

# Articles

## Party System Change and Electoral Reform

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### *Abstract*

Political parties and a party system in Japan changed after political reforms such as the enactment of the four Political Reform Laws in 1994. The political reforms attempted to cope with various issues that Japanese politics at that time was facing. In this paper, I will discuss what the changes made by the reforms have been, rather than to evaluate the success or failure of the institutional reforms. Specifically, this paper focuses on political parties and the party system in order to examine what has and has not been changed by the institutional reforms. More precisely, the paper will show how the political reforms have resulted in the centralisation of party organisations, the weakening of factions, and the erosion of clientelistic relationships between factions and voters.

### **Introduction**

Political parties and the party system in Japan changed after the enactment of four Political Reform Laws in 1994<sup>1)</sup>. The Laws entailed the revision of an electoral system, as well as the regulation of political funds and the introduction of public subsidies to political parties. Among the four Laws, the Act on Partial Revision of the Public Offices Election Act introduced a change to the electoral system for the House of Representatives (Lower House) from the traditional multi-member district system to the mixed system that combines the single-member district system and proportional representation (Sasaki 1999a; Kobayashi 2008). The Act on Partial Revision of the Political Funds Control Act strengthened the regulations of political funds and established limits on corporate/institutional donations and individual donations; it also included the rules on fund-management organizations (Sasaki et al. 1999b). The Political Party Subsidies Act institutionalized the distribution of subsidies to the political parties meeting

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1) In this paper, I limit the discussion to the “institutional reform” in Japanese political reform. There are many factors in terms of party system change. As space is limited, I concentrate on the aspects of “institutional reform.”

certain requirements, which total approximately JPY30 billion (\$300 million) a year. As various institutional reforms were implemented, the party system was more or less influenced by those reforms (Sasaki 1999a).

It was more than 25 years ago when those new institutions were introduced under the name of the “political reforms<sup>2)</sup>.” At that time, these “institutional reforms were intended to deal with problems of over-powerful factions, clientelistic relationships between factions and voters and corruption.

Did the institutional reforms ultimately produce the intended consequences and solve these problems? This paper assesses these questions and argues that to a significant extent the reforms have had the intended effects.

### **From the Multi-Member District System to the Mixed System**

In 1994, when the Act on Partial Revision of the Public Offices Election Act was enacted, the electoral system of the House of Representatives changed from the multi-member district system, which was the current at that time, to the system that combines the single-member district system and proportional representation. It was March, 1994, when the law was enacted, but no election was conducted for a while after the enactment. The first election under the new electoral system was the 41st General Election of the House of Representatives on 20 October, 1996 (Asano 2006; Miyake 2001; Taniguchi 2004). Including this election, eight general elections have been conducted under the single-member district system<sup>3)</sup>, with the passage of time, the new electoral system seems to be more established and the influence brought by the party system has been more apparent<sup>4)</sup>. Each party behaves, and the party system itself is shaped by this institution. As a result, the centralization of political parties has developed, the organizations of parties have changed, and the influence even reached the party system formulated by the competition among parties. This process can be understood in a more concrete way by looking at the relation between the electoral system and the party system.

In post-World War II Japan, the multi-member district system was adopted for the electoral system of the House of Representatives until the reforms

2) In this paper, I do not refer to a change of government in 2009. We are here concerned with the key aspects of the political reform.

3) 8 elections were as follows: 20 October 1996, 25 June 2000, 9 November 2003, 11 September 2005, 30 August 2009, 16 December 2012, 14 December 2014 and 22 October 2017.

4) It is necessary to keep in mind that it is merely a starting point of discussion. There are different views about this point. Some scholar emphasizes an institutional effect of electoral system upon a party system, on the other hand, one denies the impact of electoral system.

in 1994. The post-war politics in Japan is sometimes described as the “1955 System”; this multi-member district system can be considered as the electoral system of the 1955 System (Flanagan and Richardson 1977; Ishikawa 2004). Although there is much discussion as to how the 1955 System is interpreted, this paper understands it from the perspective that the Japan Socialist Party and the Liberal Democratic Party (LDP) were established in 1955, which created the cornerstone of the competition among political parties in later years. The polarity between the two main parties was clear under the multi-member district system.

A feature of the multi-member district system in Japan was the single non-transferable vote (SNTV). Under SNTV, an elector could vote for only one candidate regardless of the number of seats in the district. The number of seats in each district varied from 3 to 5 in most parts of the country. At the time of the 40th General Election of the House of Representatives on 18 July, 1993, which was the last general election under the multi-member district system, there were 130 districts nationwide, returning 511 members. No district stretched over more than one prefecture.

Since Japan has a parliamentary system, a party that tries to form a government has to secure an absolute majority of seats in the House of Representatives (lower house). Under the multi-member district system, it was not sufficient to have one candidate for each of 130 electoral districts; a party intent on securing a parliamentary majority had to nominate more than one candidate in the same electoral district. As the House of Representatives had 511 seats, an absolute majority was 256 seats; thus, if a party only ran 1 candidate per district it could not win more than 130 seats even if all the candidates were successfully elected (a highly improbable outcome, of course). As a result, multiple candidates were nominated by each of the main political parties, which meant that each candidate fought against candidates from their own party as well as from other parties in order to be elected. Thus, under the multi-member district system, “fellow fighting” in the same party could not be avoided (Curtis 1988; 2009).

Furthermore, SNTV helped foster a system of highly factionalized politics based on clientelistic relations with voters, rather than on pure policy or ideological competition. In most classical or standard models of party competition, it is assumed that there will only be one candidate per party in each electoral district. Under such circumstances, candidates differentiate themselves chiefly through the party label that they carry. The differences between political parties are reflected in their names (Sartori 1976), and an election is an opportunity for political parties trying to form a government

to put different labels and compete with each other in order to support as many candidates as possible to be elected (Schumpeter 1942). The clearest criterion for voters to distinguish each option is the difference of labels, since it indicates the difference of contents. The electoral competition between parties makes it possible for voters to distinguish such difference, and the difference of labels that represents the difference of options and contents becomes the minimum precondition for competition among political parties. In such mechanism, it was not assumed, and never even imagined, that multiple candidates from the same party would compete against each other. However, in Japan, this was the normal situation under SNTV and one of the principal characteristics of the 1955 System.

From 1955, the LDP, which was continuously in government, nominated multiple candidates for each electoral district (Ramseyer and Rosenbluth 1993). Therefore, their candidates were not able to avoid competing against each other. They were from the same party, adopted the Party's manifesto, and had the same political agenda in order to appeal to voters. As a result, instead of appealing to voters with political agendas and asking for selection based on voter's rational judgment, candidates began to differentiate themselves by making clientelistic appeals to groups of voters. That is, they rolled out service campaigns to voters in order to express the difference from other same-party candidates. For instance, they provided services such as thoughtful gifts for ceremonial functions, assistance for school selection and job search, or even cover-ups for parking and speeding violations. These services were not limited to the politicians/candidates of the LDP; many candidates from other parties who wanted to be selected under the multi-member district system were also involved in such service campaigns. Therefore, the elections under the multi-member district system were neither policy-oriented nor party-oriented, but candidate-oriented on the basis of clientelistic exchanges with voters – votes for favours.

Moreover, this situation encouraged the development of decentralised power and factionalism within Japanese parties. Since politicians/candidates were not able to compete in elections for their own political parties, "support group (kouenkai)" organizations for each candidate were developed (Shiratori 1988). When there are developed party organizations, electoral campaigns are run by political parties and party headquarters support their own candidates. However, if such organizations are not developed, politicians/candidates have to protect themselves. Each politician/candidate organizes his/her own support group, conducts political activities through the group and competes in elections on the basis of such groups. Politicians/candidates try to maintain their support groups in order to be elected

continuously. Those groups are organizations for helping candidates to be elected, and indispensable for politicians to remain in their seats through elections. Since the elections under the multi-member district system were not party-oriented but candidate-oriented, such support groups were widely accepted as a legitimate form of political organization. These support groups were formed based on territorial bonds and kinship, and became indispensable for Japanese elections.

As a result, there were two main consequences. The first was that this form of political exchange required money to facilitate the 'service campaigns' (Iwai 1990; Alexander and Shiratori 1994). The second was the emergence of political factions within the LDP that derived from the intra-party competition under the multi-member district system. The former leads to the logic that politics needs money and therefore political corruption becomes endemic. This called for the necessity of political reforms. Regarding the latter, since multiple candidates from the same party could be elected in one electoral district under the multi-member district system, the political factions were physically and psychologically in charge of a candidate from the start of his candidacy process to his activities as a politician after being elected. Faction leaders aimed to win the office of the Prime Minister, and thereby expand the influence of their faction. The members of each faction acted for the faction and established boss-henchman relationship with their faction leaders. In the LDP, personnel matters were handled by each faction, thus a politician had to obtain recommendation from his/her faction to build a career and become a cabinet member (Sato and Matsuzaki 1986). In the process of a candidate being elected and growing into a politician, the faction, rather than the political party, played the critical role. Therefore, for an individual politician, the influence of his/her faction was larger than that of a party's executive office.

From the late 1980s to the early 1990s, a series of political and financial scandals occurred, starting with the case of Recruit. This encouraged many people to consider that it was necessary to reform the political situation which was so dependent on patronage and financial exchange. The debate regarding reforms varied widely, including the LDP's long-term rule of the government, lack of government change, adverse effect of factions and issues in the multi-member district system. The discussion expanded from issues in politics and money to those in various institutional reforms including electoral systems. Specifically, it was proposed to change the electoral system of the House of Representatives from the multi-member district system to a form of Mixed-Member Representation that would combine the single-member districts and proportional representation. The adoption

of the single-member district system had been attempted in the past by the LDP leaders, such as Ichiro Hatoyama and Kakuei Tanaka, but had failed (Ishikawa 2004). By 1994, however, a sense that change must happen was overwhelming, and thus the enactment of the four Political Reform Laws in 1994 became a turning point.

### **Electoral System and Party System**

The discussion of the political reforms started around 1989, and on 26 April, 1990, the 8th Electoral System Council submitted the Report on “Reforms of Electoral System and Political Fund System” to Toshiki Kaifu, Prime Minister at the time. This Report influenced the political reform discussion that followed. Focusing on the sections that mention the electoral system, the Report states as follows:

- The elections of the House of Representatives should be contested over debates on political parties’ agendas in order to form the government and realize political agendas;
- Under the current multi-member district system, as long as a party aims to secure many seats and become the ruling party, multiple candidates from the same party would have to run for the same electoral district. For those candidates, elections are not the competitions among political parties and over political agendas, but rather disputes among individuals;
- (The individual-oriented elections) became dependent on personal connections between candidates and voters, and funds that were required to run for an election expands;
- Power structure among political parties has become fixed over years, no regime change has happened, thus politics lacks intensity and becomes prone to political corruption.

It also says that the electoral system reforms would need to make “policy- and party-oriented elections; the higher possibility of regime change and smooth practice of the change; a stable government in order to enable responsible politics; the government to be directly elected by the public will reflected in the result of elections; and various public will to be appropriately reflected on national politics through elections.”

The single-member district system has “the characteristics that the people’s will regarding the selection of the government is manifested in a clear form; there is a high possibility of government change, and the government is stabilized, while it is difficult to reflect minor opinions in elections.” The proportional representation system has “the characteristics that various public will is entirely reflected in the elections and minor forces have

Table 1 Features of Two Electoral Systems

	<i>Pre-reform</i>	<i>After reform</i>
Electoral system	Multi-member district system	Mixed system (Single-member district system and proportional representation)
Number of districts	130 (Multi-member district)	300 (Single-member district) and 200 (proportional representation)
Number of seats	511	500
One person's vote	One	One for Single-member district and another one for proportional representation
Date of the first election	25 April 1947	20 October 1996

a possibility of winning seats, while a party system becomes fragmented and it is more likely to have a coalition government, which leads to an unstable government.” The Report concludes that the system that combines the single-member district system and proportional representation would be appropriate. Until the mixed system was actually adopted, the discussion described in the Report appeared in the media and academia with pros and cons.

In the new single-member district electoral system of the House of Representatives that was introduced in 1994, 300 out of 500 seats are chosen from single-member electoral districts, while the remaining 200 seats are filled by 11 blocks of proportional representation.<sup>5)</sup> At each election, a voter has two votes, one for a candidate in the single-member district and the other for a political party in the proportional representation block (Kobayashi 1997b, 2008).

The single-member district system in Japan adopts a “dual candidacy

5) The initial composition of this system was 300 seats from the single-member districts and 200 seats from the proportional representation blocks. In 2000, however, the Act on Partial Revision of the Public Offices Election Act was enacted, and 20 seats for members selected from the proportional representation blocks were removed, which resulted in total seats reduced from 500 seats to 480 seats. The composition is 300 seats from the single-member districts and 180 seats from the proportional representation blocks. Present total seats are 465 (289 seats from the single-member districts and 176 seats from the proportional representation).

system,” in which the same candidate can run for both a single-member district and a proportional representation block. This means that a candidate, even if not elected in a single-member district, can be elected in a proportional representation block in descending order of the narrow margin rate, which is the ratio of the votes to the elected candidate’s count (the highest number of votes). In the new electoral system, a candidate can still succeed in being elected as part of the proportional representation block, even if s/he has lost in a single-member district. However, a candidate who fails to achieve at least one tenth of the total valid votes in a single-member district cannot be elected in a proportional representation block.

This new hybrid electoral system has the characteristics of both single-member and proportional electoral systems. The single-member district system is a majority system in which a candidate receiving the highest number of votes will be elected; here, the “winner-takes-all” logic is clearly reflected. Since there is only one candidate to be elected even when multiple candidates are competing, all the votes except those cast for the elected candidate will be “wasted votes.” This has been considered a disadvantage of the single-member district system, and thus it is often explained that the public will not best reflected in this system. On the other hand, in the proportional representation system, a list of candidates for each party is presented in each block, and voters cast their votes for political parties. The candidates of each party are elected through the D’Hondt Method, according to the count that their parties had obtained. The proportional representation system is better reflects the public will as it allows small political parties to win seats; however, it is also undeniable that there it tends to fragment the party system. The mixed system of Japan has all those characteristics.

However, in the debate about institutional reforms, the image of the party politics after the introduction of new institution was rarely discussed (Iwasaki 1999). A rosy future where the institutional reforms would bring policy- and party-oriented elections, multiple parties capable of ruling the government and government regime was the sole topic of discussion. At present, after the political reforms, there is an optimistic perspective that each party competes in elections with its manifesto under the mixed system and policy- and party-oriented elections are put into practice. There is also a feeling that the two-party system of the LDP and the Democratic Party of Japan was born under the single-member district system, and that the possibility of regime change is underway. On 29 July, 2007, the 21st Regular Election of the House of Councillors (Upper House) resulted in a surge of support for the Democratic Party and the decimation of the LDP, which



lead to a Japanese form of divided government. In the House of Representatives, the majority was maintained by the ruling coalition consisting of the LDP and the New Komeito, while in the House of Councillors, the majority was held by the opposition force around the Democratic Party of Japan. Due to this, the Diet sessions often became gridlocked; as a result, premiers Shinzo Abe, Yasuo Fukuda and Taro Aso all struggled to hold the government together for long.

### **Impacts of the New Electoral System**

Under the mixed system, each party nominates one candidate for a single-member district, while presenting a list of candidates for a proportional representation block. Since there is only one candidate to be elected in a single-member district, the competition among candidates from the same party, as seen in the multi-member district system, no longer exists (Park 2000). Political parties have begun to cooperate in elections, and the number of candidates for the single-member districts has decreased. For example, the ruling parties of the LDP and the New Komeito cooperate in elections by one party supporting a candidate of the other in one district and vice versa in another district. Alternatively, they sometimes adopt the strategy of supporting candidates of the LDP in the single-member districts, while supporting the New Komeito in the proportional representation blocks. Similar acts of electoral cooperation have been forged by their opponents in order to counteract the LDP and the New Komeito. As a consequence, a candidate from the ruling side has a one-on-one battle with one from the opposition side in many single-member contests. Of course, there are occasions when candidates from outside the two major alliances run for office, but the bipolar tendency of the system clearly exists in reality. This is true not only for the House of Representatives elections but also for the House of Councillors elections, and even for prefectural elections such as for the Tokyo Metropolitan Assembly.

What is the consequence of this for the fragmentation of the party system? Maurice Duverger famously pointed out that the single-member district system encourages a two-party system, while the proportional representation system promotes a multi-party system (Duverger 1951). Numerous arguments have been developed as to whether it is true (Bogdanor and Butler 1983; Gallagher and Mitchell 2005; Grofman and Lijphart 1986; Norris 1997; Riker 1982). The mixed system in Japan puts two electoral systems together, so it is interesting to apply Duverger's argument to the case of Japan. In the single-member districts, the dominant pattern does indeed appear to be a two-party dualism between the LDP and the Demo-

cratic Party of Japan. Even if one of the three parties, the New Komeito, the Japanese Communist Party or the Social Democratic Party is considered the third force, it is not a threatening presence to the two large parties in the single-member districts. In this sense, it can be said that the single-member district system has generated the two-party system of the LDP and the Democratic Party of Japan.

On the other hand, regarding the proportional representation system, a causal relationship as simple as Duverger's has not been effected. The Japanese party system was a predominant party system ruled by the LDP at the time of the multi-member district system (Sartori 1976; Pempel 1990). However, in terms of the number of parties and the distribution of left and right forces, it was a multi-party system. Although the LDP was literally the predominant party, there had always been multiple parties other than the LDP. Therefore, the Japanese party system already had the features of a multi-party system when the mixed system was introduced. Indeed, it should be said that proportional representation was incorporated into the new system precisely so that multiple parties could survive. This suggests that it was not the proportional representation system that brought the multi-party system, but rather the multi-party system that led to the introduction of the proportional representation system. The proportional representation system works for the New Komeito, the Social Democratic Party, the Japanese Communist Party and others to obtain seats. In the case of Japan, although the relation between electoral systems and party systems described by Duverger is not completely absent, it shows that causality does not necessarily flow simply from electoral system to party system.

In the mixed system, a two-party system has been formed in the single-member districts, while a multi-party system has persisted in the proportional representation blocks. Looking at the whole picture of the party system, it is the fact that a predominant party system exists, but also the characteristics of a two-party system and a multi-party system are found. This implies that, when an electoral system is a mixed form, each system can create a different type of party system. Even if the mixed electoral system of a single-member district system and a proportional representation system creates both a two-party system and a multi-party system, it is possible that a national-level party system becomes different from both of them. In fact, the mixed systems are often seen in electoral systems in the world.

Electoral volatility is a well-known indicator that helps us capture the extent of change in a party system (Pedersen 1979), showed a high value in the

general election of 1996 (Figure 1). However, the score has been declining ever since, and it is now at the level of the pre-reform era, which suggests that the party system is consolidating again after the initial ‘shock’ of the new system, although there was a notable upward spike in 2012. Similarly, party system fragmentation dropped in the decade and a half following the reforms, only to jump somewhat in 2012. The effective number of parties was larger in the last general election than in the general election in July 1993 held under the multi-member district system (Laakso and Taagepera 1979; Taagepera and Shugart 1989). Since the members who had left the LDP formed the New Party Sakigake and the Shinsei Party before the election, the effective number of parties based on the election results became large (Figure 2). The number has been gradually declining since then, and reached the level before the mixed system was introduced. The effective number of parties shows generally the same tendency both with the share of votes and the share of seats. In addition, LSq indicators indicate year-to-year changes, in which the score has been increasing (Figure 3). LSq indicators explain the gap between the share of votes and the share of seats, indicating the non-proportional degree of elections (Gallagher and Mitchell 2005). As elections are held under the mixed system, the LSq indicator is increasing; this means that the electoral system lacks proportionality, and thus it can be considered that the degree of the public will being reflected is decreasing.

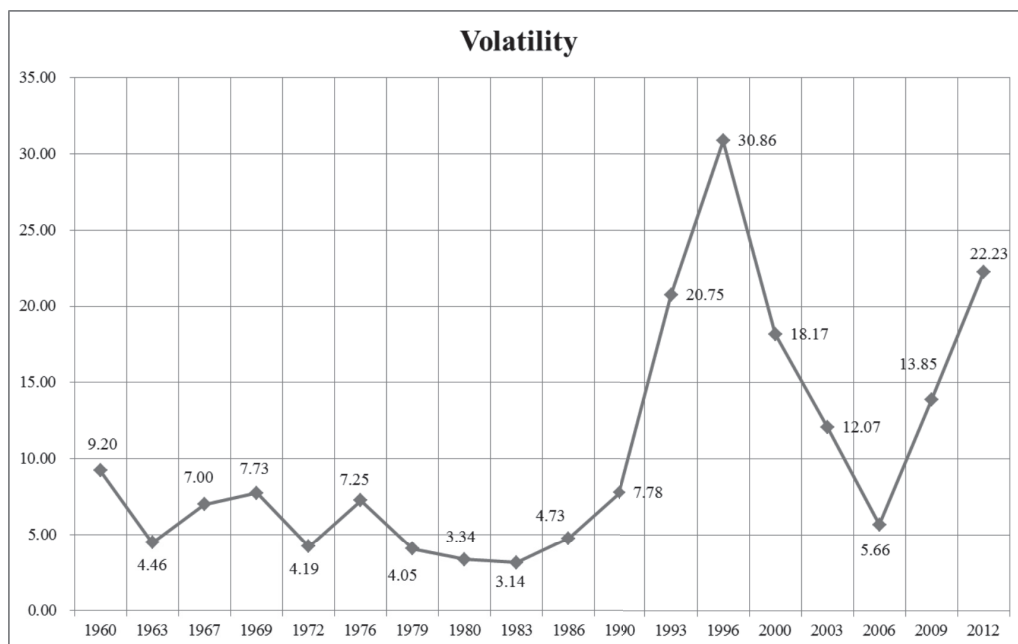


Figure 1 Electoral Volatility in Japan

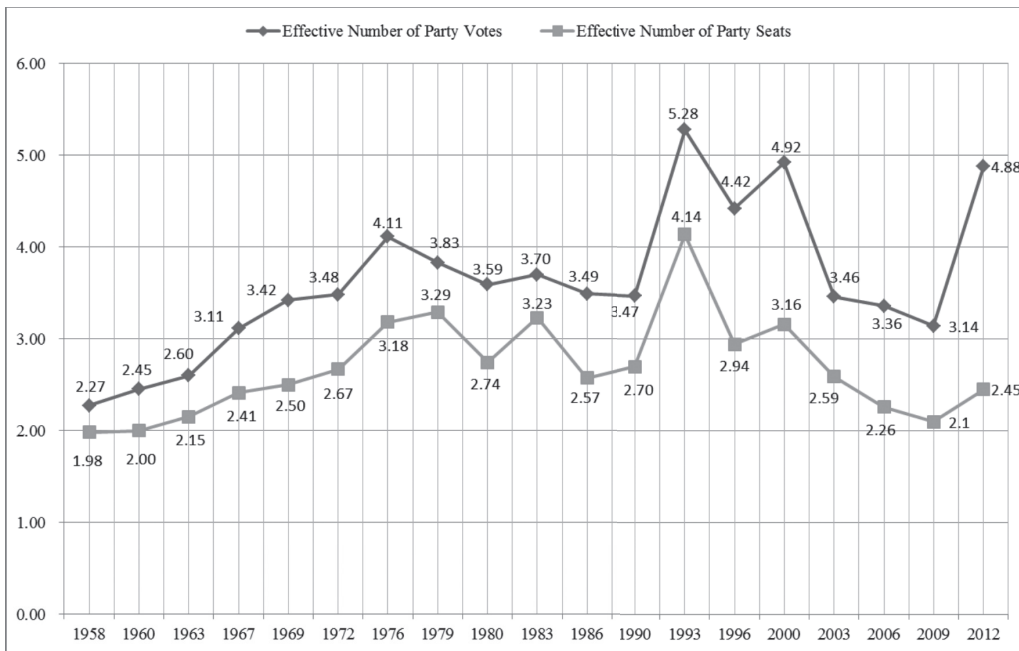


Figure 2 Effective Number of Parties in Japan

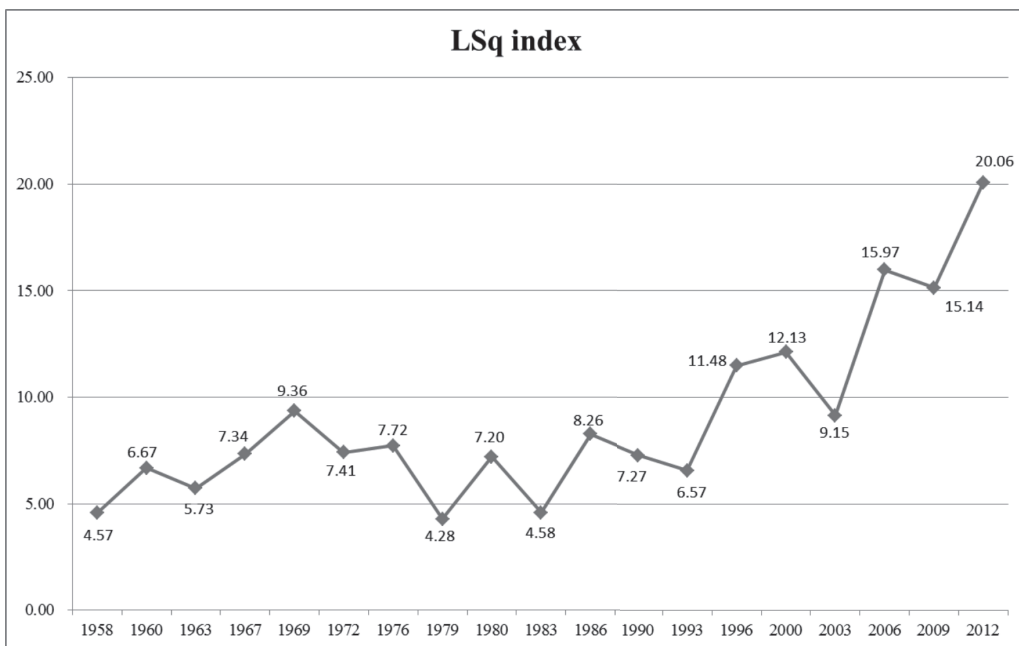


Figure 3 LSq Index in Japan

The mixed system has changed the role of party organizations in both the single-member districts and the proportional representation blocks. What the political factions had been providing for candidates in the multi-mem-

ber district system is now the task of party executive offices. In a single-member district, only one candidate can be nominated by a party and run for an election. Whether a candidate can get nominated by his/her party becomes a crucial issue. In the multi-member district system, a candidate's loyalty to faction leaders was the key criterion; in the mixed system, it is his/her loyalty to the party executive office that is the criterion for success. Since the party executive office makes nomination, a candidate has a risk of not being nominated if s/he is blacklisted by the executive. Similarly, in the proportional representation blocks, it is a significant issue for a candidate whether s/he will be included in a party's list of candidates, and if included, which rank s/he will be placed. In the mixed system, both the LDP and the Democratic Party of Japan offer public recruitment when nominating candidates. This public offer starts with screening of applications and interviews; it sometimes involves preliminary campaigns, narrows down candidates, and the final candidate wins a party's nomination. Even if a candidate is recommended by a party local branch in each prefecture, s/he will not be appointed if the party headquarters do not approve it. Since all the decisions are made by party executive offices, candidates in the single-member districts and the proportional representation blocks have to read the faces of the executives. In other words, the mixed system has strengthened the power of party executive offices and resulted in the centralization of political parties. This is a significant change from the era when political factions were at the height of prosperity.

The most significant example of this change was the incident regarding the nomination of candidates in the 44th Election of the House of Representatives held on 11 September, 2005. Then Prime Minister Junichiro Koizumi dissolved the House of Representatives and made the privatization of postal service a salient issue, which he considered the most important political agenda for his own regime. Candidates in the general election were officially notified on 30 August, and the voting was held on 11 September. The privatization of postal service was the agenda that the Koizumi had been pursuing for years, and he made it as a pledge at the start of Koizumi Cabinet in April 2001. On 5 July, 2005, during the 162th Ordinary Diet Session, the House of Representatives passed the bill related to the privatization of postal service, which was then voted down by the House of Councillors on 8 August. On the same day, Koizumi dissolved the House of Representatives. In the general election he did not nominate the LDP's members who voted against the postal privatization bill, and chose oppositional candidates as "assassins (shikaku)" in the electoral districts of the rebels. By nature, it is not appropriate for a member to belong to a political

party with agendas that s/he opposes, and also for a party to have such a member. It is inconsistent and unhealthy for a political party to have opposing opinions regarding political agendas coexisting within the party and its members. In the single-member district system, candidates from each party run for elections to support the party's agendas; if a candidate presents political agendas different from his/her party, it is neither policy-oriented nor party-oriented. The party executives of the Koizumi government sent "assassins" to the rebels and defeated them, which brought historical victory to the LDP in this general election.

The election of the House of Representatives in 2005 tends to attract attention only to the historical victory and the political methods of Koizumi called "Koizumi Theatre." However, the election is characterized by the fact that the transformation of political party organizations became significant. Even though the leadership of Koizumi cannot be ignored, the mixed system gives party executives authority that is different from any previous era, and enables them to hold the power of life or death of their members. The political factions had such power over their own members in the multi-member district system, while party executives play the role that the factions used to play in the mixed system. The general election in 2005 was the fourth election under the mixed system, and it became apparent that each party acted in accordance with the characteristics of the electoral system based on the experience from the previous three elections.

In the present day Japan, it can be said that the organizations and functions of political parties described in the textbooks of political science are finally materializing: Political parties are centralized by the mixed system; they nominate officially appointed candidates in elections in accordance with the policies of party executive offices; and candidates run for elections by presenting political agendas. These aspects are written in the explanation of political parties in textbooks. In the multi-member district system, political parties' actual condition was different from the explanation of textbooks: Candidates competed with each other within the same party; political factions held more influence than party executive offices; and the scale of services to support groups was considered more important than agendas. The judgment on whether political parties were reborn in exemplary forms or it is problematic to consider them textbook examples cannot be made instantly.

Did the centralization of political parties in the mixed system change the understanding of Japan's party politics? Did eliminating competition among candidates from the same party in the single-member district sys-

tem make service campaigns and expensive politics disappear? Did the role of support groups that assisted politicians/candidates become weaker? Did the role of political factions decline? What kind of positions do those support groups and political factions have now? How did the centralization of political parties change the relation between party headquarters and local branches? Can party executives maintain strong authorities? Is it possible for political parties to survive as organizations? What are the functions of the present-day parties?

However, it would be simplistic to think that all of these changes flow merely from the reform of the electoral system. For one thing, there has been a second major piece of legislative reform that has also impacted on parties – regarding party funding.

### **Changes in Political Parties and Party System**

Changes in political parties are related not only to the introduction of the mixed system but also to the Political Party Subsidies Act (Alexander and Shiratori 1994). The public subsidy system for political parties was implemented at the same time of the electoral system reforms. Through this system, political parties receive party subsidies; they can now survive as organizations without collecting funds by themselves. The subsidies received by party headquarters are divided among local branches. This further clarifies the organizational relations between headquarters and branches. The Political Party Subsidies Act defines that the national government funds political parties with political party subsidies, and gives detailed explanations to the requirements for political parties and the calculation of subsidies. In this Act, a political party is defined as “a political organization to which five or more members of the House of Representatives or the House of Councillors belong” or “a political organization whose total number of votes is more than 2% of total valid votes in the latest national election.” A political party annually submits its request for the political party subsidy to the Minister of Internal Affairs and Communications as of 1 January. The total of subsidies is obtained by multiplying JPY250 (\$2.5) by the population, which totals approximately JPY30 billion (\$30 million) each year. The subsidies are given according to the number of members of the Diet and the number of votes. Therefore, the larger a party is, the more it receives a subsidy, while a small party can receive an amount according to its influence.

The total amount of the political party subsidies in 2012 was JPY31,381,621,000: The Democratic Party of Japan received JPY16,504,302,000; the LDP JPY10,154,000,000; the New Komeito

JPY2,279,166,000; the Social Democratic Party JPY763,697,000<sup>6)</sup>. The Japanese Communist Party did not receive any subsidy. The ratio of the subsidy to the revenue of each party -was for example, approximately 60% for the LDP and 80% for the Democratic Party-, which shows that each party highly depends on the political party subsidies. The institution has been established since its introduction in 1995, and currently each party depends on the subsidies.

The origin of a political party is a voluntary political group in a civil society. Through receiving public subsidies, its historical feature as a private faction has been lost, and it has been considered that it became a part of a statutory body in the sense that it operates with public funds. The Cartel Party Model by Richard Katz and Peter Mair emphasised this point and explained the transformation of party organizations (Katz and Mair 1995; Mair 1997). The characteristics of political parties suggested by this Model are as follows: Political parties, that are rivals on the surface, plot together or cooperate with each other in order to survive; just as corporations build a cartel, political parties make a cartel as well, which enables them to sustain their organizations by receiving subsidies from the national government while they compete with each other for voter's support on a superficial level. This means that political parties can survive even without expanding support or collecting donations. Since political parties depend on subsidies for most of their annual revenues, it is quite natural that political parties are now considered as a part of a statutory body<sup>7)</sup>.

In the same way as the mixed system changed party organizations, the political party subsidies altered party organizations. The political party subsidies have allowed political parties to sustain themselves, while they made politicians involved in the survival of party organizations. Since the 1990s, there have been the comings and goings of various parties. Especially after 1995, there have been moves to dissolve or leave parties to form a new one or two every year before the end of December. This is not unrelated to the fact that a party has to be registered as of 1 January in order to be eligible for any subsidy. As the existence of political parties is ensured as main ac-

6) *Asahi Shinbun*, 30 November 2013. The Ministry of Internal Affairs and Communications announced the political party subsidies in 2012. See <[http://www.soumu.go.jp/main\\_content/000191926.pdf](http://www.soumu.go.jp/main_content/000191926.pdf)>. The total amount of the party subsidies in 2018 was JPY 31,773,682: the LDP JPY 17,489,896; the New Komeito JPY 2,948,431; Democratic Party for the People JPY 5,573,496; the Constitutional Democratic Party of Japan JPY 2,764,303; the Social Democratic Party JPY379,947 and so on. See <[http://www.soumu.go.jp/main\\_content/000645335.pdf](http://www.soumu.go.jp/main_content/000645335.pdf)>.

7) See Katz and Mair (1995) and Mair (1997).



tors in politics, the role of political parties in parliamentary democracy is growing bigger than ever before. In fact, political parties give an impression that they are getting stronger in terms of organizations and functions.

A party system is interactive based on the competition among political parties, and a party system has to change if each competitive party changes (Sartori 1976; Mair 1997). Would a predominant party system move to a two-party system or to a moderate multi-party system? Or would a predominant party system be maintained at a superficial level while a party system whose characteristics are different would be created? As 25 years have passed since the system has been established after the institutional reforms, effects of the institution have gradually penetrated. The political parties and the party system in Japan are indeed in a transitional period.

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