Electoral Reform Is No Panacea: An Assessment of Japan's Electoral System After the 1994 Reform

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The 1994 electoral reform in Japan has been accompanied with many blessings and speculations. It has been argued that the newly adopted electoral system, which mixes a single-member district plurality system wth a proportional representation system, will lead to a two-party system, issue-oriented politics, less expensive campaigns, and a less corrupt and more efficient government. The change was also expected to destroy Japan's bureaucratic regime and factional power. However, many of the above assertions have proven to be exaggerations. While the new electoral system will reduce the number of parties, it may not lead to an alternation of power between two large parties as exemplified by the Westminster model. Rather, coalition governments are likely to be the norm. Moreover, though party cues and issues will become more important in future campaigns, "personal vote strategy" remains politicians' only viable option. As a result, money politics and factional powers will continue to thrive. Nevertheless, the adoption of a new electoral system has created massive uncertainties for politicians, who will likely adjust some of their old practices. In this way, the 1994 electoral reform may set momentum for further transformations of Japanese politics.

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When the first non-LDP (Liberal Democratic Party) coalition government (the first since 1955) came to power in 1993, it made

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electoral reform its top priority. By January 1994, the Hosokawa coalition government and the LDP reached an agreement which allowed the government to introduce reform measures on three subsequent occasions. On January 29, 1994, four bills were passed. Two bills amended the existing laws, namely, the Public Officers Election Law (POEL) and the Political Funds Control Law (PFCL). The other two were new bills, namely, the Representatives Election District Demarcation Deliberative Council Establishing Act and the Political Parties Subsidy Law. On March 4, 1994, further amendments on these four bills were passed. At the same time, an independent commission for redistricting was created. Finally, on November 21, 1994, the Japanese Diet followed the commission's recommendations and passed four separate bills to demarcate the new district boundaries, fix the date for the 1995 local elections, make political parties legal entities as a prerequisite for receiving government funds, and make candidates liable for their campaign workers' violations of new campaign regulations.[1] These legislations created Japan's new electoral system.

It is expected that these new electoral rules will lead to a two-party system, greater debates on policies and issues, and cleaner and cheaper campaigns.[2] Some have even speculated that the 1994 electoral reform may break Japan's bureaucratic regime and enhance government efficiency.[3] Other observers, however, have been more pessimistic, pointing out that no real changes may occur.[4] In this paper, I shall argue that neither of the two positions is sustainable. While the new electoral system will reduce the number of Japanese parties, it may not lead to an alternation of power between two large parties as exemplified by the Westminster model. Rather, coalitional governments consisting of one large conservative party and one small moderate party are likely to occur.

Although the adoption of the single-member plurality system will eliminate an important element that has contributed to Japan's

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[1]See Raymond V. Christensen, "The New Japanese Election System" (Unpublished paper, 1995), 2-3.

[2]Takabatake Michitoshi, "The July Revolution and Conservative Self-Renewal," *Japan Quarterly* 40, no. 4 (1993): 387-94; Minoru Tada, "New Election System Feared," *The Japan Times*, February 16, 1996, 20.

[3]See Fukatsu Masumi, "Political Reform's Path of No Return," *Japan Quarterly* 41, no. 3 (1994): 254-62.

[4]See Mizuguchi Hiroshi, "Political Reform: Much Ado About Nothing," *Japan Quarterly* 40, no. 3 (1993): 246-57.

factional politics, factional influence is unlikely to disappear. Moreover, despite many changes in channeling campaign contributions to political parties, there remain plenty of loopholes to be exploited by factional leaders and individual candidates. Thus, money will continue to be the lifeblood of Japanese elections. As for the power of Japan's bureaucracy, I have found no imminent evidence to suggest its demise. On the contrary, as a result of coalition politics, bureaucrats will likely expand their power by exploiting inexperienced politicians and weak governments.

What follows is a discussion about Japan's new voting system, balloting and redistricting, as well as campaign and funding regulations. I will then examine the impact of the new electoral system on the number of political parties, on proportionality and malapportionment, on issue-oriented campaigns and money politics, and on the relative strength between party and faction. Finally, I shall offer a tentative conclusion.

Japan's New Electoral System After the 1994 Reform

The Voting System

Japan's former voting system was commonly known as the single nontransferable vote (SNTV) system or the limited vote system.[5] The Japanese themselves called it the "medium-sized districts" (MSD) system, because most of its districts ranged in magnitude from three to five.[6] Under this system, voters were allowed to select only one candidate regardless of the number of seats in their districts. Votes were then counted for each candidate so that the top vote-getters were elected. Since small parties receiving only 8 percent of the vote could often win over 30 seats out of a total of 511 seats in the House of Representatives, the MSD system encouraged the continuing

[5]From an American point of view, the Japanese system is a "limited" voting system, since each voter can only vote once instead once for each open seat. From an Irish point of view, the Japanese votes are not "transferable," as under the Irish system, voters note their preferences and votes are redistributed to second (or third) preferred candidates had their first-choice candidate (not) been elected.

[6]A few exceptions are noted. There are four districts which have two-seat constituencies. The Amami Islands have a single-seat constituency, while Hokkaido's first district has a six-seat constituency. See Ronald J. Hrebenar, *The Japanese Party System*, 2nd edition (Boulder, Colo.: Westview Press, 1992), 33.

existence of small parties as a proportional representation (PR) system does.[7]

The new Japanese voting system is a hybrid of the plurality and PR systems. This "mixed" voting system is called the "additional member system" (AMS), which resembles, but is not identical to, Germany's current voting system. Variants of the AMS were also adopted in Italy's and New Zealand's recent electoral reforms.[8] Under the Japanese AMS, three hundred seats in the House of Representatives are allocated for three hundred new districts. Voters will select one candidate in each district, and there will be only one winner in each district. In order to be competitive, small parties thus have strong incentive to merge or at least form electoral alliances in single-member districts. The remaining two hundred seats are allocated by PR lists with fixed rank. Under this PR system, the country is divided into eleven regional PR districts. Depending on the population of each district, each elects between seven and thirty-three representatives. Voters select parties, and seats are allocated in proportion to votes received by parties in that district.[9] For example, in the largest district, Kinki, if party B receives an estimated 3 percent of the vote, it is awarded one seat out of the total thirty-three.[10]

Although it may be relatively easy for small parties to win seats

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[7]It is well known that district magnitude decides the thresholds of victory. For example, in a single-seat district, 50 percent of the vote is required to ensure victory. However, in a twenty-seat district, only about 5 percent of the vote is necessary to win a seat. See Douglas Rae, *The Political Consequences of Electoral Laws* (New Haven, Conn.: Yale University Press, 1967). If single-seat districts are used, there would be strong incentives for parties to merge in order to be competitive. If multi-member districts are used, small parties could survive by winning some seats in some districts. In Japanese elections between 1963 and 1989, for example, the share of the vote received by the JCP ranged from 1.1 to 8.8 percent. The JCP won from five to thirty-nine seats in these same elections. See Rei Shiratori, "The Politics of Electoral Reform in Japan," *International Political Science Review* 16, no. 1 (1995): 80 (table 1), 85 (table 2).

[8]See Mark Donovan, "The Politics of Electoral Reform in Italy," *International Political Science Review* 16, no. 1 (1995): 46-64; and Jack Vowles, "The Politics of Electoral Reform in New Zealand," ibid., 95-116.

[9]See Shiratori, "The Politics of Electoral Reform in Japan," 89.

[10]In Japan, the D'hondt formula is used to allocate seats. Thus, if party A has the largest share of votes, A is allocated with the first seat. A's vote share is then divided by two (1 + the number of seats already received by A). If party B now has the largest number of votes, then B is awarded the second seat. B's vote is then divided by 1 + number of seats already received by B. The process continues until the last seat in the district is allocated. Suppose party A wins 97 percent of the vote and party B 3 percent; A's vote would be divided by 33 after it has been awarded the 32nd seat. A's vote share now would be less than 3 percent (2.9 percent), hence giving the final seat to party B.

in the PR districts, they are awarded seats only if their votes exceed a certain threshold. In Japan, the threshold is 3 percent of the nationwide vote. Thus, in the previous example, party B in Kinki must first receive 3 percent of the national vote before collecting its PR seat. Moreover, a party is allowed to list itself on the PR ballot only if it meets at least one of the following conditions: it must have won at least 2 percent of the nationwide vote in the most recent election; it must have at least five incumbents in the House of Representaives and the House of Councilors combined; or the number of candidates it must list has to be at least equivalent to 20 percent of seats up for election in that district.[11] For example, in the thirty-three-seat Kinki district, a party would require seven candidates on its PR list.

While the last condition seems to open the door for any conceivable party to place itself on the PR list, the law restricts it by demanding a deposit of 6 million yen per candidate on the list. The deposit is refunded only when listed candidates win the PR seats.[12] If a party lists the minimum number of candidates in every district (i.e., forty-five candidates in eleven districts) and wins no seats, the party would lose a deposit of 270 million yen. In addition, strong candidates of smaller parties may not use their party labels if these parties failed to win at least 2 percent of the national vote in the last election or do not have five incumbents in the Diet, but they may run as independents in single-member districts.

The new POEL allows candidates to be on their party PR lists while they compete in single-member districts.[13] However, if a dual-listed candidate wins in his single-member district, his name is removed from the PR district party list. When there is a "tie" between candidates with identical rankings on the PR list, the priority is given to the candidate who did better in his single-member district race. For example, thirteen single-member districts are included in the Shikoku district, which contains seven PR seats. The LDP can submit

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[11]See Christensen, "The New Japanese Election System," 6.

[12]In principle, each victor allows his/her party to reclaim two candidates' deposits. In other words, each PR victor allows his/her party to reclaim 12 million yen (i.e., double of each PR candidate's deposit, namely, 6 million yen). The deposit for a candidate in a single-seat district is 3 million yen. Thus, the party of a winner in a single-seat district or a single-seat district winner who is also listed on the PR district may reclaim 6 million yen of deposit. See ibid., 30.

[13]A dual-listed candidate must run in a single-seat district which is within the PR regional district in which he or she is listed.

all thirteen candidates running for the single-member districts to a PR list for the Shikoku district. In addition, the LDP can rank all thirteen candidates as "1" on its PR list. These thirteen candidates may be followed by additional candidates who are ranked "2," "3," "4," etc. If the LDP wins seven of the thirteen single-member districts, the names of these seven victors would be deleted from the LDP's PR list, which would then consist of six losers who had been ranked as "1." If the LDP's vote share in the Shikoku district only entitles it to four PR seats, then those no. 1 ranked candidates who received the highest percentage of the vote in their single-member districts would become the PR winners.[14]

Balloting and Redistricting

The new election law adopts the two-ballot system that has been used in elections for the House of Councilors since 1983. Each voter casts one ballot for his/her preferred candidate in the single-member district and another for his/her preferred party in the regional PR district. Moreover, in contrast with past practice, when voters were given blank ballots to fill out the names of their preferred candidates, voters are now given ballots printed with names of candidates and parties. The adoption of printed ballots is to the Komeito's (Clean Government Party's, CGP's) and the Japanese Communist Party's (JCP's) advantage, since their supporters are less-educated and hence more likely to cast invalid ballots under the old system. However, on December 13, 1995, the LDP-Socialist-Sakigake (Harbinger) coalition government repealed this new rule and reinstated blank ballot sheets. The repeal can be explained by power struggles among parties at the time. In 1994 the former CGP was part of the Hosokawa coalition government, while in 1995 it was in the opposition.

However, it was surprising that party struggles did not contaminate the 1994 redistricting process.[15] In contrast with the well-known partisan redistricting process in the United States, Japan's 1994 electoral reform followed British practice by establishing a permanent election boundary commission, the House of Representatives Election

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[14]See Christensen, "The New Japanese Election System," 7-8.

[15]In the past, political parties' involvement with and opposition to redistricting often resulted in a refusal to redraw boundaries. From 1947 to 1993, with only one exception, reapportionment generally occurred without altering district boundaries. See Raymond Christensen, "The 1994 Redistricting in Japan" (Manuscript, 1996), 8.

District Demarcation Deliberative Council. This commission was initially created to draw up the boundaries of the three hundred single-member districts, and although it has no legal power to force redistricting, it submits redistricting proposals as needed or at least after every census.[16] On drawing up district boundaries, the commission has to take into account the following guidelines: (1) population equality, that is, the largest district should have no more than double the population of the smallest district; (2) respect for local government boundaries; (3) maintaining district contiguity; (4) transportation accessibility; and (5) other factors.

After holding informational meetings in each of Japan's forty-seven prefectures, the commission began to work out new boundaries. On August 11, 1994, the commission submitted its recommendation to the Prime Minister, which slightly changed the district boundaries in eighteen prefectures drawn by the previous commission during the Kaifu administration.[17] Its recommendation was finally accepted by the Diet and became law in December 1994. The newly recommended districts generally coincided with the instructed guidelines, with a few minor deviations. For example, the population disparity ratio between the largest and the smallest districts was 2.137:1.[18] Furthermore, only fifteen local government units were divided between election districts, and one regional PR was not contiguous. Except for these deviations, there was very little evidence of gerrymandering in favor of any particular party.[19]

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[16]The commission's recommendation should be submitted to the Prime Minister, who by law is only required to report the recommendation to the Diet. However, politicians will find it difficult to postpone necessary redistricting when the commission has issued its recommendation. Unlike the previous law which only "urged efforts" to have regular redistricting, the new law demands politicians to consider the commission's recommendation whenever it is issued. Furthermore, a hostile commission may embarrass politicians by issuing recommendations repeatedly.

[17]The aborted plan of the Eighth Election System Council included not only reapportionment but also other campaign and financial regulations. See Hitoshi Abe, Muneyuki Shindo, and Sadafumi Kawato, *The Government and Politics of Japan*, trans. James White (Tokyo: University of Tokyo, 1994), 148-51. Also see *Yomiuri Shimbun*, August 12, 1994, 12.

[18]On December 30, 1994, the population disparity ratio had risen to 1:2.22, according to the most recent figures. Thus, there is imminent pressure for reapportionment. See Christensen, "The New Japanese Election System," 9, 31.

[19]For evidence, see Christensen, "The 1994 Redistricting in Japan," 11-25. The reason why gerrymandering was prevented in Japan is partly due to those strict guidelines and to the large size of Japan's local government units. The large size of local government is illustrated by the fact that 147 of the 300 new districts contain only four local government units or less.

Regulations on Campaign Activities

The Japanese election law seems to be premised on the notion that electoral campaigns can be separated from other political activities.[20] In particular, electoral campaigns are defined as activities aimed at soliciting votes for particular candidates or parties, while political activities are those seeking to promote public understanding of political issues, government policies, or party platforms. Thus, the former should be subject to extensive legal regulations, while the latter should be encouraged. Moreover, when the Home Affairs Ministry drafted Japan's campaign rules in 1924, it was based on the assumption that Japanese voters were not sophisticated enough to judge politicians' appeals. Thus, almost all kinds of campaign activities that required substantial voters' involvement were prohibited by law. For example, activities that are taken for granted in other democracies such as door-to-door canvassing, signature drives, the publication of polling data on candidates' relative popularity, distribution of food and drink to voters, parades, mass meetings, unscheduled speeches, multiple campaign vehicles, and unauthorized campaign literature are all illegal during the short Japanese electoral campaign period (e.g., twelve days in the case of elections for the House of Representatives). Instead, all communications between candidates and voters must be channeled through a number of government-financed handbills and brochures, government-authorized postcards and posters (which have to be displayed on official signboards), a maximum of five government-paid ads, some television and radio appearances, and a few of officially-sponsored joint speech meetings.[21] In addition, violations of the above campaign restrictions may result in a nullified electoral victory or even criminal penalties.[22]

As J. A. Stockwin has remarked, most of these "restrictions are so stringent as to be self-defeating."[23] Indeed, candidates have

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[20]The most comprehensive account of Japanese campaign restrictions can be found in Gerald L. Curtis, *The Japanese Way of Politics* (New York: Columbia University Press, 1988), 165-75.

[21]It should be noted, however, that prior to 1925 there were no restrictions except for a prohibition of campaigning in polling places. After 1925, various restrictions were introduced in order to prevent electoral corruption such as vote buying or violent coercion by crimes. This concern partly reflects on the fact that most restrictions were modeled after the "British Corrupt and Illegal Practices Prevention Act" of 1883. See ibid., 170-71.

[22]See Abe, Shindo, and Kawato, *The Government and Politics of Japan*, 147.

[23]See J. A. Stockwin, *Japan: Divided Politics in a Growth Economy* (London: Weisdenfeld and Nicolson, 1982), 104.

routinely evaded or violated them, as officials have often turned a blind eye on these matters. For example, the ban on "prior campaigns" has been almost universally evaded, because candidates and parties have been able to campaign in the name of "political activity" as long as they do not mention candidates' names. It has been often observed that serious candidates have sought out every possible opportunity to keep loyal supporters in touch.[24] These contacts have had to be made before formal campaign periods, during which the restrictions would make it impossible for candidates to reach out voters effectively. In other words, Japan's extensive campaign regulations have forced politicians to campaign long before the legal campaign period.

The stringent campaign restrictions and their nearly universal evasions have a few implications. First, they present a formidable barrier for newcomers wishing to defeat incumbents, as the new candidates do not have effective channels to gain name recognition during the short campaign period, nor do they have sufficient resources and skills to engage in long-term vote-wooing activities.[25] Second, these restrictions effectively prevent candidates from running a campaign on the basis of issues and policies. Since the length of time and means of communication between candidates and voters are severely restricted, most candidates have to resort to highly personal and informal campaigns in order to establish personal networks. As a series of *Asahi Shimbun* surveys in 1989 revealed, on average each LDP Diet member or his/her representative attended over thirty ceremonies, receptions, or funerals each month. In addition, about one in six politicians attended over two hundred seasonal parties a year, such as weddings, funerals, class reunions, store openings, etc.[26] Third, given these campaign restrictions and their penalties for violation, voters are relegated to passive spectators who are not expected

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[24]The informal interactions between candidates and supporters include sending letters or telegrams to constituents about potential candidates' views or activities in their parties or in the Diet, expressing congratulations for almost every kind of event, attending weddings and funerals of their constituents, holding political study meetings, etc. In fact, one of the major functions of *koenkai* (i.e., candidate's supporting association) is to provide various meetings and opportunities for candidates to communicate with voters.

[25]This leads to low legislative turnover and a high return rate for the "second (or third) generation" representatives.

[26]See *Asahi Shimbun*, April 5 to 11, 1989.

to be involved in any campaign activity other than telephoning their friends or chatting with those who pass by their homes.

Given the above negative effects, many scholars and new candidates have repeatedly urged for a fundamental change in campaign regulations. Successive modifications of campaign regulations were carried out in 1952, 1954, 1962, and 1975. The role of political parties has been changed from a third-party speculator to a more active one in which they can campaign for their candidates as a whole (but not for a particular one), display posters asking for support, and advertise in newspapers and on TV and radio, as long as the names of specific candidates are not mentioned.[27] In September 1993, the Hosokawa government sought to lift the ban on door-to-door canvassing, and at the same time extend collective culpability to candidates' close relatives and campaign directors (and secretaries) who violated campaign law, as well as suspend violators' civil rights for five years. However, in a last-minute compromise with the LDP, the Hosokawa government gave in and retained the ban on door-to-door canvassing. In short, as Raymond Christensen argues, "campaign laws have not been changed to give candidates better access to voters."[28]

Reforming Campaign Finance

Regulations on campaign finance in Japan are specified in the PFCL. This law was substantially revised in 1975 due to pervasive evasions and a serious financial scandal involving Prime Minister Tanaka Kakuei the previous year.[29] The LDP tried to win back voters' hearts by selecting the "cleanest" factional leader, Miki Takeo, as its president, and pledged to "carry out fundamental reform in the matter of how political funds are collected and used."[30] However, Miki's reform proposal was deemed too radical, since it would ter-

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[27]See Curtis, *The Japanese Way of Politics*, 166-67. Also see Hrebenar, *The Japanese Party System*, 52 n. 25.

[28]See Raymond Christensen, "Electoral Reform in Japan," *Asian Survey* 34, no. 7 (July 1994): 603.

[29]Under the old PFCL, it was estimated that less than 20 percent of the funds collected by the five major parties were reported in the 1975 midyear disclosures. Moreover, the old law did not trace factional funds, and at the same time allowed them to be covered under the titles of party fees, street donations, or subscriptions to party organs. See Hrebenar, *The Japanese Party System*, 55.

[30]This is Miki's pledge. See *The Japan Times*, October 19, 1975, cited in Hrebenar, *The Japanese Party System*, 67.

minate all corporate contributions after a three-year grace period.[31] Instead, a much weaker version of the LDP proposal was submitted to the Diet and eventually became law in January 1976.

In general, the 1976 PFCL included the following restrictions on political contributions. First, large corporations were allowed to give up to 100 million yen a year to political parties. Depending on the size of its capitalization, each company's contribution quota was established in the name of "annual ceiling for political contributions."[32] Second, in order to facilitate collecting donations, each party was allowed to designate one organization similar to the LDP's Kokumin Seiji Kyokai (National Political Association, NPA). This in fact legalized the NPA's previous operations. Third, all donations to factions or individuals of less than 1 million yen a year were not required to be reported. Moreover, individual politicians were not required to report the means by which they acquired a political donation nor the ways in which they spent it. Finally, under the 1976 PFCL, contributions to individual politicians could be retained by politicians themselves, donated to a designated political organization, or channeled into their support groups. If the last course was chosen, the money need not be reported.

As expected, the 1976 PFCL, like its predecessors, failed to control how political contributions were collected and spent. Since no one was required by law to report donations of less than 1 million yen a year, politicians generally sought to establish many supporting organizations so as to collect as many small donations as possible. For example, Nikaido Susumu, one of the leaders of the Tanaka faction, collected 120 million yen in 1980 through many of his fund-raising groups (such as Group 21, the Japan National Land Planning Council, etc.) without disclosing a single corporate name.[33] Furthermore, under the PFCL, politicians' "earnings" from their fund-raising parties did not need to be disclosed, unless such parties were sponsored by political organizations. However, this provision could easily be avoided by switching sponsorship from political parties to their subcommittees or

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[31]According to Miki's plan, individual contributions would be the major source of campaign finance. See Hrebenar, *The Japanese Party System*, 68.

[32]The de facto contribution quota probably made it more difficult for corporations to evade contributions. See ibid., 69.

[33]See *Asahi Evening News*, June 15, 1980, cited in Hrebenar, *The Japanese Party Systern*, 73.

affiliated organizations. Thus, it is generally believed that a massive amount of political contributions to individual politicians was left undisclosed.

In addition, while the 1976 PFCL attempted to encourage individual contributions by imposing ceilings on corporate contributions, many ingenious methods were used to circumvent this restriction. For example, large corporations could purchase tickets for fund-raising parties, arrange bank loans for political parties only to be paid back over a three-year period, and provide politicians with inside information on stock market transactions so that they could gain "quick in-quick out" profits, etc.[34] Given prevalent evasion practices, large corporate contributions remained the backbone of party revenue.[35] It was not surprising that by early 1981 the LDP's Election System Study Committee proposed to raise the ceilings for corporate as well as individual contributions. Since this proposal was firmly objected to by the Democratic Socialist Party (DSP) and the JCP, no major revision of the PFCL was passed that year.[36]

It was not until the outbreak of the Recruitment Scandal in 1988-89 did the public realize how much money was collected and concealed by influential politicians. Under public pressure, the LDP and other parties had no choice but to debate the reform proposal of the Eighth Election System Council (EESC). Most of the EESC's proposals in 1990 were later adopted in the final version of the 1994 PFCL.[37] In general, the 1994 PFCL sought to redirect political contributions from individual politicians and factions to political parties. Thus, it imposed additional restrictions on individual politicians' fund-raising activities.[38] To compensate for the deficiency resulting from these restrictions, the 1994 PFCL created a new program of national sub-

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[34]See Hrebenar, *The Japanese Party System*, 62, 64-65.

[35]It is estimated that in 1979, individual contributions made up only 9 percent of the LDP's official revenue. See *Mainichi Daily News*, February 23, 1981.

[36]Even though a minor revision in April 1981 required politicians to report political money and private money separately, very few politicians complied with it. See Hrebenar, *The Japanese Party System*, 74.

[37]For example, the EESC suggested that each Diet member be limited to only one fund-raising committee in his/her home district and one in Tokyo; that all donations over 1 million yen be reported to the government; and that Diet members are required to disclose the names of all donors for contributions over 10,000 yen to organizations other than two designated ones. Moreover, corporate and union contributions to any organizations other than political parties should be banned. See ibid., 76.

[38]The following descriptions of the 1994 PFCL are extracted from Christensen's summary. See Christensen, "The New Japanese Election System," 9-11.

sidies for political parties, while at the same time allowing political parties more freedom to raise money.

According to the 1994 PFCL, each politician is allowed to have only one official fund-raising organization. Moreover, corporations, unions, and other organizations can only contribute 500,000 yen a year to one such designated organization. After five years, such contributions to individual politicians will be completely banned. Instead, corporations and other organizations will be able to give money to political parties, and only political parties can give money directly to individual candidates. Thus, this provision makes it more difficult for factions to give money to their members.

In addition, the minimum political contribution to be reported has been lowered. Under the 1994 PFCL, individual and corporate contributions to either a political party or a candidate's fund-raising organization must be reported if such donations exceed 50,000 yen a year. Moreover, if an individual or an organization purchases tickets of fund-raising parties which amount to more than 200,000 yen for a single event, he (or she or it) must report to the government. On the other hand, individual donations to political parties have been encouraged by making them tax-deductible. An individual may now contribute a total of 20 million yen a year to political parties and fund-raising organizations. He or she may give an additional 10 million yen a year to other recipients.

In order to compensate for the loss of party revenue as a result of capping corporate contributions, the government will provide an annual public subsidy to political parties. The total subsidy is about 31 billion yen, which is roughly equivalent to 250 yen per citizen per year. The 1994 PFCL also specified that public subsidies should not exceed two-thirds of the amount that the party raised on its own in the previous year, but the LDP-Socialist-Sakigake ruling coalition repealed this provision on December 13, 1995.

To qualify for a public subsidy, a party must register as a legal entity which received at least 2 percent of the vote in the most recent national election or has five incumbents in the Japanese Diet. The subsidy will be distributed in January and July in accordance with the following two formulas. First, half of the annual subsidy is allocated to qualified parties in proportion to their percentages of seats in the Diet (both houses combined). Second, the other half of the subsidy is divided into quadruples which is distributed to parties in proportion to their percentages of the vote in each of four sets of elections: (1) the most recent House of Representaives PR vote;

(2) the most recent House of Representatives local district vote; (3) the average of the two most recent House of Councilors PR votes; and (4) the average of the two most recent House of Councilors local district votes.[39]

The Potential Impacts of the 1994 Electoral System

The Number of Parties

In what has become the best-known "law" in political science, Maurice Duverger carefully specified that "the simple majority single-ballot system favors the two-party system. . . . [T]he simple-majority system with second ballot and proportional representation favors multi-partyism."[40] While the former sentence was elevated by Duverger himself as a "sociological law," the latter was only regarded as a hypothesis. Nevertheless, in some circumstances, Duverger's sociological law does not always hold true.[41]

In Japan, the situation has been further complicated by the adoption of the AMS (i.e., the mixed system of PR and single-member plurality systems). While small parties may have to merge in order to be competitive in the single-member (SM) district races, they can still independently win some seats in the PR races. Nevertheless, the following four scenarios for party alignments may occur. First, political parties may completely align themselves between two major parties. Second, two loosely aligned party groups may compete in the SM district races, while several minor parties only compete in the PR races. Third, three major parties may take part in the SM district races, while several minor parties compete in the PR races. Lastly, the lines between major and minor parties may become blurred, because three or more parties will compete in some or all of the SM district races by using preelection coalition pacts.

When determining which scenario will most likely occur, we need to consider both the "mechanical effect" and the "psychological factor" underlying Duverger's law. The mechanical effect of the SM

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[39]Ibid., 31-32 n. 22.

[40]See Maurice Duverger, *Political Parties: Their Organization and Activity in the Modern State*, trans. Barbara North and Robert North (New York: Wiley, Science edition, 1963), 217, 239.

[41]Two well-known counterexamples to Duverger's law are in Canada and India, where despite a plurality voting system, there are more than two parties.

plurality system gives politicians incentives to align with different parties in order to be competitive. In the long run, it also leads politicians to abandon parties that have chronically lost elections. The psychological factor gives voters incentive to vote in a sophisticated manner. That is, voters can anticipate others' votes and select their second choices in order to prevent their least preferred candidate from being elected. In the SM plurality system, if sophisticated voting occurs, it will always work against third parties.[42]

So far the mechanical effect of Duverger's law has worked in its predicted direction. By December 1994, the Japan Renewal Party (JRP), the Japan New Party (JNP), and the CGP had completed their alignments and merged into the Shinshinto (New Frontier Party, NFP). Moreover, there has been much talk of extensive electoral pacts between the Socialist parties and Sakigake since 1995. In addition, the JSP has been renamed as the Socialist Democratic Party (SDP) and has moderated its platform to appeal to the median voter. All these moves by the existing political parties seem to anticipate the electoral effects of the single-member district.

Indeed, if we examine possible electoral outcomes by simulating voting data from the 1993 House of Representatives elections, we would recognize the strong incentives for parties to merge. Table 1 displays the simulation results of the single-member race published by *Yomiuri Shimbun* on March 5, 1994. As table 1 shows, the LDP would win 324 seats out of 500 if all parties ran their candidates independently. On the other hand, if all opposition parties (except the JCP) form a single electoral coalition by placing only one candidate in each single-member district against the LDP, the coalition would win 319 seats. In fact, this case is more consistent with the current trend of party realignment, as either the LDP or the NFP would have to form a coalition government with the JSP, DSP, and Sakigake.

While table 1 shows clear incentives for political parties to merge, it also displays countervailing incentives. Table 1 reveals that if all parties ran their own candidates independently against the LDP, their (except Sakigake's) seats would be drawn disproportionately from the PR lists. The incentive to retain independent party flags

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[42]See Duverger, *Political Parties*; also see William Riker, "The Two-Party System and Duverger's Law: An Essay on the History of Political Science," *American Political Science Review* 76, no. 4 (1982): 753-66.

Table 1
The Simulation Results of Electoral Outcomes in Single-Member (SM) Districts, Using 1993 House of Representatives Voting Data

Electoral Coalition Patterns	Seats in SM	Seats in PR	Total Seats
Case 1: All parties run their own candidates in the SM districts			
LDP	236	88	324
JSP	8	34	42
JRP	20	22	42
JNP	10	18	28
Komeito	5	16	21
Sakigake	14	4	18
JCP	0	13	13
DSP	4	5	9
Others	2	0	2
Independent	1	0	1
Case 2: Tripolarized (A)			
LDP	142	81	223
JSP + DSP + Sakigake	10	69	79
JRP + JNP + Komeito (NFP)	126	62	188
JCP	0	10	10
Case 3: Tripolarized (B)			
LDP	141	81	222
SDP + DSP + Sakigake + JNP	107	69	176
JRP + Komeito	52	40	92
JCP	0	10	10
Case 4: Bipolarized situation in which the coalition runs only one in each SM district			
LDP	93	78	171
Coalition	207	112	319
JCP	0	10	10

Source: This table is reproduced by using the published results in *Yomiuri Shimbun*, March 5, 1994.

is particularly strong for the JSP, DSP, and JCP, since most of their seats would be won in the PR districts. By merging into a single leftist party, these parties might displease their own loyal supporters,

who might otherwise vote sincerely for each party's PR lists.[43]

On the other hand, leftist parties have an incentive to form electoral coalitions in the SM district races, while retaining their own independent PR tickets. Indeed, a recent study by Maeda Yukio on electoral coalitions in gubernatorial races shows that "party cooperation rates" between the DSP and the JSP have increased steadily from 0.24 in 1976-79 to 0.479 in 1988-91.[44] Moreover, Maeda shows a close correlation between electoral coalition patterns at the gubernatorial level and party realignments at the national level. If Maeda's study can be taken at its face value, we could expect a greater role played by electoral coalitions than a complete merge of leftist parties in the SM races.

Another factor that may prevent parties from merging into exactly two groups is voter loyalty to candidates. Under the previous medium-sized districts, the LDP often had to nominate more than one candidate in each district. This increased competition among candidates from the same party. In order to gain competitive edges against their opponents of the same party, individual politicians would recruit their own loyal supporters by providing helpful constituency services or supplying private benefits. In return, voters always voted for their favorite local sons, who constantly brought "pork" back.

Personal loyalty to a particular politician remains alive in rural areas, though less pronounced in urban areas. Thus, in the past, party defectors or spinners were able to maintain their *jibans* (i.e., physical or organizational turf) intact and win local seats. A recent

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[43]The JSP had been generally regarded as an ideology-based party, supported by strong labor unions. It was recently relegated to a "class" party, as its range of support has become narrower over the years. The DSP was also supported by minor unions, though its central-left position made it easy to advocate coalition governments. However, facing the 1986 LDP's landslide, the DSP began to emphasize its own autonomy. The JCP has its own grass-roots supporters. During the 1960s, the JCP stressed moderation and independence, and since then, its membership has grown steadily. In 1970, it boasted 2 million *Akahata* (official news paper) readers and 300,000 party members. See Abe, Shindo, and Kawato, *The Government and Politics of Japan*, 128-36.

[44]The "party cooperation rate" measures the frequency (or probability) of electoral coalitions between two parties in the contest for gubernatorial elections in the single-member plurality system. Maeda first counts the number of electoral cooperation cases between each pair of parties within a four-year period. Then, these numbers are divided by the total number of gubernatorial elections in those four years. In addition to DSP and JSP cooperation, the DSP was frequently aligned with the LDP and the CGP in gubernatorial races. See Maeda Yukio, "Party Coalitions in Japanese Gubernatorial Elections" (Master's thesis, University of Tokyo, 1995). I cite the figures from its condensed version, p. 3.

Asahi Shimbun poll also reconfirmed the existence of voter loyalty to particular candidates. The poll showed that the LDP candidate led by a large margin in Gifu Prefecture's by-election for the House of Councilors, despite the dissatisfaction of a great majority of voters over the LDP's usage of taxpayers' money to liquidate seven failed *jusen* housing loan companies.[45] The reason lay not with the LDP, but with its nominee, the widow of late LDP House of Councilors member Ono Akira, whose death on February 5, 1996 forced the by-election. Since most of Gifu voters were familiar with or loyal to the Ono family, they were prepared to vote for his widow. Indeed, Mrs. Ono won the Gifu seat with overall majority of the vote.[46]

It remains to be seen whether Japanese voters will replace personal loyalty with sophisticated voting in the SM races for the coming House of Representatives election. While the adoption of SM district has made "particularism" costly and unnecessary, there is reason to suspect that "personal vote strategy" will remain viable in the SM races.[47] As we shall see in the following sections, changes in the voting system without corresponding changes in campaign finance regulations and activities may not alter campaign strategies and voting patterns.[48]

It has been argued that under Japan's AMS, voters can split their votes for different parties in different races.[49] For example,

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[45]See *Asahi Evening News*, March 19-20, 1996.

[46]Ono Tsuyako received nearly twice as many votes (398,801) as her major opponent, NFP's candidate Tetsuo Yoshioka, who had 227,757 votes. See *The Japan Times*, March 25, 1996.

[47]On the one hand, the higher threshold of winning in the single-member district makes personal networks costly. On the other hand, since each party fields only one candidate in each district, politicians do not need to build a personal following to gain a competitive edge against other candidates in their own party. See J. Mark Ramseyer and Frances M. Rosenbluth, *Japan's Political Marketplace* (Cambridge, Mass.: Harvard University Press, 1993), 20-21. Even in countries like the United States which use the single-member district, "personal vote strategy" is still very effective in withstanding national swings. See Gary King, "Constituency Service and Incumbency Advantage," *British Journal of Political Science* 21 (1991): 119-28.

[48]For example, a short campaign period together with straightjacket campaign restrictions makes it difficult for candidates to reach voters. As a result, candidates have to resort to personal networks and *koenkai* to mobilize voters months or years before the legal campaign period. This "personal vote strategy" has certainly paid off, as 80 percent of the House of Representatives seats are considered safe and a very low level of turnover has been observed. See Hrebenar, *The Japanese Party System*, 36.

[49]It is estimated that in the four House of Councilors elections since 1983, the LDP and the Socialist Party have lost between 12 to 19 percent of their combined district vote when they competed in the PR race. However, the problem of ticket-splitting in House of Representatives elections is expected to be less serious, because of the higher threshold needed to win PR seats. See Christensen, "The New Japanese Election System," 17.

one common pattern of ticket-splitting is to vote sincerely for one's preferred party in the PR races and in a sophisticated manner in the SM races. However, the dual-listed system may prevent ticket-splitting of this kind. If a party ranks all its SM candidates as "no. 1" on its PR list, then Japanese voters, who are often candidate-oriented, would have an additional incentive to vote sincerely in the SM district, hoping that their favorite candidates would stand a better chance to win the PR seats should they fail to be elected in their SM races.[50]

Having examined the two pillars of Duverger's law—the mechanical effect and the psychological factor—we can attempt to determine which of the scenarios is most likely to occur. Although the mechanical effect seems to compel party elites to engage in party realignment deals, other structural and psychological factors discourage a complete merge into a two-party system. Thus, we can rule out the possibility of the first scenario. The current stage of party realignment seems to be following the second scenario, in which two major parties will compete in both SM and PR districts while several minor parties compete only in the PR races.

The third scenario is also a possibility, but it depends on the merge of leftist parties. However, as I have argued, it would be better for each leftist party to run independently in the PR races, while establishing electoral coalitions in the SM elections. Although preelection coalitions have their own history in both House of Councilors elections and gubernatorial elections (something which is expected to occur more often after adoption of the AMS), I do not think the boundary between major and minor parties will become blurred or disappear. The structural imperative of the plurality system will continue to draw the line between major and minor contenders at the point of n+1 (where n is the number of seats in each district).[51] In SM districts, the major contenders will be the two parties with the strongest local bases. The minor parties will eventually be phased out in SM elections, but they can survive in the PR races. Thus, the fourth scenario is rather unlikely. If the second or the third scenario turns out to be the reality, then coalition governments will become

[50]It should be noted that if there is a "tie" among equally ranked candidates, the priority PR seats are given to those who did better in their SM races.

[51]See Steven R. Reed, "Structure and Behavior: Extending Duverger's Law to the Japanese Case," *British Journal of Political Science* 20 (1990): 335-56.

the norm in Japanese politics. It is a system at odds with Ozawa's version: an alternation of power between two conservative parties.

Proportionality and Malapportionment of the New Electoral System

In nearly all electoral systems that allocate seats, there is a mathematical bias in favor of large parties. Through empirical comparisons, Douglas Rae has definitively shown that the SM plurality system gives a greater relative advantage to large parties over small ones than PR does.[52] Hitoshi Abe, Muneyuki Shindo, and Sadafumi Kawato have demonstrated that in the SM system, one percent change in a party's vote share results in a change of 1.2 percent in the parliamentary seats, whereas the corresponding seat changes are 1.07 percent and 1.17 percent for the PR and Japan's MSD systems, respectively. Furthermore, they have shown that the unbiased threshold for the SM system is 31.5 percent of the vote. That is, a party needs to win 31.5 percent of the vote in order to turn the electoral system's negative bias into a positive bias in gaining bonus seats. The unbiased thresholds are substantially lower for PR and MSD, with 12 percent and 14.1 percent of the vote, respectively.[53] In this sense, Japan's MSD system is closer to the PR system.

It is generally believed that Japan's AMS is likely to yield less proportional results than the MSD. While the SM system will certainly allocate more seats to two large parties than their vote shares deserve, it is unclear whether the PR will effectively offset this bias.[54] Since by definition, PR should not allocate bonus seats to small parties (or any parties), small parties can only hope that voters will cast protest votes against the two large parties so that they can gain additional seats in the PR races and offset the SM system's bias against them. However, the adoption of the dual-listed system effectively prevents ticket-splitting of this kind. Thus, in reality, the Japanese PR may sustain the existing bias created by its SM system.

The electoral bias problem can also be understood in terms of malapportionment. If one accepts the democratic principle of "one

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[52]See Douglas Rae, *The Political Consequences of Electoral Laws*, revised edition (New Haven, Conn.: Yale University Press, 1971).

[53]See Abe, Shindo, and Kawato, *The Government and Politics of Japan*, 142-43.

[54]Mathematically, the average of the seat/vote ratios between the SM and PR systems should be lower than that of the SM system. But it is unclear whether this average ratio is lower that of MSD.

person, one vote, and one value," then gross disparities in the value of a vote across constituencies are especially disturbing. Since World War II, the Japanese urban population has increased from 25 million to 82 million, while its rural population has declined from 50 million to 38 million.[55] Despite the fact that one-third of the population has moved into metropolitan areas, the Diet only conducted marginal reapportionments in 1964, 1975, 1986, and 1993 to reduce disparities between urban and rural districts. Except in 1964, all of the reapportionments were carried out by subtracting rural seats and adding new ones to urban districts without altering district boundaries.

In each of these reapportionments, the ratio of disparity between the most overrepresented and most underrepresented districts decreased slightly below 1:3. However, as the urban population grew, there remained urgent pressure for reapportionment. In 1983, for example, the ratio of disparity reached a high of 1:4.4, meaning that it took 4.4 times as many votes to elect a Diet member in the most underrepresented metropolitan district as it did in the most overrepresented rural one.[56] Not only have gross malapportionments created unequal values between rural and urban votes, but they have also propagated a certain partisan bias. Table 2 presents the correlations between the number of voters per seat in a district and the vote share won by the LDP, JSP, and JCP.[57]

As table 2 shows, the correlation coefficients for the LDP in the previous thirteen elections have been negative, indicating that the LDP's support has always been in the most overrepresented rural areas. In contrast, the coefficients for the JCP are always positive, suggesting that the party has drawn its support from the most underrepresented urban districts. In addition, the initial coefficients for the JSP were positive, but they have been negative since 1969. These changes imply that the JSP's electoral bases have shifted from urban underrepresented districts to rural overrepresented districts. Because these malapportionments have worked to the benefit of both the LDP and the JSP, it is understandable why even the opposition has been reluctant to promote reapportionments.

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[55]See Hrebenar, *The Japanese Party System*, 38.

[56]See Abe, Shindo, and Kawato, *The Government and Politics of Japan*, 145.

[57]These coefficients measure the strength and direction of the relationship. Zero denotes no relationship. A positive correlation means that as numbers of votes per seat increase, so does a party's vote share. This implies that the party attracts votes disproportionately from the underrepresented areas. See ibid., 146, table 14.1.

Table 2
Correlations Between Voters per Seat and Vote Shares for the LDP, JSP, and JCP in House of Representatives Electoral Districts

Year	LDP	JSP	JCP
1958	-.46	.49	.51
1960	-.44	.27	.39
1963	-.56	.33	.42
1967	-.62	.04	.47
1969	-.57	-.11	.62
1972	-.58	-.05	.62
1976	-.61	-.15	.56
1979	-.61	-.16	.53
1980	-.61	-.20	.45
1983	-.63	-.23	.40
1986	-.61	-.14	.46
1990	-.54	.10	.40
1993	-.50	-.17	.33

Source: Hitoshi Abe, Muneyuki Shindo, and Sadafumi Kawato, *The Government and Politics of Japan*, trans. James White (Tokyo: University of Tokyo, 1994), 146.

The 1994 reapportionment has reduced the ratio of disparity to 1:2.137, which is still short of the targeted ratio of 1:2. However, the range and the severity of malapportionment have been drastically reduced. For example, under the old apportionment, the majority of districts deviated from the ideal ratio of voters to representatives by -25 to -30 percent, whereas under the new apportionment, the majority of districts deviate within 5 percent.[58] Moreover, the percentage of district deviation from ideal apportioned district by 10 percent or less has increased from 13.5 to 37 percent. Despite these improvements, the new Japanese district scheme remains malapportioned when compared with English and Canadian districts, 74 and 67 percent, which fall within 10 percent deviation, respectively.[59]

Since Japanese districts remain malapportioned, it will be interesting to observe whether the disparities between districts will lead

[58]As Christensen states, "The ratio of the ideal district is calculated by dividing the number of people nationwide by the total number of representatives. This yields the national average of people per representative." See Christensen, "The 1994 Redistricting in Japan," 37 n. 7. In addition, the following figures of percentage deviation are extracted from his figures 1 and 2, pp. 33-34.

[59]See Christensen, "The 1994 Redistricting in Japan," 13.

to partisan bias. Using regression with the new level of malapportionment as the dependent variable, Christensen has shown that the new malapportionment is biased toward rural areas.[60] This bias is supported by a significant coefficient between the old and new levels of malapportionments. That is, the bias of the old malapportionment covaries with (or persists in) that of the new malapportionment. Moreover, there is a strong and significant relationship between the level of new malapportionment and the malapportionment resulting from initially giving one seat to each prefecture before apportioning seats by population. In other words, the new malapportionment can be attributed to the biased guideline that allocates one "free" seat to each prefecture, a distribution that works in favor of small prefectures and rural districts. Thus, parties with strong support bases in these areas should benefit from the new apportionment scheme.[61]

However, it is surprising that only one partisan variable is significant in predicting the new malapportionment. According to this statistical result, the new malapportionment does not favor the LDP, the JSP, or the JRP.[62] While these insignificant partisan variables are regarded by Christensen as evidence that supports the theory that a nonpartisan redistricting process is taking place in Japan, I suspect that his conclusion is premature. In a private conversation with Professor Christensen at the University of Tokyo, we agreed that the ways these partisan variables were operationized could be misleading.[63] Since a party's electoral base is defined by the party identification of the top vote-getter in a geographic area under the MSD, it is possible that an area may be wrongly identified as the JSP's electoral base when in reality it is the LDP's base. This mistake becomes apparent when the top vote-getter is a JSP candidate but the rest of seats are captured by the LDP.

In addition, I suspect that there may be a problem with multicollinearity in Christensen's regression, as indicated by the huge coefficient for the prefecture malapportionment variable, specifically the bias resulting from initially giving one seat to each prefecture.

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[60]Although Christensen has concluded that "the new malapportionment is biased in a partisan manner," I do not feel his evidence is sufficient to support this conclusion. See my discussion below.

[61]See Christensen, "The 1994 Redistricting in Japan," 13-18.

[62]See ibid., 35, table 1.

[63]A private conversation on February 15, 1996 at the University of Tokyo, Japan.

Since the prefecture malapportionment variable is generated by aggregating the new malapportionment at each district, the close correlation between the above two variables is expected. However, their relationship may be so strong that it virtually absorbs partisan variables' true effect. For reasons stated above, I am reluctant to definitely conclude that there is no partisan bias in the new apportionment scheme. Although whether a partisan bias exists is disputable, Christensen has shown unambiguously that the new apportionment has made it difficult for politicians to carry over their support bases intact into new electoral districts.[64] Because of the massive uncertainties created by the 1994 redistricting, many incumbents are still struggling to find a way to sabotage the new electoral system.

In short, the 1994 redistricting has reduced the range and severity of malapportionments. Moreover, it has generated massive uncertainties for politicians seeking reelection. In this sense, the new apportionment has enhanced the electoral system's responsiveness.[65] However, the new apportionment is biased toward rural areas, which may indirectly benefit parties with strong rural supporters, though further evidence is needed to support this hypothesis.

Issue-Oriented Campaigns and Money Politics

Japanese politicians, especially Ozawa Ichiro's followers, seem to have faith in the SM plurality system. In particular, they expect that the adoption of the SM system will transform Japanese elections into a battleground of parties competing for ideas and policies. This expectation is not without theoretical and empirical grounds. Since each party has to nominate only one candidate in each district, the SM system not only makes party cues relevant, but also eliminates politicians' incentives to build extensive support networks to compete with candidates from their own parties. As parties regain control over campaigns, party platforms and public policies will be debated in due course. Moreover, one historical precedence reported by Gary Cox reinforces the theoretical argument: as the British Parliament gradually eliminated multi-member districts during the late nineteenth

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[64]See Christensen, "The 1994 Redistricting in Japan," 18-25, and 36, table 3.

[65]Even a redistricting process with an intention of gerrymandering may produce massive uncertainties for incumbents, hence yielding some degrees of responsiveness. See Andrew Gelman and Gary King, "Enhancing Democracy through Legislative Redistricting," *American Political Science Review* 88, no. 3 (1994): 541-59.

century, political parties found it easier to appeal to voters with policy programs than buy off blocs of voters with private favors.[66] Will Japanese politicians change their campaign styles in response to changes in the electoral system?

In my opinion, issue-oriented campaigns will not likely be implemented in most of SM districts for the following two reasons. First, major political parties such as the LDP and the NFP do not organize themselves according to any coherent policy.[67] Instead, party defections and mergers are based on personalities, networks, and nomination slots for candidates. The NFP's platform is extremely vague, because a strong stance on any controversial issue would risk tearing the party apart. Moreover, since the contents of various policies between and within the LDP and NFP are very similar, it is possible that genuine policy alternatives will be reduced.

Second, unless there is an extensive change in liberalizing campaign activities, the "personal vote strategy" remains the only viable strategy in Japanese elections. Although the high winning threshold (i.e., 50 percent of the vote in a district) of the SM system makes extensive personal networks costly, Japan's adoption of the SM system will not deter politicians from building extensive personal networks. In fact, the task of maintaining extensive networks has not been made more difficult. To support this argument, we can compare the number of voters required to ensure a victory in the SM and MSD systems. Under the old MSD system, there were 130 districts, and on average, a candidate would require 20 percent of the vote to ensure a victory in a district. Under the new SM system, the country is divided into 300 districts, and on average, 50 percent of vote is needed to guarantee a victory. Since there are about 70 million voters in Japan, a candidate therefore would require a base of 100,700 voters to ensure a victory in the MSD system and a base of 117,000 voters in the SM system.[68] This small difference suggests that the incentive for building extensive personal networks has not been radically changed.

In addition, previous experiences in the United States and the United Kingdom have also shown that constituency services have been

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[66]See Gary Cox, *The Efficient Secret* (Cambridge: Cambridge University Press, 1989).

[67]See Takabatake Michitoshi, "Summer's Political Fireworks and the Future of Japan's Social Democrats," *Japan Quarterly* 41, no. 4 (1994): 397.

[68]See Christensen, "The New Japanese Election System," 22.

able to withstand national swings.[69] Thus, serving the constituency will give politicians an additional safe valve against unexpected defeats. Japanese politicians are well aware of this advantage and will probably retain their political machines. Even if Japanese politicians wish to campaign on the basis of issues and policies, strict campaign restrictions would make it impossible for them to effectively convey their policy messages. Thus, the "personal vote strategy" remains the only viable strategy in Japanese elections.

The need to resort to personal networks or *koenkais* for recruiting and mobilizing loyal supporters also means that a massive amount of money is needed. Although candidates for the Japanese Diet are prohibited by law to spend over a certain amount and in return have their campaign activities subsidized by the government, these efforts have done nothing to reduce the costs and amount spent on Japanese campaigns. The expenditure limit has been universally ignored and disclosure reports to the Home Affairs Ministry have often been carefully falsified. Yet, no Diet member has ever been penalized for these malpractices.

Just a glance at the amount of money required for a successful campaign will give us some perspective. It is estimated that an incumbent requires at least 40 million yen to retain his/her seat, but most incumbents spend at least 100 million yen, while a newcomer would require twice as much as the latter figure.[70] However, these figures do not include politicians' overhead expenses. Gerald Curtis reports that on average, the LDP's Diet members spend 5 to 10 million yen per month.[71] A survey by *Asahi Shimbun* also revealed that the average Diet member spends about 100 million yen a year on overhead expenses.[72] In an election year, these figures could be double or triple.

The reason why Japanese elections are extremely expensive can be attributed to candidates' campaign styles and strategies. As noted before, with virtually no change in the current electoral law on cam-

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[69]See King, "Constituency Service and Incumbency Advantage"; Philip Norton and David Wood, "Constituency Service by Members of Parliament: Does It Contribute to a Personal Vote?" *Parliamentary Affairs* 43, no. 2 (1990): 196-208.

[70]The figure of 100 million yen remains valid in spite of inflation. See *The Japan Times*, April 5, 1979. Also see Curtis, *The Japanese Way of Politics*, 176.

[71]See Curtis, *The Japanese Way of Politics*, 177.

[72]See *Asahi Shimbun*, April 10, 1989.

paign restrictions, Japanese politicians have to reach out to their voters through informal social occasions or their own *koenkais*. Each special event demands a "gift" or contribution from politicians. Moreover, the operation costs of *koenkais* are also very expensive. According to a study of ten first-term LDP Diet members, personnel expenses (such as salaries of *koenkai* staffs) account for one-third of their annual expenses (which on average is 116 million yen), while the costs of attending social events account for another one-third of their annual expenditures.[73]

Since the government only pays a little more than 18 million yen a year in salary and bonuses to each Diet member (in addition to providing two secretaries), there is a significant gap between revenue and expenditures.[74] Thus, Japanese politicians have to seek funding elsewhere, including contributions from corporations, fund-raising parties, factional leaders, wealthy individuals, and loans. Most funding sources expect politicians to return the favor in the future. Thus, it is likely that such interactions between politicians and donors have fostered corruption and pork-barrel politics. As Abe, Shindo, and Kawato remark, "The *koenkai* are a major cause of the high cost of politics in Japan, and, in turn, a cause of political corruption and popular political alienation."[75]

Although the 1994 PFCL seeks to restrict the flow of money from corporate interests to political kingmakers, electoral reform as a whole will have little impact on money politics or corruption in Japan. The 1994 PFCL is designed to curb business donations to particular factional leaders or individual politicians; instead, political money is intended to be routed to political parties, and only parties can allocate money to individual candidates. However, two important loopholes will likely undermine this. First, corporations are now encouraged to give money to both national and local party organizations. However, clever politicians can transform their local *koenkais* into local party organizations in every county, city, town, village, and neighborhood in their election districts. Since they are dominant party leaders, they will continue to control local party funds. In this way, corporations will still be able to contribute funds to as many

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[73]Cited in Abe, Shindo, and Kawato, *The Government and Politics of Japan*, 178-79.
[74]See Hrebenar, *The Japanese Party System*, 61.
[75]See Abe, Shindo, and Kawato, *The Government and Politics of Japan*, 179.

local party organizations as their favorite politician decides to create. Second, even if business donations go to national party organizations, the money can still be allocated to a specific party member if donors informally attach a "string" to it. In other words, in name the contribution goes to the party, but in reality the money will still be controlled by specific party members. Thus, the new political funding system appears less corrupt, but does not cut the lifeblood of money on which politicians depend.

The elimination of money politics in Japan requires more than restricting certain types of campaign contributions. Just as shooting drug runners at the U.S. border does little to control drug abuse, declaring illegal contributions makes little difference to Japanese money politics. In my opinion, a serious reform on this matter must eliminate politicians' incentives to run expensive personal campaigns during and before the legal campaign period. This would require fundamental changes in straightjacket restrictions on campaign activities. In addition, emphasis must be put on plugging loopholes as well as enforcing laws. Replacing MSD with the SM system may eliminate one element that contributes to the rise of expensive *koenkai* activities, but it does not alter the basic "personal vote" campaign strategy. Thus, I believe money politics in Japan will continue to thrive, despite the 1994 electoral reform.

The Relative Strength Between Faction and Party

One promise of the 1994 electoral reform is that party politics will be restored in Japan. As noted above, campaign restrictions on political parties have been substantially liberalized. Major corporate and individual donations will be channeled through parties rather than factions. Public funding will be distributed to parties only, and parties will control nominations as they have in the past. However, party nominations in both the PR and SM races will be extremely valuable, given the greater difficulty of winning an independent campaign under the new system. However, it would be premature to conclude that party strength has surpassed factional power.

In Japan, stable party identifications have not been developed. Over the past few decades, voters were candidate-oriented; as a result, party defectors and spinners were seldom punished by voters. Even if party leaders wished to punish rebels, disobedient incumbents could easily switch to a rival party and win the following election. Japan was basically a buyers' market in which strong potential candidates were able to extract the best deal in terms of party nomination

and campaign support. The installation of the new AMS has slightly weakened the bargaining position of strong candidates, as candidates need to ensure that they are nominated by their own party (or, if not, by any party). A successful nomination means that the nominee will monopolize party resources in the local district, and at the same time force his/her opponents either to support or leave the party.

However, candidates' weaker bargaining positions do not mean that party leadership has gained overall control of the nomination process, nor does it imply that factional leaders will be excluded from this process. Despite many additional restrictions on factional funding and operations, factional power cannot be written off for several reasons. In the first place, the conditions under which factions arise have remained unchanged. At the district level, individual candidates still require financial and organizational support from factions in order to carry out their "personal vote strategy." At the parliamentary level, Tanaka's magic formula, "money and numbers of Diet members equal power," is still valid.[76] While party members may be united under a party platform against other parties in general elections, they still must gain competitive edges in order to win leadership contests. Unless party discipline is restored and party defectors punished, potential party leaders have to rely on factional operations to keep Diet members in line with their bids for party leadership. Second, because of the loopholes on funding regulations, money that is supposed to go to political parties may end up in faction leaders' pockets. If party resources are still controlled by factions through informal back-door deals, then their power will remain unabated.

Conclusion

Japan's 1994 electoral reform has accomplished several goals set up by the 1993 Hosokawa coalition government. One major achievement of the reform is the successful transformation from the MSD to the AMS voting system. This achievement is remarkable compared to the two previous failed attempts to introduce the SM system to House of Representatives elections in 1955 and 1973.[77] Another achievement is that the redistricting process has reduced the

[76]See Hiroshi, "Political Reform," 247.
[77]See Shiratori, "The Politics of Electoral Reform in Japan," 81-82.

range and severity of malapportionments. Moreover, the redistricting itself does not appear to be biased in favor of any parties, factions, and incumbents. In addition, the reform has also sought to strengthen political parties; not only will campaign contributions be channeled into political parties, but a public subsidy program will be enacted to finance political parties. More significantly, political parties can now campaign with more freedom than before, and will become active participants rather than passive speculators in campaigns.

In spite of these salient achievements, the 1994 electoral reform as a whole does not completely transform Japanese politics as intended by the reformers. The adoption of the AMS has reduced the number of parties (as manifested by the merger of the former JNP, JRP, and Komeito), but it is unlikely that party realignments will reach an equilibrium of exactly two parties. Coalition governments will likely remain the norm of Japanese politics. In addition, although the independent commission has drawn up district boundaries which appear to have no partisan bias, redistricting has benefitted rural areas. This rural bias can also be understood in terms of malapportionment, as one rural vote is still worth about 2.2 urban votes.

Issue-oriented campaigns will not emerge in most of the SM districts unless there are substantial changes in campaign restrictions. The change of the voting system itself has not altered candidates' incentives to adopt the "personal vote strategy." Therefore, a massive amount of money required to support extensive networks and long-term campaigns remains not only desirable but also necessary. Given that a large amount of money must be spent during and before the legal campaign period, the new restrictions on factional leaders and candidates' fund-raising capabilities are bound to be futile. Moreover, many existing loopholes in the PFCL provide politicians with a ready avenue for legal evasions. The current situation is one in which neither the incentives for expensive campaigns have been eliminated, nor the restrictions on campaign contributions are effective. Under such circumstances, money politics will continue to thrive in Japan.

Since money continues to be the lifeblood of Japanese elections, factions will remain firmly in place. Restrictions on factional leaders' fund-raising ability are likely to be circumvented, because factional leaders can easily turn local party organizations into their own collecting agencies. If party resources are still controlled by a handful of factional leaders behind the scenes, then political parties in Japan will remain weak vis-à-vis their factions. Moreover, most factional practices such as close alliances with bureaucrats in distributing

pork-barrel projects will continue with business as usual. Indeed, the "iron triangles" among businesses, politicians, and bureaucrats will probably not disband themselves with the adoption of the new electoral system. A break from the bureaucratic regime would require a fundamental reform addressing the problem of Japanese bureaucracy directly. A successful electoral reform may create momentum to facilitate further reforms on bureaucracy, but the electoral reform itself is no panacea.[78] In fact, the 1994 electoral reform should best be regarded as the first step leading to a major transformation of Japanese politics.

[78]On the contrary, initial coalition governments as a result of the 1994 electoral reform are likely to devolve more power to skillful bureaucrats. See Christensen, "The New Japanese Election System," 23-24.