 1999) are normally associated with strong executive government because the latter can count on its parliamentary majority to enact its legislative program. The cabinet under the prime minister conducts substantive policy debate and takes charge of policymaking. Ministers both collectively in cabinet and individually as heads of ministries are the source and authority of all major government policies. The prime minister is the first amongst equals in the cabinet and exercises powers of ministerial appointment and cabinet agenda setting. Providing prime ministers carry their cabinets and majority party with them—usually by force of leadership and political argument—they can successfully enact their own policy agendas. The line of policymaking authority is top-down: prime ministers normally carry their cabinets, cabinets nearly always carry the parliamentary party and the parliamentary party counts on carrying parliament. The prime minister also controls the majority party as its leader and the cabinet controls the bureaucracy because ministers control their ministries. The majority party follows its leaders in cabinet and bureaucrats follow their ministers in cabinet. As Haggard comments, 'Prime Ministers and their cabinets in parliamentary systems are typically quite powerful. In contrast to presidents, who must rely on securing the support of a separate branch, parliamentary governments can in principle legislate at will'.⁷²

In Westminster systems, ruling-party backbenchers act only as a sounding board and potential constraint on the cabinet through the party room or caucus. They are not formally part of the policymaking process insofar as their involvement is normally limited to consideration of policy after it has been developed and considered by the cabinet machinery. Party approval is sought before proposed policies and legislation are finalised, but is not required in all cases. The budget, for example, is submitted to the party as a *fait accompli*. Party policy committees, to the extent that they exist, do not operate as an alternative, formalised site of policymaking to challenge the role of cabinet. Their policy discussions are generally at the direction of the party leadership and they are subordinate to this leadership. In short, they are not alternative foci of party power.

In Japan's case, the ruling party forms an independent and separate locus of policymaking authority and in this sense is disconnected from the executive.⁷³ In a Westminster system, the ruling party's policymaking functions are performed within the cabinet. In Japan, they are performed outside it in an entirely separate policymaking apparatus.

THE EXECUTIVE AND THE BUREAUCRACY IN THE TRADITIONAL POLICYMAKING SYSTEM

Executive power in Japan's traditional policymaking system is also compromised by the power of the bureaucracy, whose support is needed for executive initiatives to be implemented. Because the bureaucracy is normally considered part of the executive, its compliance with executive-sponsored reforms is not even identified as a separate political condition for economic reform. In most systems, and certainly in Westminster systems, the bureaucracy's support for the administration can be taken for granted. The ministries are assumed to line up behind the cabinet and to operate under the authority of the prime minister and individual ministers. A politically subordinate bureaucracy, as the administrative arm of the executive, is generally expected to follow ministers' instructions and conscientiously implement executive policy as formulated in the cabinet.

In Japan, however, the reverse is true. The individual cabinet ministers operate under the authority of their ministries, which renders cabinet policymaking functions almost meaningless. Bureaucrats in the various ministries and agencies of government, even though unelected, function as an independent source of policy authority and are not completely accountable to their ministers.⁷⁴ Ministers have great difficulty imposing their policy will on bureaucrats who run their own agendas, evade or even defy their minister's (and the prime minister's) instructions. Ministries independently make decisions and announcements on national policy. Based on his previous experience as Minister of Health and Welfare, Kan Naoto also observed that all ministers' public speeches from inauguration to resignation are prepared by bureaucrats, and ministers receive 'lectures' from bureaucrats in a process that can only be described as 'brainwashing' (*sennô kyôiku*).⁷⁵ In the Westminster context, 'Yes Minister' was always an overdrawn picture of bureaucratic power. In Japan, it represents undistorted reality.

The foundations of bureaucratic power in Japan are beyond the scope of this analysis.⁷⁶ Suffice it to say that rumours of the demise of the Japanese bureaucracy have been greatly exaggerated.⁷⁷ The power and autonomy of the Japanese bureaucracy in the policymaking process are based on its formidable control over the functions of policy advice, initiation, formulation, development and implementation. They are further buttressed by bureaucrats' informational dominance, their 'capacity to strategically utilize information to influence

policies',⁷⁸ their mastery of the technical details of policy, their legal powers to draft legislation and to make rules comprising various kinds of administrative ordinances and regulations, and their right to exercise wide powers of discretion in the implementation of these rules as well as in the administration of legislation.

Bureaucratic power in the policymaking process also derives by default from the insufficient non-bureaucratic, informational and advisory support structures for the prime minister and ministers. Key institutional shortcomings have left the prime minister and cabinet ministers without a cadre of independent policy advisors and the requisite authority to initiate policies. Indeed, the Prime Minister's Official Residence (Kantei),⁷⁹ which is the equivalent of 10 Downing Street, as well as the Cabinet Secretariat (Daijin Kanbō), have been significantly penetrated by bureaucratic appointees. Similarly, minister's offices in the ministries are under the scrutiny and control of officials from those ministries. Individual ministers' small support staffs are almost exclusively drawn from the ministries they head. The lack of a substantial number of independent, non-bureaucratic staff for the executive has underwritten a system in which it has largely been a mouthpiece of and manipulated by the bureaucracy.

In addition, bureaucrats preside over systems of economic intervention in which they exercise substantial discretionary powers of regulation (granting licenses, permissions and approvals) and allocation (granting subsidies for particular projects, including public works projects and public works contracts). As part of their administration of interventionist systems, they also employ powers of discretionary economic decisionmaking.⁸⁰ In addition, each ministry presides over an auxiliary infrastructure of public corporations and quasi-public bodies that considerably expand its interventionist reach. None of these bureaucratic powers has been compromised by the waves of corruption and incompetence scandals that have beset the Japanese bureaucracy since the mid 1990s.

Koizumi has found that he can effect the most change when he works with established ministries rather than against them. For example, his pledge to cut public expenditure and to reduce the government's reliance on deficit spending has the strong support of the MOF because it amounts to budget cuts in another guise and because it advances the MOF's long-standing quest to rebuild the nation's finances through a policy of fiscal austerity. Koizumi has been able to achieve some fiscal reforms because they have had the full force of the MOF

behind them.⁸¹ As one Japanese commentator observed, 'the policy line adopted by the Council on Economic and Fiscal Policy fits the goal pursued by Finance Ministry bureaucrats, whose priority is to replenish depleted state coffers'.⁸² For example, the cut in general policy spending in the fiscal 2002 budget was the largest general spending cut ever. Similarly, the reduction in public works investment of 10.7 per cent, or roughly ¥1 trillion, was 'one of the deepest cuts in memory. No wonder budget officials describe it as a "Draconian reduction"'.⁸³ The influence of the MOF can also be detected in the ¥30 trillion cap on the annual issue of new government bonds, reform of the special public corporations and the February 2002 anti-deflation policies.⁸⁴ Then, in June 2002, on the same day it was revealed that the prime minister would order a cut in subsidies of several trillion yen over four years in 2003 General Account budget requests, Finance Minister Shiokawa announced yet another 10 per cent cut in public works spending in the 2003 budget, with zero growth in General Account expenditure. Later, Koizumi gave a directive to reform the tax system at a meeting of the CEF, but the content of his directive 'turned out to be loyal to the logic of the Ministry of Finance, as can be seen in the implication of tax hikes'.⁸⁵

The close alignment of Koizumi's policy achievements with MOF interests has been criticised as reflecting an unexpectedly narrow sphere of policy influence on Koizumi's part.⁸⁶ As Nakamura explains, although Koizumi aspires to a very broadly based reform program—encapsulated in his slogan 'structural reform without sanctuary'—in reality his reforms have been limited to just those supported by the MOF and the Ministry of Health, Labour and Welfare with increased charges for medical treatment.⁸⁷ In fact, the sum total of Koizumi's reforms amounts to little more than cuts in government spending.

In contrast, in those areas that throw down a direct challenge to bureaucratic power, like reform of public corporations, change is much slower. The process is fundamentally flawed because it gives virtual veto power to the bureaucracy itself.⁸⁸ The prime minister announces his targets, but the ministries have to agree to any reorganisation of public corporations because they are integral elements of bureaucrats' administrative fiefdoms. Ministry officials mount the arguments about whether each public entity is necessary or not, and what form any changes might take. Thus, whether and how these bodies should be restructured has to be negotiated with the ministry concerned via its

bureaucratic head. In this fashion, each ministry in practice decides the fate of the public corporations within its jurisdiction. All Koizumi and his economic team have been able to do is apply concerted top-down pressure to this process.

The Administrative Vice-Minister of the Ministry of Economy, Trade and Industry, or METI (Keizai Sangyôshô), openly defied Koizumi on the issue of the draft bills for abolishing the Japan National Oil Corporation (JNOC). As the press reported,

[d]uring a meeting at the Prime Minister's official residence...Economy, Trade and Industry Vice Minister Katusada Hirose emphatically told Koizumi that revisions to a set of bills designed to abolish the Japan National Oil Corp. were not necessary... 'I don't see it as necessary to revise the bills,' he reportedly said. A confrontation regarding the ministry-drafted bills broke out between the prime minister and his aides, who sought a revision of the bills, and the ministry, which has so far defied their calls.⁸⁹

Other ministries whose public corporations have been under specific attack, such as the Ministry of Land, Infrastructure and Transport (road corporations) and the Ministry of Public Management, Home Affairs, Posts and Telecommunications, have also the advantage of being able to enlist the support of LDP *zoku* to their cause.⁹⁰

Deregulation is a similar story, with Koizumi grinding through the same process as his predecessors, using regulatory reform councils to churn out lists of recommendations, which individual ministries can then decide to implement at a pace and in a fashion that suits their own interests. And where there are opportunities to advance and preserve bureaucratic interests in the name of structural reform, the ministries never fail to do so. For example, government ministries and agencies with a stake in 'structural reform (deregulation) special zones' have endeavoured to widen their spheres of influence 'by revising only governmental and ministerial ordinances'⁹¹ in relation to the zones in order to preserve the ministries' discretionary powers over the ways in which these zones will operate, rather than by changes in the relevant laws.

Strong evidence of bureaucratic intervention can also be observed in the economic revitalisation components of the June structural reform package—'Basic Policies for Economic and Fiscal Management and Structural Reform 2002'. The package was described as 'no more than a gathering of the policies so far drawn up by the government offices at Kasumigaseki'.⁹²

PARTY-BUREAUCRATIC INTERDEPENDENCIES

The ruling party, not the executive, is the only political institution with sufficient power to bargain and negotiate with bureaucrats on an equal basis. In this system, policy is made in the interaction between the party and 'the government', which, in reality, refers to the bureaucratic ministries, a combination uniformly referred to as *seifu*-Jimintô. Government policy has represented the end product of this interaction process. The system does not produce strong cabinet government with a prominent leadership role played by the prime minister, but a dual power structure of party-bureaucracy policymaking in which the prime minister and cabinet play a subordinate, rather than a superordinate, role. The result is that Japan does not have cabinet government,⁹³ it has party-bureaucratic government. It is a system in which the executive is left out of the loop.

The perennial debate about who exercises power in policymaking in Japan has been almost exclusively a debate between proponents of a bureaucracy-dominant model versus those proselytising a party-dominant model. In other words, this has been a debate over the question of which institution—the bureaucracy or the politicians—is in the ascendancy in the policymaking process. In more recent times, the argument has been restated in an ultimately fruitless search for a single locus of policymaking authority, a quest to establish who, in rational choice parlance, is the agent of whom.⁹⁴

In this debate, the fundamental question of why the executive did not predominate, given Japan's parliamentary cabinet system of government, has been almost completely overlooked.⁹⁵ Indeed, the discussion of bureaucratic versus party-dominated policymaking assumed the irrelevance of the executive. The prime minister and cabinet were simply not factored into extant models of Japan's policymaking system. This neglect has been partly a reflection of the weakness of the executive structures in themselves, but it is also due to a lack of familiarity with parliamentary cabinet systems amongst the majority of foreign scholars working on Japan. For the most part it is assumed that the prime minister and his ministers are somehow included under the ruling party umbrella. In fact, the role the executive plays in the policymaking process is quite distinct and separate from the ruling party itself.

Moreover, as to which institution in the dual structure of power—the party or the bureaucracy—is in the ascendancy, the reality is that neither exerts predominance over the other. Although the balance of power between them may

vary depending on the policy sector and even the policy issue,⁹⁶ the bureaucracy and the party are functionally interdependent. Policy is made in the interaction between these two structures operating in an interdependent fashion.

Politicians rely on ministries for information, particularly for matters of policy detail. The major reason for this is that the policymaking staff of individual Diet members is woefully inadequate. Each Diet member has three state-subsidised secretaries whose job is to arrange the schedule of their *sensei*, to greet visitors and to make tea, to receive petitions from various supplicants and to handle communications with supporters.⁹⁷ Officially, one of these secretaries is called a 'policy aide',⁹⁸ whose official job it is to assist politicians to draft policy measures and other legislative activities.⁹⁹ Their salary and qualifications are higher than for the other aides.¹⁰⁰ In practice, policy assistants are usually concerned with other things, like fund-raising and maintaining useful connections with other politicians.

At the party level, the administrative support structure for the PARC is similarly inadequate. Research officers are limited to virtually one per major policy sector, with their main task that of liaising with the relevant ministry, rather than policy development. The effect of these deficiencies is to make Diet politicians and parties almost entirely dependent on the bureaucracy for policy information, formulation and development. In a survey of LDP Diet members in late 2000, 73 per cent admitted that they relied on bureaucrats when drawing up policies.¹⁰¹ This dependence has been encouraged by the parallel structuring of PARC divisions and bureaucratic ministries.

Politicians also rely on bureaucrats for drawing up policies favourable to their interests. In this process, the *zoku* play a key, intermediary role between party policymaking processes and those of the ministry. During the policy formulation process, ministry officials relate directly to the *zoku* in order to get an idea of what the party wants. This prior consultation process takes place in the initial stages of policymaking, before bureaucratic policy proposals are formally submitted to the PARC process.

For their part, the ministries rely on LDP politicians and particularly the *zoku* for help in protecting sacred ground—ministry interests,¹⁰² including their budgets, their organisational integrity,¹⁰³ their administrative empires including public corporations, and, most importantly of all, for getting policies and bills past other ministers and ministries such as the MOF, and through the PARC policymaking process and the Diet. Ministries and agencies need

the support and assistance of senior members of committees in order to ensure that the policymaking process runs smoothly.¹⁰⁴

Where ministries preside over highly regulated and protected sectors that generate large quantities of benefits and concessions to LDP supporters, the *zoku* are more motivated to cooperate with ministries. For example, the decline in the *shōkō zoku* and in the numbers of politicians prepared to defend METT's interests in policymaking have been traced to the ministry's changing role in the economy and to the fact that, as a result of promoting deregulation, it 'has gradually lost the important concessions it once enjoyed in energy, foreign trade and other industries. The ministry has become less attractive for the commerce and industry policy clique'.¹⁰⁵

In summary, the *zoku* face in a myriad of different but pivotal directions: they represent the interests of specific industries within party policymaking processes, they seek to defend their own and the party's electoral and survival interests *vis-à-vis* the bureaucracy and the executive, they act as a voice for the ministries in LDP policymaking contexts,¹⁰⁶ they function as coordinators and mediators between the party and the bureaucracy, and between the party and the executive, and they act as gatekeepers for the ministries to the legislative process. The PARC, where the *zoku* operate, therefore acts as a veto point for the bureaucrats as well as the executive.

Bureaucrats work around the prior approval system by accepting the demands of LDP politicians in return for having bills and budgets pass through the Diet without amendment.¹⁰⁷ In fact, a lot of bureaucratic energy and effort is expended on anticipating and accommodating *zoku* wishes in the policy formulation process in advance of PARC committee deliberations and discussion. As a result, the political interests of the LDP permeate down to the lowest levels of the ministries, because only those bureaucratic policy initiatives that are politically acceptable to the LDP will be successfully processed by the PARC and become government policy. This has the effect of discouraging reformers within the ministries because bureaucratically generated proposals for change rarely reach the implementation stage. Bureaucrats also want to please influential LDP politicians because favourable personal connections can contribute to their promotion within the ministry.¹⁰⁸

Party-bureaucratic interdependencies form the basis of substantially cooperative relationships that border on symbiosis amongst bureaucrats and LDP party politicians.¹⁰⁹ Some commentators go as far as to call the relationship

incestuous.¹¹⁰ Ministries maintain offices in the Diet itself staffed with 5–10 bureaucrats who can serve politicians' informational requests,¹¹¹ while ministry officials regularly attend deliberations of PARC committees. For example, the Ministry of Land, Infrastructure and Transport jointly promotes public works projects with the construction *zoku* in the LDP. And when the three PARC committees dealing with the nation's expressway projects passed a resolution that opposed the freezing of the highway construction plan, officials of the Land, Infrastructure and Transport Ministry attended the combined meeting of the three committees and supported the resolution, saying that the 9,342 kilometre construction plan needed to be realised one way or another.¹¹² These arrangements typify the implicit contract between bureaucrats and LDP Diet members whereby bureaucrats enable politicians to reap side-benefits from the ministries' regulatory and allocatory activities and public sector businesses. These side-benefits take the form of patronage for distribution to politicians' constituents and supporters. Politicians thus have a vested interest in the preservation of bureaucrats' powers of intervention in the economy. As Tanaka Shûsei, a private Koizumi adviser and former LDP Director-General of the Economic Planning Agency comments, 'lawmakers who lobby for specific industries and ministries depend on the bureaucratic system for their existence'.¹¹³ The vested interests of the bureaucracy and the LDP are, therefore, directly linked, and when politicians and bureaucrats unite against the executive, they can effectively block any reform sponsored by the prime minister.¹¹⁴

Party-bureaucracy interdependence is not only cemented by shared interest but is revealed in the direct lateral connections between individual politicians and individual bureaucrats in areas subject to the exercise of bureaucrats' discretionary powers. Politicians lobby bureaucrats in order to obtain pork-barrel favours for their constituencies, as well as regulatory and allocatory favours for individuals, companies, semi-public organisations, interest groups, and local government officials and politicians within their support networks.¹¹⁵ This deal-making is conducted behind the scenes and lacks both transparency and accountability on the part of both politicians and bureaucrats. Acting as intermediaries for constituency and special interests in this fashion translates into much needed political backing and financial support for individual politicians in the same way that PARC activities do.

LDP politicians approach bureaucrats for favours and policy concessions in those areas that are within the purview of ministry officials to grant. The

bureaucrats can deliver the requested policy benefits because they have the power to do what the politicians ask without requiring ministerial approval. The strength of the politicians is thus tied to the strength of the bureaucracy independently of the executive. For example, individual bureaucrats have the power to decide what gets built where with public subsidies and which company gets what government contract. The result is a plethora of strong horizontal connections between LDP politicians and ministry officials which bypass the executive (and the Diet) altogether.

For politicians, lobbying bureaucrats for specific policy favours is a separate function from policy deliberation within the PARC. All LDP Diet members operate as special-interest politicians in both ways—in PARC macro-policy contexts which deal with what Nakano calls 'fundamental policy frameworks',¹¹⁶ as well as in micro-policy areas where individual bureaucratic decisions can impact on specific constituencies, and within these constituencies, on specific groups of voters, organisational and interest group leaders, local government officials, companies and individuals. Thus, decisionmaking processes for macro and micro-policies differ. Macro-policies are collective and centre on issues that ultimately become government policy, micro-policies involve policies 'at the point of actual policy execution'.¹¹⁷ They require individual, discretionary decisions by bureaucrats, usually about positioning¹¹⁸—that is, what project is to be undertaken where—an arena in which Diet members, acting on behalf of local interests, become petitioners to ministry officials who are charged with making the actual decisions on such matters.

Individual politicians carve out their own policy fiefdoms by combining both dimensions of their activities. They accumulate personal credit by acting independently to secure various policy favours in the role of 'autonomous political entrepreneurs', where they attempt to do policy favours for small groups, companies and individuals in order to obtain money and votes, and also by participating in more general policy-related activities in party committees. Nevertheless, the two policy-related functions of Japanese politicians need to be distinguished: one is policy 'interference' through direct, personal intercession with individual bureaucrats, the other is policy 'intervention' through the PARC.

The policy 'interference' dimension of special-interest politics has become the target of much public and media criticism in Japan because of the potential for corruption, for breeding cosy and collusive relations between individual

politicians and individual bureaucrats,¹¹⁹ because it is widely regarded as meddling by individual politicians in administrative affairs, and because of the lateral connections between individual politicians and individual bureaucrats which circumvent formal policymaking processes. Such connections do not normally occur in Westminster systems, where bureaucrats are subject to strict, vertical, hierarchical lines of authority through department heads to ministers. Bureaucrats are not permitted to meet with politicians other than cabinet ministers. It would be unthinkable for bureaucrats to respond to backbenchers' requests for specific policy favours behind the back of a minister. As for the allocation of public works, it is typically decided centrally either by cabinets or ministers or by arm's length public authorities, according to transparent and public interest criteria. Pork barrelling is not unknown, especially in marginal electorates, but it is centrally determined by and in the interests of parties as a whole rather than in the interests of individual members.

Electoral reform of the Lower House in 1994 altered the relative importance of the policy interference and policy intervention functions for individual Diet members. In creating 300 single-member districts (SMDs) from what were previously multi-member districts (MMDs),¹²⁰ it weakened the incentive for policy specialisation corresponding to the interests of a narrow political support base that centred on well-established ties with specific industry groups (the original, core incentive for the creation of the *zoku*).¹²¹ At the same time, it strengthened the incentive to maximise benefits for the constituency as a whole through activities such as pork barrelling in order to win a plurality.¹²² If anything, the need for a plurality acted as an even stronger incentive for LDP candidates to use the advantage of incumbency to promise pork-barrel benefits to their districts, whilst simultaneously encouraging a stronger focus on local constituency service amongst all candidates. Such a development hardly realised the original intentions of the electoral reformers, who hoped to replace inter-candidate pork-barrel competition with greater inter-party competition and debate over policy issues.

The 1994 Lower House electoral reforms also placed restrictions on political funding and provided for a system of government subsidies to parties.¹²³ However, candidates remain reliant primarily on personally generated electoral resources, on personal vote mobilisation, on personal connections with local leaders and on their own political machines centred in their electorates (*kôenkai*) for drumming up political support. In fact the *kôenkai* have become even

more important as vehicles enabling politicians to expand their political reach by building direct connections with voters (including non-aligned and even anti-LDP voters) outside the organised blocs of voters that form the core of their support base. In many cases, candidates find it necessary to expand their support network in this fashion in order to win a plurality. As noted above, the electoral reforms were designed to encourage inter-candidate competition on the basis of party affiliation rather than on the basis of the personal attributes of candidates, but party competition remains underdeveloped in the SMDs¹²⁴ given the strength of well-established candidate-centred patterns of support gathering and voter behaviour.¹²⁵ Politicians are still pursuing the personal vote, although they are no longer able to rely on purely 'niche' strategies as in the past. Typically, the personal vote is built on the basis of the 'instrumental promises to followers and the provision of personal services rather than...[standing] up for the public good'.¹²⁶ Voters continue to expect their political representatives to channel benefits back into their constituencies and to vote for candidates in the SMDs rather than for parties.¹²⁷ Correspondingly, Diet representatives still 'believe that a politician's work is to ensure the nation's budget for public works projects in the prefecture'.¹²⁸ In short, personal voting goes hand in hand with particularistic, pork barrel-type policies. Politicians' personal votes are being built on constituency service with a strong focus on providing constituency-wide pork-barrel benefits, with candidate differentiation occurring primarily on locality-specific issues. The new SMD system has intensified pork-barrel competition amongst candidates and encouraged politicians to become fierce defenders of their local districts' interests in all policy spheres. As Haggard comments: 'Where politicians have incentives to cultivate the personal vote, they are more likely to seek to develop narrow constituent bases of support and to press for particularistic policies at the expense of party platforms...These particularistic policies take the form of patronage, pork, and the drafting of statutes that are cast in general language but are in fact designed to appeal to narrow constituent...bases of support'.¹²⁹

The absence of strong inter-party competition can also be traced to the blurring of policy differences amongst the parties, the vague generalities characteristic of party policy platforms,¹³⁰ and pronounced trends towards the de-alignment and anti-party sentiment of many voters. In addition, split-ticket voting in Lower House SMDs enables voters to line up for patronage from the local district member by joining his or her *kôenkai* at the same time as expressing

a preference for another party in the regional proportional representation constituencies.¹³¹ In Japan, voters can hate the LDP but still vote for individual politicians who are members of the LDP (and even join their *kôenkai*)¹³² because of a particular politician's ability to serve special interests and his or her constituency. The fact that voters still choose politicians as individuals rather than in terms of their party affiliation reinforces incentives to cultivate a personal vote and weakens incentives to identify strongly with the party platform. The same applies to other electoral resources like campaign finance. When individual Diet members have to raise their own funds, they have an additional incentive 'to cultivate personal reputations'.¹³³

In this way, electoral reform has gradually altered the nature of special interest representation by the LDP, putting much greater emphasis on pork-barrel favours, on lateral connections between bureaucrats and politicians, and on the lobbying role of politicians *vis-à-vis* bureaucrats. It is not surprising that Koizumi's reforms, which attack the potential for pork barrelling in areas such as public works as well as the public corporations that oversee them, have met such stiff resistance from members of his own party. His proposals undermine the potential for special-interest politicians to do their work in delivering pork-barrel payoffs to their key supporters and electorates.

The two dimensions of Diet members' representation of special interests are directly connected. Individual Diet members' leverage over ministry officials increases in line with the status and influence they exercise within the LDP policymaking machinery. One of the main ways in which Diet members gain personal influence is by rising up through the executive hierarchy of PARC committees. Because, as already noted, the committees are structured along broad sectoral and policy lines, such advancement requires a degree of specialisation in particular areas of policy. Over the years, the PARC has been the primary locus and training ground for LDP policy specialists. Its committees provide an arena in which LDP Diet members become experts in particular areas of policy as a means of gaining influence in the government and party.¹³⁴

Long-term specialism and influence bestows the status of *zoku*, and it is the *zoku* who represent the most influential politicians within the LDP in both the policy intervention and policy interference dimensions. Becoming a *zoku* lends weight to a politician's influence over bureaucrats. *Zoku* status has thus become important in the delivery of pork-barrel benefits to electorates. In the 1980s, the *zoku* started to involve themselves in subsidy projects even at town

and village level. But after the introduction of the SMD system in 1994, their pressure on bureaucrats intensified and, in Nakanishi's view, became 'unreasonable'.¹³⁵ To beat their opponents, the *zoku* instructed bureaucrats not to embark on any projects in a particular town, or not to offer public works contracts to any companies associated with their opponents.¹³⁶

The rising importance of the pork-barrel function for the *zoku* has to some extent changed the meaning of the label 'tribe' Diet member. It once referred exclusively to the representational agents concerned with the main body of regularised policies—the passage and amendment of laws, the formulation or alteration of major policy programs and budgetmaking¹³⁷—all centring on the PARC. These days, however, the LDP's pre-eminent policy specialists are criticised for having degenerated into little more than 'lobbyists for special interests in return for campaign donations'.¹³⁸ Their role is merely to 'serve as a conduit for passing on the requests of various business sectors to bureaucrats while also accumulating political donations'.¹³⁹ In fact, the most powerful members of the *zoku* cliques do not even have to lobby ministry officials. They simply request or direct them personally on matters of both policy and personal favours. Ministry officials comply with these requests and directives in exchange for operating under the general patronage of the powerful *zoku*, who take care of the organisational interests of the ministry, in policymaking and in other contexts including the Diet. According to one report, some 'powerful LDP kingpins keep the top officials of a specific ministry under their thumb, virtually controlling their decision-making functions'.¹⁴⁰ As one Foreign Ministry official said of Suzuki, he 'not only controlled personnel affairs but was also on the verge of directing Japan's Russia and economic cooperation policies'.¹⁴¹

Much of the electoral performance of the average politician in Japan thus continues to depend on the delivery of benefits to their supporters and constituencies, whether through activities in the PARC or by interceding with the bureaucracy. This contrasts with the Westminster model, where backbenchers' re-election chances depend almost entirely on their party identity, which, in turn, is largely determined by general considerations such as governmental and leadership performance. Under a Westminster system, electors vote for the nationwide party and its leader, making the local candidate simply a carrier of this preference. This feeds into the weakness of the backbencher *vis-à-vis* the party and its leader, and underpins executive power. The party leader/prime minister can always say to a dissident backbencher: 'they voted for me,

not you', with divergence from the government line sometimes punished with expulsion from the party.¹⁴²

The situation in Japan is completely the reverse. Incentives remain strong 'for individual politicians to engage in pork-barrel spending, rent seeking, and other forms of particularism'.¹⁴³ Although party leaders remain strong because of the internal patronage system within the factions, the authority of the party leader/prime minister is undermined by the interests of the individual politician-members of the party. The latter currently present a formidable barrier to reform because the prime minister, who is also leader of the party, has difficulty in imposing his policy preferences on the party membership.

In Westminster systems, the assumption is that the ruling party and its leadership (namely the prime minister and cabinet) form a cohesive, united force because only by acting as such can they guarantee their continuance in power and the automatic passage of legislation. Normally, strong centripetal forces operate in a Westminster system. It is also assumed that the leadership and the party not only share views on policy but share a similar ideological worldview. At least the differences are not such as to create dysfunctional ideological cleavages in the party. As has been demonstrated in the Japanese case, however, unity at a policy and ideological level cannot be assumed. Koizumi was supported by a majority of the party electorate in the LDP's presidential election, but his policies which embody market-liberal philosophy are not necessarily supported by the party's Diet members.

The key political condition, as Haggard emphasises, 'is the relative strength of the party leadership *vis-à-vis* the individual politician. Where party leaderships are strong, there is greater prospect of enforcing programmatic discipline on followers and less likelihood that programs will be dominated by geographic or other constituent interests'.¹⁴⁴ He argues strongly in favour of 'systems...that increase the discipline of central party leaders over backbenchers'.¹⁴⁵

THE ROLE OF THE EXECUTIVE IN JAPAN'S TRADITIONAL POLICYMAKING SYSTEM

In the traditional policymaking system, the prime minister and cabinet have traditionally come in at the end of the policymaking cycle rather than at the beginning. They act as ratifiers of policies that have emerged from the party-bureaucratic policymaking process. The direction of policy is not from the top down, but from the bottom up. Not only is prior approval from the PARC

mandatory, but before policy reaches the cabinet, the management of the cabinet requires that policy matters are coordinated through the administrative vice-ministers' conference (*jimujikan kaigi*) before they are decided at the cabinet meeting.¹⁴⁶ All policies and draft legislation must be given the stamp of approval by the meeting of the heads of the various ministries (the administrative vice-ministers), which takes place the day before the cabinet meets. Nothing comes before the cabinet for a decision unless it has already been passed by the vice-ministers. This well-established convention, which has no legal foundation,¹⁴⁷ means that the bureaucracy actually inserts itself into the formal decisionmaking process of the executive. The result is 'bureaucratic control' (*kanryô tōsei*).¹⁴⁸

The upshot is that the cabinet does not make government policy in Japan. It is not a collective decisionmaking body or the central locus of policymaking that one would expect in a Westminster system.¹⁴⁹ It is not like Britain or Australia where the critical decisions are taken in cabinet after discussion and debate amongst the prime minister and his ministers. There are no strong discussions amongst ministers; cabinet approves what is put before it with meetings normally lasting less than half an hour. Kan Naoto, former Minister of Health and Welfare and previous leader of the opposition DPJ, was quoted as saying 'I must have attended nearly 90 Cabinet meetings. They lasted an average of 10 minutes each and all I did was sign documents'.¹⁵⁰ In his view, cabinet meetings are nothing whereas the administrative vice-ministers' meetings decide everything.¹⁵¹

The role of the prime minister in this system has not been to lead and impose his will on the party and the government, but to articulate the agreed consensus reached in party-bureaucratic negotiations. Prime ministers have largely been figureheads for the political and bureaucratic forces operating outside the cabinet who exercise the real power. They have exercised weak powers of policy direction and leadership, including within the cabinet itself, where they have lacked explicit legal authority under cabinet law to propose items for debate on the cabinet agenda. They have chronically had no views on matters of policy. Former Prime Minister Mori's reply during a 2000 interpellation session in the Diet is indicative. Responding to a question from a member of the DPJ about giving foreigners the vote, he said simply: 'This is a very important issue having relevance to the basic structure of the state. I have my own ideas about it. But, as the prime minister and the president of the ruling party, I think I should not say what I think about it'.¹⁵²

Prime ministers who have wanted to seize the policy initiative and challenge vested interests embedded in the party and in the bureaucracy have had to deploy bypass strategies, namely initiating policies through prime ministerial advisory councils, building public support for these policies, and then, on the basis of reports and recommendations from these bodies, trying to bend the LDP and the bureaucracy to their will on a top-down basis, usually with mixed results.

In trying to impose their own agendas, prime ministers have often had to contend with opposition from ministerial colleagues. The role of ministers in Japan's traditional policymaking system is not to direct their ministries with the full force of cabinet decisionmaking authority behind them, but quite the opposite, to act as spokespersons for their ministries, to voice their ministries' position on policy and to advance their ministries' line in any policy discussions inside and outside the cabinet. This means that bureaucratic resistance to Koizumi's reform agenda is articulated within the executive itself, which acts as a strong constraint on cabinet unity and which prevents the cabinet from imposing its view as the highest executive decisionmaking body.¹⁵³

In the Koizumi administration, cabinet ministers also continue to argue their ministries' position in policy negotiations with Koizumi in the CFP and in other newly established structures of executive decisionmaking, with the policy agendas of ministers largely run by ministry officials. For example, the Health, Labour and Welfare Minister, Sakaguchi Chikara, has been strongly defensive of his ministry's interests in negotiations on medical policy reform, asserting that 'reform of the medical system might be put off depending on the health of the economy'.¹⁵⁴ He has resisted Koizumi's ambitious reform plans for the medical system and has tried to make it conditional on reviewing the entire medical insurance system. As Curtis comments, 'cabinet ministers and LDP party officials are too ready to express views that contradict those of their own prime minister'.¹⁵⁵

In other contexts, individual ministers still find it difficult to impose their own policies on their ministries. The Minister of Agriculture, Forestry and Fisheries, Takebe Tsutomu, advanced his own proposal for structural reform of agriculture in May 2001, involving the introduction of direct income support for 400,000 full-time farmers and allowing greater participation of joint-stock companies in agriculture. The initiative died amidst resistance from the agriculture ministry because it ignored the interests of the remaining majority

of part-time farmers, which more nearly coincide with the intervention-maximising objectives of the ministry.¹⁵⁶

Those ministers who actively try to reform their ministries from within like former Foreign Minister Tanaka Makiko face active sabotage by their own ministry officials. Tanaka's dismissal lends credence to the assertions of bureaucrats who insist that they can bring down any government or any minister simply by releasing confidential information.¹⁵⁷ Former Prime Minister Mori, who criticised Tanaka Makiko for trying 'to force her way since her administrative vice minister does not act the way she wants'¹⁵⁸ revealed the typical mindset that somehow ministers should remain subordinate to their ministries. Mori evinced what Curtis calls the 'traditional attitudes about the role of cabinet ministers [which] remain strong'.¹⁵⁹

THE ROLE OF FACTIONS IN THE TRADITIONAL POLICYMAKING SYSTEM

The executive has also been weakened by the LDP's factional system insofar as prime ministers are largely creatures of factional power broking, particularly amongst party elders¹⁶⁰ and faction leaders in the LDP, who decide the candidates for prime ministerial succession (the contenders are either faction leaders or their chief lieutenants). The process of choosing a prime minister has consistently been conducted by means of elections amongst the party's factional membership for the post of LDP president (who becomes the prime minister).¹⁶¹ Thus, the 'insider politics' of the LDP, which are dominated by considerations and processes internal to the party, have dictated the selection of prime minister, who has subsequently been imposed on the populace regardless of their preferences.¹⁶²

The system has produced a very high turnover of prime ministers so that different faction leaders can take their turn at the top job. Koizumi is the twenty-second prime minister since the Liberal Democratic Party took power in 1955, with only two short-lived non-LDP prime ministers in almost half a century. In contrast, Britain has had 10 prime ministers and two major parties alternating in government over the same period. Not surprisingly, Japan has been derisively described as having a revolving-door prime ministership.

Ministers' weakness *vis-à-vis* their own ministries has been compounded by their selection as factional nominees rather than on the basis of their ability and policy experience in the portfolio which they have been allocated. Like the

prime minister, they also suffer from a very high turnover in office. Prime ministers reshuffle their cabinets frequently to give posts to as many senior party members as possible, which means that not many cabinet ministers hold their posts for more than a year. Faction leaders need to provide ministerial positions for their followers as an incentive for members to remain loyal, and so there is tremendous pressure from faction leaders for the prime minister to change his cabinet lineup at regular intervals. As the *Nikkei* comments,

[s]uch frequent replacement of ministers undermines political leadership in policymaking. Newly appointed ministers are usually replaced before they finish studying the basic tasks and operations of their ministries. Despite the obvious defects, the tradition has been upheld for decades because of the strong pressures from faction bosses who must ensure that their followers get a cabinet portfolio after serving several terms in the Diet.¹⁶³

THE IMPACT OF COALITION RULE ON POLICYMAKING

In more recent years, the traditional policymaking structure has had to adjust to the realities of coalition government, making consultation and concession amongst all parties to the ruling coalition mandatory. Coalition policymaking has involved a separate inter-party prior coordination phase in which party leaders, party executives (secretaries-general) and party policy executives (policy research council chairmen and Diet affairs committee chairmen) may variously participate. Under the Obuchi administration, for example, the secretaries general and Diet affairs committee chiefs of the three ruling parties met every day for discussion.¹⁶⁴

Formally speaking, the bulk of inter-party coalition negotiations under the Koizumi administration are conducted by the secretaries-general and policy chairmen of the three parties. The relevant minister(s) and the chief cabinet secretary may also be involved. For example, Chief Cabinet Secretary Fukuda Yasuo and State Minister for Economic and Fiscal Policy Takenaka met with the policy chairmen of the three ruling parties, including PARC Chairman Asô, in order to secure agreement amongst the parties on the basic policy measures for tax reform and economic revitalisation in June 2002. Their meeting was followed by a gathering of the three coalition party leaders, who formally adopted the policy package.

Ministers from coalition parties are also involved in executive-level policy negotiations in the various cabinet policy headquarters while government-ruling coalition liaison meetings sometimes take place at the Kantei, often prior to

legislation being submitted to the Diet. These meetings variously draw in coalition party leaders and secretaries-general. Such a meeting occurred, for example, just before the submission of the postal reform bills to the Diet in May 2002.

In practice, however, the New Kōmeitō relies heavily on transmitting its policy wants and concerns through Nonaka, who was important in managing coalition affairs as chief cabinet secretary under the Obuchi administration, and through Koga, also from the Hashimoto faction, who played a central role in inter-party negotiations under the Obuchi administration as former Chairman of the LDP's Diet Affairs Committee (*Kokkai Taisaku Iinkai*). The distance between the Hashimoto faction and the Koizumi administration, however, does not facilitate the communication process, particularly between Nonaka and Koizumi.¹⁶⁵

Koizumi's willingness to compromise with his coalition partners has directly reflected his political standing amongst the public. In particular, when his support ratings plummeted in early 2002, Koizumi had to try and rebuild relations with the New Kōmeitō, the largest non-LDP grouping in the coalition. As one New Kōmeitō official commented: 'When Koizumi's approval rating was extremely high at 70–80%, the prime minister acted as he liked without paying us any attention. But the time has come for us to speak out because his popularity is waning and his power base within the coalition government is also weakening'.¹⁶⁶ This comment echoed a similar remark by Conservative Party President Noda Takeshi who commented that '[t]he prime minister has started taking our advice lately, even though he wouldn't listen to us before'.¹⁶⁷

Generally speaking, Koizumi has made tactical concessions to his coalition partners in areas that engage their primary interests (that is, defence policy for the Conservative Party and social welfare policy for the New Kōmeitō) sufficiently to retain their support for the coalition. But LDP-bureaucratic policymaking predominates in areas of primary interest to the LDP such as agricultural policy and regional public works.¹⁶⁸ Generally speaking, it is the big macro-policy issues that need agreement within the coalition, leaving everyday, bread and butter micro-policy issues decided by the traditional system. In other words, coalition government has not threatened the prevailing norm of ruling party-bureaucratic policymaking. It has certainly not shifted the locus of policymaking to the Diet. The Diet remains a formalised arena for voting on legislation, not for debate amongst politicians from different parties arguing

clearly differentiated policy positions. Individual Diet members do not speak at length on legislative provisions in the manner of parliamentary members in other Westminster democracies, in spite of the passage of the Diet Revitalisation Law in 1999 which was supposed to enhance policy debate amongst politicians. At most, the law has enhanced the opportunity for some gentle sparring between party leaders (including the prime minister) usually in the context of standing committee (usually the Budget Committee) deliberations. Even here, Diet members' roles are limited to asking questions, for which the answers by the minister or his deputies are scripted beforehand by policy specialists from the relevant ministry. Politicians as members of the Diet, as opposed to their other political and policymaking roles, do not determine the direction of policy in Japan.

The major impact of coalition rule has been to insert another layer of adjustment at the party level, which preserves the dual LDP-bureaucratic policymaking structure intact. Indeed, coordination amongst the coalition parties on policy is simply a more advanced and transparent form of the deal-making between the LDP and the opposition which has characterised LDP Diet management since 1976, when the LDP suffered significant setbacks in the Lower House, and particularly after 1989, when it lost its majority in the Upper House.¹⁶⁹ Counterintuitively, the New Kômeitô and Conservative Party do not exercise a veto power over the decisions that come out of the traditional policymaking process. That is because they are prepared to trade long-held policy positions and priorities for a power-sharing arrangement.¹⁷⁰ Moreover, as already noted, because parties are not generally ideologically hide-bound, pragmatism and instrumentalism predominate as the primary determinants of policy choice. This makes party groupings flexible on matters of policy choice and reduces the distance amongst the coalition members on policy issues. The coalition parties are concerned less with ideological issues than with policies that will impact on their electoral prospects. In this respect, the Conservative and New Kômeitô Diet members find themselves sharing a lot of ground with the LDP. The main divide on policy tends to lie between the executive on the one hand and the ruling parties on the other. The New Kômeitô and Conservative Party have simply lined up with the LDP on a wide range of issues. For this reason, they are frequently opposed to structural reforms, preferring economic stimulus and other economic revival packages instead. PARC Chairman Asô criticised the Koizumi administration's February anti-

deflation package 'as lacking stimulus measures to rev up the economy',¹⁷¹ at the same time as teaming up with his New Kōmeitō counterpart Kitagawa Kazuo calling for fresh steps to tackle deflation and agreeing to present a series of jointly formulated stimulus proposals to the government.¹⁷²

The prospect of the Lower House being dissolved and an election being held provides Koizumi with a weapon to bring all the parties into line. Chief Cabinet Secretary Fukuda, for example, told a senior official of the New Kōmeitō that if the postal liberalisation bills passed only the Lower House, the 'prime minister would dissolve the lower house and call an election'.¹⁷³ The coalition parties would not be keen on any election that gave Koizumi strong public endorsement of his pro-reform position against their anti-reform posture. In the New Kōmeitō's case, calling a quick election would put it at a disadvantage because the party requires considerable time to prepare for an election.¹⁷⁴

The advent of coalition government has undoubtedly complicated the executive's relationship with the ruling parties. Koizumi not only has to negotiate around the dominant LDP, he also has to take into account the views of the leaders and members of the New Kōmeitō and Conservative Party. On the other hand, the prior coordination process amongst the three ruling parties has been considerably devalued by Koizumi's more top-down style of decisionmaking. Just as he has tried to bypass and limit the influence of the LDP in policymaking, so has he tried to pass over the other parties in the ruling coalition. In fact, he 'has been determined to throw off the ruling coalition in order to carry out his reform program'.¹⁷⁵ The executive led by Koizumi and the CEFP does not always consult with the coalition party leaders prior to announcements of new policy directions, particularly in areas of fiscal policy. For example, Koizumi ordered the CEFP to incorporate the ¥30 trillion cap on the issuance of government bonds and trim public works expenditure in the 2002 budget without prior consultation with the ruling coalition parties, who had to give their approval after the fact.¹⁷⁶ A leading New Kōmeitō member rather derisively described the communication between his party and the LDP as being 'a case of LDP Secretary-General Taku Yamasaki going into the Prime Minister's Office and delivering us Koizumi's will'.¹⁷⁷ The Japanese press has also reported that the coalition is not functioning well and the relationship between Koizumi and his coalition partners is rather cool.¹⁷⁸ One commentator has even gone as far as to label this state of affairs as the 'myth of coalition'.¹⁷⁹

Where the partners in the ruling coalition may be more significant is in aligning with one or other of the power blocs within the LDP for or against the prime minister.¹⁸⁰ They can, in short, be brought into internal power plays within the LDP. In this way, the junior parties in the coalition might be able to exert some influence over the direction of leadership within the LDP and thus the fate of the administration. As already noted, the New Kômeitô is known for having closer relations with certain members of the senior hierarchy in the LDP, such as Nonaka, and is closer to the Hashimoto faction than to other factions. This may generate some influence at a crucial moment in swinging the balance of power within the party in one direction or another, and thus a potentially decisive role in bringing down the administration. One has to consider, therefore, the coalition parties' role not only in policymaking, but also in the politics of Nagatacho.

NOTES

¹ This system is also called the 'prior investigation system' (*jizen shinsa seido*).

² The official English translation according to the LDP is Policy Research Council.

³ The committees consist of divisions (*bukai*) that correspond to the Cabinet Office (Cabinet Division), ministries (for example, Health, Labour and Welfare Division, Foreign Affairs Division, Treasury and Finance Division—which corresponds to both the MOF and Financial Services Agency—and Defence Agency (the National Defence Division)), investigation committees or research commissions (*chôsakai*) focusing on wide areas of policy like the taxation system, election system, telecommunications, the Constitution, judicial system, pension system, security, local government administration, comprehensive agricultural policy, basic policies for medical care, roads and land development, and special committees (*tokubetsu iinkai*) focusing on specific policy issues like agriculture, forestry and fishery products, trade countermeasures, mountain village promotion countermeasures, airport countermeasures and sewage countermeasures, including committees (*iinkai*) covering the development of specific regions, like Kyushu, Hokkaido, or Okinawa.

⁴ The official English translation according to the LDP is General Council.

⁵ Kato Kôichi, quoted in *The Japan Times*, 7 December 2001.

⁶ *Nikkei Weekly*, 25 February 2002.

⁷ *Yomiuri Shinbun*, 30 November 2001.

⁸ Hiroshi Yamato, 'Political Parties and the Diet', in Francis R. Valeo and Charles E. Morrison (eds), *The Japanese Diet and the U.S. Congress*, Boulder, Colorado, Westview Press, 1983, pp. 35–6.

- ⁹ Yamato, 'Political Parties', p. 31. Nakano makes the same point, noting that 'all measures have to pass before "ruling party scrutiny" (*yotō shinsa*) in the Diet, without whose consent the bill will go no further'. Minoru Nakano, *The Policy-Making Process in Contemporary Japan*, Translated by Jeremy Scott, Houndmills, Macmillan Press, 1997, p. 68.
- ¹⁰ Tawara et al., 'Koizumi ga Taoreru mae ni', p. 119.
- ¹¹ As Weaver and Rockman point out in their discussion of veto points that arise in parliamentary systems, 'party bodies exercise an important influence over decisionmaking in addition to the cabinet'. R. Kent Weaver and Bert A. Rockman, 'Assessing the Effects of Institutions', in R. Kent Weaver and Bert A. Rockman (eds), *Do Institutions Matter? Government Capabilities in the United States and Abroad*, Washington, DC, The Brookings Institution, 1993, p. 26.
- ¹² See the author's forthcoming article, 'Japan's Un-Westminster System', in *Government and Opposition*, Winter 2003.
- ¹³ *Yomiuri Shinbun On-Line*, <<http://www.yomiuri.co.jp/newse/20011130wo03.htm>>. Britain, the country on which Japan's parliamentary democracy is modelled, has no practice similar to Japan's prior screening and approval by the ruling parties. The integration of views on policy matters between the British cabinet and the ruling party is ensured by a system in which the whips provide a key liaison mechanism between cabinet and the backbench MPs. Moreover, ministers and parliamentary secretaries are in regular, informal contact with party colleagues.
- ¹⁴ Former LDP Diet member Suzuki Muneeo and LDP Diet member Matsuoka Toshikatsu epitomise this phenomenon. According to an LDP source, 'they work out what they want to achieve as a policy scenario on behalf of industry interests then they force it through the divisional meeting by shouting. After they overcome any opposition by 'force', they take the credit for the policy and obtain consent from the division to leave it entirely to them'. Nakanishi Akihiko, 'Suzuki Muneeo and Matsuoka Toshikatsu: Riken no Kyōbō' ['Suzuki Muneeo and Matsuoka Toshikatsu: Conspiracy for Concessions'], *Bungei Shunjū*, May 2002, p. 99.
- ¹⁵ As the Japanese press has commented: 'The prior screening and approval practice unique to Japan's decisionmaking process allows ruling party legislators and bureaucrats to meddle with draft bills, mostly for the benefit of vested interests'. *Yomiuri Shinbun*, 30 November 2001.
- ¹⁶ Diet members need large quantities of political funds not only to win elections (and all that entails), but for a myriad of other political purposes including running factions, expanding their influence amongst fellow Diet members, and buying leadership positions in the party (and government). For example, billions of yen must be spread around to become a faction leader, and equally large sums have to be allocated to faction members in a bid for the LDP presidency and prime ministership. Eda Kenji, 'Koizumi Shushō', p. 129.
- ¹⁷ In the case of political funds, for example, public subsidies and private donations (from companies) are made to political parties to which individual candidates gain some access. Factions also

remain a source of political funding for individual politicians, but this requires faction leaders and other senior factional members to raise funds for factional purposes including providing financial assistance to junior factional members. Individual politicians, including faction leaders, continue to raise financial support legally by means of fund-raising parties that bypass the restrictions on donations imposed by the Political Funds Control Law, which bans both factions and individual politicians from receiving donations from companies. The parties of faction leaders regularly produce at least ¥100 million per party, with the largest—the Hashimoto faction—generating ¥400 million. It would seem that, contrary to expectations, the role of factions as political fund generators has hardly diminished under the new electoral system in the Lower House, which neutralised inter-factional competition at a constituency level. The reason is, as noted above, that large quantities of funds are still needed to support the personal ambitions of faction leaders (for higher office in the party and government) and aspiring faction leaders. Similarly, faction members still rely on their factions for financial support.

¹⁸ See Aurelia George, 'Japanese Interest Group Behaviour: An Institutional Approach', in J.A.A. Stockwin et al., *Dynamic and Immobilist Politics in Japan*, London, Macmillan, 1988, pp. 106–40 and Chapter 7 on 'Representative Politics' in Aurelia George Mulgan, *The Politics of Agriculture in Japan*, London and New York, Routledge, 2000, pp. 474–563.

¹⁹ An enormous literature attended the consolidation of *zoku* power in the 1970s and 1980s, following the introduction of the prior approval system in 1962. See, for example, Yuasa Hiroshi, *Kokkai 'Giin Zoku'* ['Tribe Politicians in the Diet'], Jiji Mondai Kaisetsu No. 477, Tokyo, Kyoikusha 1986; Inoguchi Takashi and Iwai Tomoaki, *Zoku Giin no Kenkyū*, Tokyo, Nihon Keizai Shinbunsha, 1987; Kusano Atsushi, 'Seisaku Kettei no Shudōken Nigiru Zoku Giin', *Ekonomisuto*, 3 July 1988, pp. 110–15; Inoguchi Takashi, 'Shin-Zoku Giin Taibōron' ['The Long-Awaited New Tribe Diet Member View'], *Chūō Kōron*, February 1994, pp. 104–13.

²⁰ Parliamentary vice-ministers were replaced in January 2001 by deputy ministers and parliamentary secretaries for each restructured ministry. See Chapter 6 on 'Policy Stalemate'.

²¹ Nakanishi argues that the 'ancestral origin' of the *zoku* was the MAFF and associated LDP agricultural leaders like Nakagawa Ichirō from Hokkaido, Watanabe Michio from Tochigi and Tanaka Kazuo from Wakayama, all members of Seirankai, a pro-agriculture and overtly nationalist body with extreme right-wing views founded in the LDP in 1973. Nakanishi, 'Suzuki Muneko', p. 105.

²² In the 1980s they went by the name 'agricultural policy group of eight' (*nōsei hachininshū*), a term which has fallen into disuse, but the group remains irrespective of its membership. See also Aurelia George Mulgan, *Japan Inc' in the Agricultural Sector: Reform or Regression*, Pacific Economic Papers, No. 314, April 2001.

²³ They still follow the titles of the pre-January 2001 divisional committees.

- ²⁴ Membership numbers are difficult to calculate, given the informal nature of the label and in some cases, its self-attribution. Numbers also vary according to source.
- ²⁵ Stockwin, 'The Rural–Urban Divide', p. 3.
- ²⁶ Membership of the investigation committees and special committees remains fixed.
- ²⁷ According to Krauss and Pekkanen, the job of the chief whips is undertaken by the executives of the PARC committees. See Ellis Krauss and Robert Pekkanen, "'The 94 System'? Theory and Practice', paper presented to the American Association of Asian Studies Conference, Washington DC, April 2002, p. 21.
- ²⁸ "'The '94 System'", p. 20.
- ²⁹ For example, where the pre-Diet specialised career backgrounds and educational training of politicians have motivated them to sponsor changes to laws and policies, and where circumstances have encouraged the party to call on their expertise. See Sugimoto, *A Study of LDP Policymaking*, pp. 22–7.
- ³⁰ *A Study of LDP Policymaking*, p. 32.
- ³¹ For a study of extensive 'intervention' by LDP politicians in rice price policymaking, see Aurelia George, *Rice Politics in Japan*, Pacific Economic Papers, No. 159, Australia–Japan Research Centre, The Australian National University, Canberra.
- ³² 'Koizumi Seiken', p. 244.
- ³³ Some Japanese journalists charge that Koizumi was originally an *ôkura zoku* because of his long-time, deep connections with finance bureaucrats. Editorial Department, "'Koizumi wa 41 ten'", p. 98. Saikawa also reports that Koizumi is considered a *kôsei zoku*, but says that in reality he is an *ôkura zoku* because he opposes public fund injections into the banks (that is, he takes the MOF position on this issue). In addition, his political mentor was former Prime Minister Fukuda Takeo, who was the first *ôkura zoku*, and when Koizumi was Chairman of the Lower House Standing Committee on Finance, Takeshima Kazuhiko was a section chief in the MOF Budget Bureau. Takeshima later became one of the Assistant Deputy Chief Cabinet Secretaries in the Koizumi administration, working out of the Prime Minister's Official Residence. 'Nihon Keizai', p. 24. See also Chapter 6 on 'Policy Stalemate'.
- ³⁴ 'Koizumi Seiken', p. 244. The example that Endô cites is the initiative to raise the co-payment of medical expenses on the part of salaried persons, public servants and their families aged 3–69 years from 20 to 30 per cent as of 1 April 2003. As I noted in Chapter 4 on 'Opportunities Lost', however, Koizumi has certainly not achieved all he set out to do with respect to medical system reform, partly because of strong opposition from the JMA.
- ³⁵ 'Nihon Keizai', p. 24. Harada also charges that the Koizumi administration has been pursuing a deliberate policy of not eliminating deflation because of potential losses to the banks. He argues that deflation could be ended with an inflation policy, but if prices were to rise, interest rates

would rise, and if interest rates were to rise, the stockmarket would go down and the price of government bonds, which the banks hold in large quantities, would decline, causing large bank losses. Banks with bad loans, therefore, want to keep the recession in order to keep interest rates low so that the banks can eventually recover. Koizumi wants to help the banks, so he sacrifices the Japanese economy in order to do so. Harada Yutaka, 'Ginkô o Mamoru tame Nihon o Suteta Seisaku no Tsumi' ['The Offence of a Policy that Deserts Japan in Order to Protect the Banks'], *Chûô Kôron*, May 2002, pp. 96–101.

- ³⁶ The Japanese press has also disclosed that the now defunct Sakura Bank collected contributions from six debtor companies for Koizumi, totalling ¥2.6 million, for four years before Koizumi became prime minister. *Asahi Shinbun*, 26 July 2002.
- ³⁷ Fukao elaborates a little more on this scenario. Once the banks lose their assets and become bankrupt, an official receiver of financial liquidation is called in, the responsibility of the management will often be questioned and the possibility of lawsuits against the management will arise. Since the management will not be blamed as long as they can hide bad debts, bank managers, to maintain their safe retirement, prefer to hide bad debts rather than reveal them, thus avoiding the receiver and being blamed for the bank's downfall. Fukao Kôyô, 'Ginkô no Furyô Saiken wa Naze Heranai ka?' ['Why Aren't Banks Bad Debts Decreasing?'], *Gendai*, May 2002, p. 52.
- ³⁸ 'Nihon Keizai', p. 24.
- ³⁹ Kan also points out that Koizumi was quite happy to let Mycal Corporation and Aoki Construction Corporation go to the wall as a demonstration that reform was progressing, but he had a totally different attitude towards the impending bankruptcy of Daiei Corporation because it had built a shopping centre in his own constituency of Yokosuka. 'Kono Naikaku wa Watashi ga Taosu', p. 334.
- ⁴⁰ See also below and Chapter 6 on 'Policy Stalemate'.
- ⁴¹ Saikawa, 'Nihon Keizai', p. 24.
- ⁴² Nakamura Keizô, 'Igai ni Semai Shubi Hani Mokuhyô no Ketsujo Koso Kiki' ['An Unexpectedly Narrow Sphere of Influence, True Crisis is Lack of Goals'], *Shûkan Tôyô Keizai*, 6 July, 2002, p. 113.
- ⁴³ See, for example, the comments by Masuzoe who condemned Koizumi for saying that additional anti-deflation measures were not necessary following the February package. As Masuzoe puts it, 'this level of ignorance in economics could be a crime'. 'Koizumi Junichirô', p. 105. Curtis notes that Koizumi 'did not really understand the NPL problem or he was not interested that much in it'. *Japan: Crisis or Reform*, p. 8. Koizumi has ruminated on his difficulties in this area, bemoaning the fact that he is attacked inside Japan for doing too much to encourage banks to dispose of their bad loans, thereby pushing companies into bankruptcy or restructuring and creating more

unemployment, and criticised outside Japan for being lukewarm and not doing enough. *Financial Times*, <<http://news.ft.com/ft/gx.cgi/ftc?pagename=View&cid=FT34KSF051D>>.

⁴⁴ See, for example, 'Takenaka Daijin', p. 14 and Morinaga, 'Seifu no Sôgô Taisaku', pp. 42–4.

⁴⁵ Masuzoe, 'Koizumi Junichirô', pp. 107–8.

⁴⁶ *Asahi Shinbun*, 11 October 2001.

⁴⁷ Their agreement to these institutional changes no doubt reflected their confidence that they could dictate outcomes on this issue as well. See below.

⁴⁸ *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020523wo02.htm>>.

⁴⁹ The membership of the house committee overlaps to some extent with LDP divisional members and also includes members of the DPJ opposed to the bills.

⁵⁰ According to Stockwin, the Diet committees have the power to 'kill' bills, but ultimately this only amounts to the power of delay insofar as a bill can be submitted to the house over and above committee objections if 20 or more members of the house demand it. J.A.A. Stockwin, *Governing Japan: Divided Politics in a Major Economy*, Third Edition, Oxford, Blackwell, 1999, p. 118.

⁵¹ *Nihon Keizai Shinbun*, 24 May 2002. According to another source, Nakagawa said to Koizumi: 'Please refrain from offending the LDP members'. *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020525wo04.htm>>.

⁵² *The Japan Times Online*, <<http://www.japantimes.co.jp/cgi-bin/getarticle.p15?ed20020430a1.htm>>.

⁵³ *Nikkei Weekly*, 4 June 2001.

⁵⁴ *Yomiuri Shinbun*, 28 July 2002.

⁵⁵ Ibid.

⁵⁶ *The Australian*, 7 December 2001.

⁵⁷ *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020522wo03.htm>>.

⁵⁸ *Tokyo Shinbun*, 22 May 2002. This is reminiscent of accusations hurled at former Prime Minister Hashimoto in his abortive attempt to privatise the three postal services in 1997. Even young Diet members elected only two or three times accused him of being a dictator, claiming that it was outrageous to privatise the three businesses of the postal service. Eda, 'Koizumi Shushô', p. 124.

⁵⁹ As chief spokesperson for this organisation and also for bureaucrats in the former Ministry of Posts and Telecommunications, Nonaka led the resistance to former Prime Minister Hashimoto's fruitless pursuit of postal service privatisation in 1997.

⁶⁰ Okamoto, "Sutemi" p. 10.

⁶¹ They proposed to recategorise direct mail (such as the delivery of credit cards and flyers) as ordinary mail so that it could only be handled by companies licensed to handle ordinary mail,

which would make it almost impossible for private companies to participate. Another proposed revision required a private company to set up the same number of mailboxes nationwide as the Postal Services Agency. These modifications were largely along the lines of those sought by the Ministry of Public Management, Home Affairs, Posts and Telecommunications. *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020525wo04.htm>>. However, the Mail Delivery Bill and Mail Delivery Execution Bill were passed in the Diet in the form submitted by the cabinet without changes. This is undoubtedly due to the fact that the ministry retained the right to define what constituted postal mail and private companies would have to seek the ministry's permission to participate in the mail business.

⁶² *Nikkei Weekly*, 20 May 2002.

⁶³ Ibid. This is in fact what happened. The Postal Public Corporation Bill and the Postal Public Corporation Execution Bill were both amended in line with what the DPJ called 'zoku-giin politicians' consensus'. <<http://www.dpj.or.jp/english/news/020706/070603.html>>.

⁶⁴ Curtis makes a similar point that the requirement for party approval of cabinet-sponsored legislation before it can be presented to the Diet prevents the prime minister from exercising his strong leadership. See Gerald L. Curtis, 'Tokushū: Shidōryoku Fukyō: Kono Mama de wa Nihon wa Jimetsu Suru' ['Special Feature: Leadership Recession: Japan Will Destroy Itself Sooner or Later'], *Chūō Kōron*, May 2002, p. 81.

⁶⁵ Ibid., p. 80.

⁶⁶ Arendt Lijphart, *Democracies: Patterns of Majoritarian and Consensus Government in Twenty-One Countries*, New Haven, Yale University Press, 1984, pp. 4–9.

⁶⁷ The discussion of the so-called 'Un-Westminster' aspects of Japan's policymaking system in this chapter is based on my forthcoming article entitled 'Japan's Un-Westminster System', in *Government and Opposition*, Winter 2003.

⁶⁸ Stockwin, *Governing Japan*, p. 44. See also Ray A. Moore and Donald L. Robinson, *Partners for Democracy: Creating the New Japanese State under MacArthur*, Oxford, Oxford University Press, 2002, pp. 98–103.

⁶⁹ 'A Comparative Perspective', p. 7.

⁷⁰ As Stockwin agrees, 'once the Occupation ended in 1952, it gradually became clear that Japan was significantly diverging from the classic British pattern'. 'A Comparative Perspective', p. 7.

⁷¹ Lijphart's list of descriptive characteristics includes concentration of executive power, fusion of power between the executive and the legislature and executive dominance, asymmetric bicameralism (a stronger Lower House), a two-party system, a one-dimensional party system, electorates in which candidates seek a plurality, a unitary system of government, an unwritten constitution and parliamentary sovereignty. *Democracies*, pp. 4–9. Japan has all these features except those relating to the concentration of executive power and executive dominance, a two-

party system (it continues to have a one and a half party system, that is, the LDP plus the rest)—in some 60 per cent of seats Diet members seek a plurality—and a written constitution. The main Westminster examples are Britain, Canada, Australia and New Zealand. Only the United Kingdom has a pure Westminster system according to Lijphart's model, although even this observation is now contested. In all of the countries except Japan, there is executive dominance and a concentration of executive power.

⁷² 'Interests', p. 41.

⁷³ Even though the LDP President (and top executive) becomes the prime minister, it is the latter role that is integral to the executive, not the former, which not only has a separate title but separate powers and functions. The executive leadership of the LDP should not be confused with the executive. Although the latter is drawn from the LDP it has separate functions and interests. It is the failure to make this distinction that reveals not only a misunderstanding of parliamentary cabinet systems but also leads to much misleading analysis of the policymaking process in Japan. See, for example, Leonard Schoppa, 'Zoku Power and LDP Power: A Case Study of the Zoku Role in Education Policy', *Journal of Japanese Studies*, Vol. 17, No. 1, Winter 1991, pp. 79–106. This was a story of the tension between party interests represented by the LDP *zoku* and the interests of the executive led by former Prime Minister Nakasone, not the LDP.

⁷⁴ Some ministers exercise greater policy authority than others. The competence and authority of ministers in relation to their ministries depends on their ability, previous experience, policy expertise, policy standing within the LDP (as *zoku*) and personality.

⁷⁵ 'Kono Naikaku wa Watashi ga Taosu', p.337

⁷⁶ It is one of the most analysed aspects of Japan's political system. The seminal work in English is Chalmers Johnson, *MITI and the Japanese Miracle*, Stanford, Stanford University Press, 1982.

⁷⁷ This is a common theme amongst scholarly analysts in the 2000s. See, for example, Curtis' comments in 'The Koizumi Administration', pp. 297–98, and in *Japan: Crisis or Reform*, p. 9.

⁷⁸ Amyx, 'From Breakdown to Breakthrough', p. 28.

⁷⁹ This is also sometimes translated as the prime minister's residential office.

⁸⁰ The bureaucracy's powers of economic intervention and their policymaking power need to be differentiated.

⁸¹ Indeed, some commentators argue that Koizumi is acting in his traditional role as a fiscal policy (*zaisei*) *zoku* in pushing these policies. See, for example, Kawachi Takashi, 'Koizumi Who?', *Japan Echo*, Vol. 28, No. 4, August 2001, p. 12.

⁸² *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020106wo02.htm>>. Another has argued: 'I believe that the ministry's belt-tightening stance has not changed since Hashimoto's tenure. Although the ministry had to accept pump-priming economic stimulus policies during

the administration of [the late Keizo] Obuchi, this time it successfully jumped on the bandwagon of structural reforms sought by Koizumi'. Quoted in *The Japan Times*, 16 August 2002.

⁸³ *The Japan Times*, 17 August 2001.

⁸⁴ Editorial Department, "Koizumi wa 41 ten", p. 96.

⁸⁵ *Nihon Keizai Shinbun*, 12 June 2002. See also the comments about Koizumi and the influence of the Finance Ministry in Chapter 6 on 'Policy Stalemate'.

⁸⁶ Nakamura, 'Igai ni Semai Shubi Hani', p. 113.

⁸⁷ *Ibid.*, p. 113.

⁸⁸ A similar point has been made by Edward J. Lincoln in 'Arthritic Japan: The Slow Pace of Economic Reform', *JPRI Working Paper*, No. 81, Japan Policy Research Institute, October 2001, pp. 5–6.

⁸⁹ *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/news/20020425wo01.htm>>.

⁹⁰ See also below.

⁹¹ *Nihon Keizai Shinbun*, 26 May 2002.

⁹² *Nihon Keizai Shinbun*, 22 May 2002.

⁹³ Personal communication, Professor Ellis Krauss, University of California, San Diego.

⁹⁴ See for example, J. Mark Ramseyer and Frances McCall Rosenbluth, *Japan's Political Marketplace*, Cambridge, Harvard University Press, 1993.

⁹⁵ It was posed by the author in 'Japan's Political Leadership Deficit', for example.

⁹⁶ Bureaucratic organs tend to dominate in areas where policy decisions require high levels of technical expertise or have marginal or less political impact.

⁹⁷ Sugimoto, *A Study of LDP Policymaking*, p. 32. Another role is to solicit and collect political funds, and in some cases, act as a fall-guy for Diet member in the event that violations of the Political Funds Control Law come to light.

⁹⁸ The system of state-funded policy aides for Diet members was set up in January 1994 at the same time as the passage of the electoral reform laws.

⁹⁹ asahi.com, <<http://www.asahi.com/english/politics/K2002032600442.html>>.

¹⁰⁰ Several Japanese politicians have been prosecuted for funnelling the salaries of their policy aides for personal use. asahi.com, <<http://www.asahi.com/english/politics/K2002032600442.html>>.

¹⁰¹ *The Japan Times*, 2 December 2000.

¹⁰² A senior METI official recently bemoaned the fact that 'in former days, there were influential LDP members who worked to hold down [those against MITI policies], and the commerce and industry policy clique in the Diet offered cooperation'. Quoted in *Asahi Shinbun*, 31 May 2002.

¹⁰³ Influential LDP politicians reportedly protected the Foreign Ministry, the Justice Ministry and the Ministry of Agriculture, Forestry and Fisheries from restructuring during the reorganisation of the bureaucracy which took effect on 6 January 2001.

- ¹⁰⁴ This explains why someone like Suzuki Muneo has been able to wield so much influence over the Ministry of Foreign Affairs (Gaimushō). Not only did he call the shots in the LDP committee on diplomacy (Gaikō Bukai), he was also an influential member of the Lower House Standing Committee on Foreign Affairs (Gaimu Iinkai). His positions in the party and in the Diet allowed him to extract favours from the Foreign Ministry. *Nikkei Weekly*, 25 February 2002.
- ¹⁰⁵ *Asahi Shinbun*, 31 May 2002.
- ¹⁰⁶ Some younger Diet members have criticised the *zoku* as lacking their own opinions and policies 'so all they can do is act on behalf of the bureaucrats'. Not surprisingly, they 'try to enhance the bureaucracy's authority and hinder private-sector activities'. Kōno Tarō, quoted in *The Japan Times Online*, <<http://www.japantimes.co.jp/cgi-bin/getarticle.pl?nn20010207a6.htm>>.
- ¹⁰⁷ *Nikkei Weekly*, 18 March 2002.
- ¹⁰⁸ *Nikkei Weekly*, 25 February 2002.
- ¹⁰⁹ The notion of symbiosis was obtained from Sugimoto, *A Study of LDP Policymaking*, p. 25.
- ¹¹⁰ See, for example, the commentary by the political news editor of the *Nihon Keizai Shinbun* in *Nikkei Weekly*, 25 February 2002.
- ¹¹¹ Their role focuses on providing answers for ministers, deputy ministers and parliamentary secretaries to provide in response to questions in the Diet and in its committees. Personal interview, MAFF official, April 2002.
- ¹¹² asahi.com, <<http://www.asahi.com/english/politics/K2001101100969.html>>.
- ¹¹³ Quoted in Susumu Okamoto, 'Mandarins: Who's the Boss?', *AERA*, <<http://www.asahi.com/english/feature/k2002071200261.html>>.
- ¹¹⁴ Of course, politicians and bureaucrats represent two sides of the notorious iron triangles of vested interest that operate in key industry sectors in Japan. See George Mulgan, *'Japan Inc' in the Agricultural Sector*, pp. 4–8.
- ¹¹⁵ This activity is the key interlinking mechanism underpinning the much criticised 'iron triangles' of corrupt interdependent relations amongst politicians, bureaucrats and businessmen.
- ¹¹⁶ Nakano, *The Policy-Making Process*, p. 94.
- ¹¹⁷ *Ibid.*, p. 94.
- ¹¹⁸ *Ibid.*, p. 94.
- ¹¹⁹ See, for example, the *Nihon Keizai Shinbun* editorial of 20 June 2002. The *Asahi Shinbun* editorial on 9 July 2002 asserted that 'politicians' inappropriate or excessive involvement in public administration compromises fair government and contributes to political corruption. The unseemly cozy relationships between politicians and bureaucrats must be dismantled'. asahi.com, <<http://www.asahi.com/english/op-ed/K2002070900264.html>>.

- ¹²⁰ The balance of Lower House Diet members (200) were chosen from 11 regional districts, elected on a proportional representation basis. The number of seats from these constituencies was reduced to 180 prior to the 2000 Lower House election.
- ¹²¹ Under the new system, 41 per cent of Diet members represent Lower House SMDs. Taking this proportion together with the numbers effectively representing SMDs in the Upper House (because of the half turnover of the house in each election which reduces dual-member prefectural constituencies to single-member districts in each election), the total is just under half (that is, 48 per cent) of the current total Diet membership of 727 (480 members in the Lower House and 247 in the Upper House).
- ¹²² The MMD system also encouraged pork-barrel competition amongst contenders for parliamentary seats, particularly those from the permanently incumbent party (that is, the LDP). The incentives under the new SMDs thus serve merely to entrench the tendencies that had become well-established over the years under the MMD system.
- ¹²³ The current total is ¥30 billion per year.
- ¹²⁴ Even candidates in the proportional representation districts of the Lower House build voter support on the back of connections with specific interest groups. The same is true of the National Constituency of the Upper House, which is also run along proportional representation lines and where candidates elicit support from a particular nationwide interest group, such as postmasters or doctors. The newly legislated ability of voters to back individuals in this constituency as well as parties, has served further to entrench candidate-based voting in Japan.
- ¹²⁵ Personal communication, Professor Ellis Krauss, University of San Diego, June 2002. Krauss describes this as a form of 'path dependence' in which 'politicians have both "sunk costs" (in the economic sense of prior and costly investments) as well as ways of thinking connected to older system organizational forms and behaviour and thus tend first to try and adapt the older patterns to the new needs of the new system, rather than starting from scratch with new forms'. Personal communication, June 2002.
- ¹²⁶ Haggard, 'Interests', p. 46.
- ¹²⁷ *Nikkei Weekly*, 1 April 2002.
- ¹²⁸ Independent Diet member, Kondô Motohiko, quoted in *The Japan Times Online*, <<http://www.japantimes.co.jp/cgi-bin/getarticle.p15?nn20010214b6.htm>>.
- ¹²⁹ 'Interests', pp. 46–7.
- ¹³⁰ 'The June 'comprehensive policy guidelines' of the DPJ, for example, referred to 'rebuilding Japanese society based on the spirit of fraternalism'. *Yomiuri Shinbun*, 7 June 2002.
- ¹³¹ This point is also made and developed by Krauss and Pekkanen, "The '94 System'", pp. 10–11.

¹³² Krauss has emphasised the amount of split voting in the Lower House. As he elaborates, 'many tend to vote for the incumbent, whatever his/her party and save their party support vote for the proportional representation section. We interviewed several LDP and former LDP Diet members...who told us that they kept their koenkai because lots of their supporters now under SMD hate the LDP but like them, so they have supporters in their kôenkai from many different parties, even the JCP!' Personal communication, June 2002.

¹³³ Haggard, 'Interests', p. 47.

¹³⁴ As Krauss and Pekkanen also note, this is one of the main reasons why the *zoku* did not fade away with the introduction of the SMDs, which generate disincentives for policy specialisation. Policy specialisation is still a medium for advancement within the PARC committees and the party. Moreover, not all *zoku* correspond directly and simply to the sectoral interests that predominate in a Diet member's support base. Those for administrative reform, inter-party relations and Diet coordination are good examples. The existence of *zoku* in these areas underlines the importance of specialisation in non-sectoral areas as a means of career advancement. Former Prime Minister Hashimoto, for example, was well known in the 1980s as a leading *gyôkaku zoku*.

¹³⁵ 'Suzuki Muneeo', p. 105.

¹³⁶ Ibid., p. 105.

¹³⁷ *The Policy-Making Process*, p. 94.

¹³⁸ Editorial, *Nikkei Weekly*, 11 March 2002.

¹³⁹ asahi.com, <<http://www.asahi.com/english/politics/K2002062000416.html>>.

¹⁴⁰ *Nikkei Weekly*, 25 February 2002.

¹⁴¹ asahi.com, <<http://www.asahi.com/english/politics/K2002062700306.html>>.

¹⁴² Krauss and Pekkanen also quote Richard Rose (*The Prime Minister in a Shrinking World*, Cambridge, UK, Polity Press, 2001) in pointing out that in contrast to the system in Japan, where 'there is no centralized party leadership with complete control over district-level nominations...British Prime Ministers have quite substantial powers over re-nomination even of incumbents and have been known to warn back-benchers not to "bark" too much or "get vicious" on opposing the government on votes, because such a politician may find that "He may not get his license renewed when it falls due"'. "The '94 System", p. 29.

¹⁴³ Haggard, 'Interests', p. 46.

¹⁴⁴ Ibid., p. 46.

¹⁴⁵ Ibid., p. 48.

¹⁴⁶ <http://www.kantei.go.jp/foreign/constitution_and_government_of_japan/national_administration.html>.

¹⁴⁷ Quoted in Tawara et al., 'Koizumi ga Taoreru mae ni', p. 119.

- ¹⁴⁸ Shiozaki Yasuhisa, a young LDP Diet member, quoted in Tawara et al., 'Koizumi ga Taoreru mae ni', p. 119.
- ¹⁴⁹ See also Chapter 6 on 'Policy Stalemate'.
- ¹⁵⁰ Quoted in *Yomiuri Shinbun*, 30 June 1999.
- ¹⁵¹ 'Kono Kaikaku wa Watashi ga Taosu', p. 337.
- ¹⁵² Quoted in *The Japan Times*, 2 February 2001.
- ¹⁵³ Curtis attributes this lack of unity to a cabinet 'culture' in which ministers 'do not believe that their job is to support the prime minister'. *Japan: Crisis or Reform*, p. 8. In reality, however, this 'culture' has its origins in bureaucratic power and the relative weakness of cabinet ministers *vis-à-vis* their own ministries.
- ¹⁵⁴ *Asahi Shinbun*, 20 November 2001.
- ¹⁵⁵ 'The Koizumi Administration', p. 302.
- ¹⁵⁶ See my forthcoming volume, *Japan's Interventionist State*.
- ¹⁵⁷ Personal interview, Ministry of Foreign Affairs official, April 2002.
- ¹⁵⁸ *Asahi Shinbun*, 31 January 2002.
- ¹⁵⁹ 'The Koizumi Administration', p. 301.
- ¹⁶⁰ This group consists of those who have already taken their turn in occupying leading positions in the party and in government, such as former prime ministers, former faction leaders, former top-level executives in the LDP (secretary-general, PARC chairman, and so forth) and former chief cabinet secretaries. These politicians retain their Diet seats and much of their influence in the party (particularly in relation to the allocation of high-level executive posts in the LDP and in the government) and over matters of policy. Horie has also drawn attention to the role of former prime ministers who, he contends, 'keep controlling the government behind the scenes, opposing the current prime minister's policy and forcing their own ideas on the incumbent'. Horie Fukashi, President of Shobi University, quoted in *The Japan Times*, 7 December 2001. See also Aurelia George Mulgan, 'Japan's Political Leadership Deficit', *Australian Political Science Review*, Vol. 35, No. 2, July 2000, pp. 193-4.
- ¹⁶¹ The factions still form the primary constituencies of LDP Diet member voters for the presidency of the party, in spite of evidence of cross-factional voting in recent years, and the opening of the presidential elections in some instances to the wider party membership.
- ¹⁶² This occurred in the 1998 LDP Presidential election, for example. Former Prime Minister Obuchi got the most votes, Kajiyama Seiroku got the second highest number of votes and Koizumi came in third, even though public opinion polls at the time showed that he was the public's first choice for the job.
- ¹⁶³ *Nikkei Weekly*, 12 November 2001.

¹⁶⁴ *Mainichi Shinbun*, 24 July 2002.

¹⁶⁵ But see also the comments about Koga in Chapter 7 on 'Team Weaknesses, Tactical Flaws and Policy Defects'.

¹⁶⁶ *Nikkei Weekly*, 25 February 2002.

¹⁶⁷ *Ibid.*

¹⁶⁸ For an explanation of the impact of coalition government on agricultural policymaking, see George Mulgan, *'Japan Inc' in the Agricultural Sector*, pp. 67–8.

¹⁶⁹ See George Mulgan, 'The Dynamics of Coalition Politics', p. 45.

¹⁷⁰ This point is elaborated in George Mulgan, 'The Dynamics of Coalition Politics', p. 40–2.

¹⁷¹ *The Japan Times Online*, <<http://www.japantimes.co.jp/cig-bin/getarticle.p15?nb20020309a1.htm>>.

¹⁷² *Ibid.*

¹⁷³ *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020525wo04.htm>>.

¹⁷⁴ Okamoto, "Sutemi", p. 8.

¹⁷⁵ *Mainichi Shinbun*, 24 July 2002.

¹⁷⁶ *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020612wo03.htm>>.

¹⁷⁷ *Daily Yomiuri On-Line*, <<http://www.yomiuri.co.jp/newse/20020520wo01.htm>>.

¹⁷⁸ *Mainichi Shinbun*, 24 July 2002.

¹⁷⁹ *Ibid.*

¹⁸⁰ See also Chapter 7 on 'Team Weaknesses, Tactical Flaws and Policy Defects'.