VETO PLAYERS IN CONTEMPORARY JAPANESE POLITICS 1990－2002

ONO Koji

Paper prepared for the workshop on Veto Players and Policy Change
at Waseda University, Tokyo, Japan (on 14/15th, November, 2002)

はじめに

以下の英文ペーパーは、眞柄秀子早稲田大学教授を研究代表者とし、「拒否権プレーヤーと政策転換」を研究課題とする科学研究費（基盤研究（B）（1））による、同課題に関する第1回国際会議において、私が行った報告の全文である。まだ予備的作業にとどまっているものではあるが、今後の本格的研究のための出発点として作成した報告なので、ここに公刊し、批判を仰ぎたいと考えた次第である。同会議の内容の概略は以下に掲げるとおりであり、各報告と議論はすべて英語で行われた。各報告は、会議での議論を踏まえて各執筆者が加筆修正することになっており、2004年に再度国際会議を開催した上で、加筆後の報告を集めた形での論文集が刊行される予定である。

会議名：「拒否権プレーヤーと政策転換」に関する国際研究会議
会場：早稲田大学政治経済学部（東京都）
会議日程：2002年11月14日から15日まで

＜11月14日の日程：以下敬称略＞

1） George Tsebelis: "Veto Players, Agenda Setting, and Politics"
Discussant: Herbert Kitschelt

2） Adam Przeworski: "Government Coalitions and Legisrative Effectiveness Under Presidentialism and Parliamentarism" 同教授は急病のため欠席となり、会議では報告原稿に基づき、共同執筆者の一人であるシャイバブ教授が代理で報告した。
Discussant: Carles Boix

3） Jose Antonio Cheibub: "Presidential Agenda Power and Decision-Making in Presidential Regimes: "Governors and Political Parties in the Brazilian Congress"
Discussant: Masanobu Ido

4） Carles Boix: "Political Institutions and Democratic Stability"
Discussant: Koji Ono

5） Hideko Magara: "Growth and Accountability: When Structural Veto Players Emerge?"
Discussant: Gill Steel

＜11月15日の日程＞

6） Masanobu Ido: "Veto Players and National Responses to Globalization: Comparing Labor Market Reforms in Italy, Japan, and the U.S."
Discussant: Gill Steel

7） Koji Ono: "Veto Players in Contemporary Japanese Politics"(本論文)
Discussant: Jose Antonio Cheibub

8） Robert Franzese (paper only): "The Positive Political Economy of Public Debt: An Empirical Research Report on the OECD Postwar Experience"
No Discussant

9） Hiroki Sumizawa: "Constraint of German Corporatism Model"

Discussant: Hideko Magara

10) Herbert Kitschelt: "Can Veto Player Configurations Explain Pathways of Economic Reform after Communism?: A Proto-Paper"
No Discussant

会議は両日とも午前9時半から開始され、2日目の15日には各報告と討論ののち、今後のスケジュール等を確認する打ち合わせを行って、午後4時半に終了した。

本研究会議開催に際しては、報告者それぞれに、事前に英文ペーパーを用意してもらい、それらを全員に配布したうえで研究会を開催した。司会はすべて眞柄教授が行い、眞柄教授が報告するセッションのみ井戸教授が司会を務めた。それぞれのセッションは1時間とし、報告を約20分、ディスカッサントからのコメントを10分、その後は自由討論、という形で進められた。本研究グループの初の会議ということもあり、ペーパーのテーマが多岐にわたっていて十分に収斂していなかったことや、討論がかみ合わなかったことなども感じたが、著名な教授を招いてのこのような国際会議は、私には大変刺激的な経験となった。

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The purpose of this paper is to analyze contemporary Japanese politics from the viewpoint of veto players. At first, it was difficult for me to understand and utilize the method of articulating the policy position of each veto player, so this paper might remain as one of intuitive analyses by a veto player framework as far as I understand. Secondly, veto players are defined as the institutional veto players specified by the constitution and the partisan veto players who generated inside institutional veto players by the political game (Tsebelis, 2002: p.81.). I am interested in this second point. As Japanese politics works in an informal style, I want to focus this presentation on the special mechanism of decision-making inside the Liberal Democratic Party (LDP). Thirdly, this mechanism is formulated within Japanese political history after World War II, so I will analyze it in a historical context. Although I realize that the veto player schema is a spatial model, I want to use it within the time dimension. I will then try to answer the question in this paper: Why does policy not change in Japanese politics despite the high approval rate of the Koizumi Cabinet? The English version of the Asahi Shimbun reported the latest result of a poll conducted on November 3rd and 4th as follows:

"Despite the split on economic issues, the survey found approval for the Koizumi Cabinet holding up well, at 65 percent, up from 59 percent in a similar survey conducted Oct. 5 and 6." (Asahi Shimbun, On November 6th, 2002)

I want to start my paper from a historical context. In Japan, the 1990s have been called "the lost decade". What were lost then? Does the term mean "Paradise Lost", or "Paradigm-Lost"? Obviously Japan has been suffering from both. After the "Bubble Burst" at the beginning of 1990, the economic growth rate has been decreasing, and the Nikkei Index, the indicator of the Japanese stock exchange, lost almost 80% of its value. At the highest point, it was 38915.87 on Dec. 29th in 1989, and at the lowest point, it was 8439.62 on Oct. 10th this year. The lowest number is about 21.7% of the highest, and the Nikkei Index is now almost as the same level as in 1983, 19 years ago. Of course many political and economic leaders have tried to escape from this stagnant situation, but all of them failed.

In Japanese politics, how many Prime Ministers have we had since 1990? The answer is nine. Prime Minister Koizumi is the 9th from Prime Minister Kaifu in 1990. The Governmental Coalition has changed from an absolute majority of the LDP (from Kaifu to Miyazawa Cabinet), an anti-LDP coalition (from Hosokawa to the Hata Cabinet), LDP-SDP-Sakigake coalition (from Murayama to the Hashimoto Cabinet) to the LDP government in the Hashimoto Cabinet. However, Hashimoto lost in the election of the House of Councilors in the summer of 1998, and was succeeded by Obuchi. During the Obuchi Cabinet, he changed his governmental coalition three times! Starting from the LDP government, he created at first a coalition with the Liberal Party, which was led by the well-known conservative politician Ichiro Ozawa, in January 1999. We called it Conservative-Conservative Coalition because both parties belonged to conservative camp. But by this coalition, Prime Minister Obuchi could not get a majority in the second chamber, so he added the Komei Party (Clean Government Party: New Komeito in Figure 1) to his governmental coalition in October 1999. After the establishment of

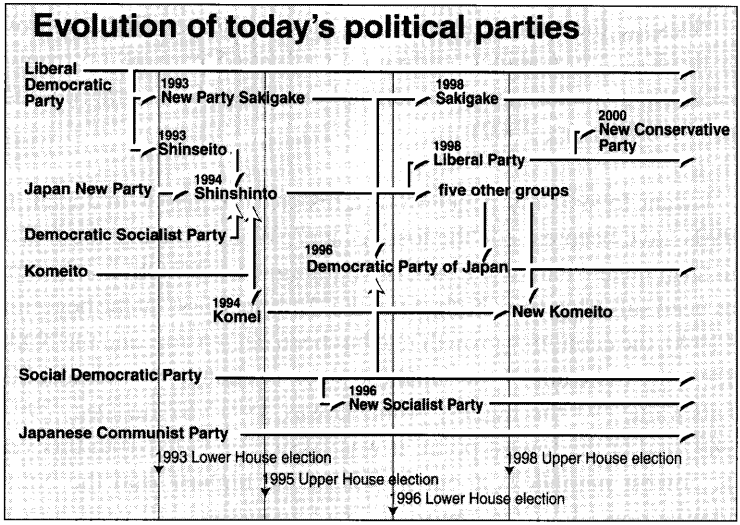


Figure 1. (from Asahi Shimbun)

the three-party coalition, the Liberal Party split into two: the New Conservative Party (Hosyuto) stayed within the governmental coalition, and the Liberal Party became an opposition party. The newly established three-party coalition by the LDP-Komei Party-Conservative Party continued until now, but with two other Prime Ministers, Mori and Koizumi. In 1998, the newly formed Democratic Party (DP) was established as the biggest opposition party after the dissolution of the New Frontier Party (Shinshinto). But even now, the support rate of the DP is under 10 percent, nearly 5 percent according to the most recent poll by newspapers, about one sixth that of the LDP. We cannot hope for a governmental change in the near future in Japanese politics. Then, how can we hope for the policy to change here? Prime Minister Koizumi appeals to the need for "Structural Reform" in order to be rid of the present economic stagnation. However, many politicians in the LDP are against his reform plan even though they have no policy alternative. Thus, we can call it a deadlock with no new paradigm. I want to find the veto

players here, and describe how their action patterns are historically formulated.

"Politicians choose strategies with the ambition to hold public office. But circumstances beyond their control shape the popular appeal and activities of their parties. Political-economic and social conditions many of which are the result of past political actions affect voters' political preferences on the demand side." (Kitschelt, 2002)

From the establishment of "the 1955 System" and the heyday of the "Japan Model" in the 1960s and 1970s to the present, Japanese politics underwent a gradual change of popular political preference distribution that has to do with new challenges to the Japanese political economy. I sketch the outline of Japanese political history after World War II shortly in the first section by comparing it with other advanced nations. I discuss the political situation from the mid-80s more in detail in the next section because it might be a turning point for contemporary Japanese politics. I then focus on the veto players in contemporary Japanese politics in the third section. Prior examination system of bills submitted by the LDP and the unanimous rule in the General Council in the LDP are the power resources of these veto players in Japan. The veto players are within the largest governmental party! It is a potent symbol of the stalemate situation in Japanese politics.

1. Outline of Japanese Politics after World War II. Comparative Sketch

Division of the period after World War II

By a comparative analysis of Western welfare states, we can divide the period after World War II in three terms as follows (Kitschelt et al, 1999):

1) From 1945 to about 1970: the Golden Age of high economic growth

and political stability under the system of the welfare state
2) From about 1970 to the early 1980s: the period of economic recessions and the emergence of the challenge to the established political order
3) From the early 1980s to the present: crisis of the welfare state and searching for a new political project aiming at political stability, for example neo-conservatism or new social democracy.

When we apply this division of the period to Post-War Japanese political history, we can arrange it as follows. Japan has a period of occupation and reconstruction by the United States, the first period started from 1955, with a 10 year delay from other Western countries. After the establishment of "the 1955 System," the LDP grew up to become the "catch-all party," and made a slight gap in Japanese politics from the common pattern mentioned above.

term	Japanese politics
0) Pre-term: the age of reconstruction	from August 1945 to November 1955: the period of occupation (to April 1952) and quest for political stability
1) Economic growth and welfare state	from Nov. 1955 to Dec. 1976: the period of the 1955 System, LDP became the predominant party
2) Recession and political change	from Dec. 1976 to August 1993: the period of transition from the 1955 System, LDP stays as the majority party
3) Searching for a new political order	from August 1993 until now: the period of fluctuating majority and the period of coalition government

Here we say "the 1955 System" which is formulated as "the tripartite cartel composed of the LDP, bureaucrats, and business elites". (Magara, 2002) They have been keeping close ties from 1955 to the present. The LDP has had only a small staff for policy-making from the time of their establishment to even now. LDP politicians hope bureaucrats

work as their own policy staff. Because it has been keeping an absolute majority in both houses, bureaucrats gradually came closer to the LDP and established dense contact. Because the LDP was established as a coalition party of conservative politicians, business elites have been supporting it by raising funds and organizing ballots by each election. The combination of these three actors made high economic growth and political stability possible.

After the establishment of "the 1955 System," the LDP was the predominant party until the defeat in the General Election in December 1976. The main issue of this election was political corruption, especially that of former Prime Minister Tanaka. The LDP was almost split into two parties due to this issue. Even after this election, however, the LDP continued to get the position of majority party. However, its margin fluctuated in every election. The defeats of the General elections in 1979 and 1983 were so serious that intra-party struggle in LDP became more severe after the 1979 election, and the LDP made a coalition government with a small conservative party named the New Liberal Club (Shin-Jiyu-Club in Japanese) after the election in 1983 for the first time since its foundation. The unstable electoral support of the electorate for the LDP derived from its inability to adapt to the new economic and political conditions during the period of low economic growth after the first and second Oil Shocks. Leading politicians in the LDP looked for a new political strategy to re-activate support from its constituency from the late 70s to the early 80s. Finally, they adopted the strategy of neo-conservatism from the examples of Great Britain (Thatcher Government) and the United States (President Reagan). The LDP began this strategy of small government and privatization under Prime Minister Suzuki from 1980, and Prime Minister Nakasone became his successor in 1982.

2. The Japanese Political Situation after mid-80s

Because of the success of this new strategy, the Nakasone Cabinet could get an absolute majority in the 1986 General Election. Prime

Minister Nakasone wished to call this majority "the 1986 System," the new majority of a transformed LDP, but it was not so firm as the structure of "the 1955 System." It was a fragile coalition between vested interests (traditional rural constituencies of the LDP, especially rice-farmers and contractors, for example, and not so competitive industries which demanded protectionist trade and industrial policies), and the urban new middle class (white-collar workers in large companies who have no stable party affiliation). The latter worried about the growing financial deficit, and they demanded to make a "financial reconstruction without raising taxes." They were inclined to support the neo-conservative strategy of the LDP, small government and economic liberalization. Prime Minister Nakasone appealed to the old constituency by an orthodox conservative policy of interest politics, and appealed to a new urban constituency by neo-conservative policies! This was the starting point of the conflict structure that divided politicians of the LDP in to two camps, reformers and supporters of the status quo. Of course, it was very difficult for these two contradictory policies to coexist, so the LDP had to choose between old conservatism or neo-conservatism. After completing a five-year term as the president of the LDP, Prime Minister Nakasone nominated Takeshita as his successor in 1987. This decision meant that the LDP had returned to its traditional conservative strategy of big government and also a big financial deficit because the new president Takeshita was a typical politician representing rural interests. He was well known (or notorious?) for getting subsidies for farmers and local contractors.

This was one of the critical turning points for Japanese politics because there was a real chance for the LDP to transform from a traditional to a newly organized modern conservative party. Leading politicians including Nakasone missed this chance because the traditional constituencies seemed very solid and stable for the LDP. They constituted a dense network of vested interests that was difficult to remove. On the other side, the urban electorate appeared fragile and volatile for LDP. For this reason, the LDP kept its previous policy course, causing many political scandals and corruption after the Takeshita Cabinet. Some politicians, including Ozawa, tried to

establish the neo-conservative course in the LDP in the early 90s. However, their movement was blocked by mainstream politicians. This is the origin of contemporary veto players in the LDP.

After all, the Miyazawa Government failed to accomplish its pledge of political reform, losing due to a vote of non-confidence in the House of Representatives. About 50 members of the Parliament who belonged to the neo-conservative camp defected from the LDP before the General Election in July 1993, and the LDP lost its majority after the election for the first time since its foundation. This situation was not caused by opposition parties of the left but by the challengers within the conservative camp, the neo-conservatives. The most important politician in this group was Ichiro Ozawa. His book "Blueprint for a New Japan" was the clearest declaration of Japanese neo-conservatism. He criticized the non-accountability of Japanese politics that derived from old-fashioned interest group politics under LDP governments. He wanted to limit the roles of the central government in foreign and security affairs, and he demanded decentralization of power for other policy fields.

Under the leadership of Ozawa, a new conservative leader Hosokawa was elected Prime Minister with the support of eight governmental parties and fractions. The Hosokawa Government from August 1993 was the first attempt to establish a real neo-conservative government. For example, Prime Minister Hosokawa made the decision to start the import of rice, an issue that had been a political taboo for almost all politicians in Japan including the left, and especially for old conservatives. He stayed only 9 months in office because of his financial scandal, and after the Hata cabinet, the LDP returned to government at the end of June 1994, along with the Social Democratic Party of Japan and the New Party Sakigake by the Murayama Cabinet.

After the return to government, the LDP tried to renew its image from that of old-fashioned conservatives to that of a future-oriented new conservative party, especially under the leadership of Prime Minister Hashimoto. His political slogan "Six Reforms" covered all the important policy issues in the fields of politics, economic structure,

finance, and education. His policies included the trend toward neo-conservatism and neo-liberal economic policy. However, he could not complete them because of the economic recession, and more directly due to the defeat of the LDP in the election for the House of Councilors in 1998. The LDP could not recover the majority in the House of Councilors, so Prime Minister Hashimoto had to resign and his successor had to seek a coalition partner.

Hashimoto's successor, Prime Minister Obuchi, had two different tasks to execute. These were firstly, the escape from the economic recession, and secondly the escape from the accumulation of huge financial deficit. In the short run, these two tasks might contradict each other because money was required to escape from the recession, which might make the financial deficit larger. Prime Minister Obuchi gave priority to the first task, but sooner or later had to be confronted with the second task. To escape from this situation of political deadlock, Prime Minister Obuchi needed Ozawa and the neo-conservative forces. Ozawa and his followers founded the Liberal Party after the dissolution of the New Frontier Party in 1997. They might help Obuchi turn the political course from the traditional conservatism of financial deficit to the neo-conservatism of small government. Ozawa needed to return to the governmental coalition to realize his main policy lines, and conversely Obuchi also needed the help of the Liberal Party for the renewal of the LDP against the resistance of traditional conservatives within his party and their constituencies. However, as I stated earlier, Prime Minister Obuchi could not recover a majority by the coalition with the Liberal Party, so he added the Komei Party to his governmental coalition in October 1999. This action caused the split of the Liberal Party into the Hosyu Party and the Liberal Party, and the strengthening of traditional conservatives within LDP. After establishing the LDP-Komei-Hosyu coalition, Obuchi and the Mori Cabinet advanced the course of old conservatism. After that, the purely neo-conservative Koizumi suddenly became president of the LDP and Prime Minister in April 2001.

3. Veto Players in Contemporary Japanese Politics

The Koizumi Cabinet has been marked by a high approval rate from its inception. In June 2001, a poll conducted by the Yomiuri Shimbun reported the highest approval rating ever for a government at 88 percent. Koizumi spoke frankly of deconstructing vested interests, and his slogan was "no growth without structural reform." His nickname was "the eccentric person" because he had a different political style from other conservative politicians. He speaks frankly; he is a bit of a loner; and he dislikes meeting with faction leaders within the LDP. Citizens everywhere hoped that this signaled the arrival of a leader who could revitalize Japanese politics. Posters and photo albums of him were difficult to keep in stock and large crowds of people met his speeches wherever he went. This was an expression of the hope that he would be able to break through the political deadlock in the Diet. His political position was that of a neo-conservative and his main policies included structural reform of the Japanese financial system, postal reform, and health insurance reform. Koizumi was also concerned about reducing Japan's huge financial deficit. He had a clear image for policy change and, as a result, the Japanese electorate offered him enthusiastic support. The LDP easily won the Upper House election in the summer of 2001, riding the wave of popularity of Prime Minister Koizumi. However, one year later, efforts at policy and structural reform are as stagnant as the Japanese economy. What is the cause of this? I will attempt to analyze the background of this situation using the veto player schema.

Although Koizumi gained majorities in both Houses, and he can advance policy change if he secures support from governmental parties, he still cannot get the support of his own party. The relationship is not good between Prime Minister Koizumi (President of LDP) and leading politicians in the LDP. In fact, there is solid resistance from vested interests against the reform platform of the Koizumi Cabinet. The LDP is made up of numerous lobbies such as the postal lobby, the rice lobby, and the construction lobby. In addition, many party members represent narrow business interests. As a result, policy-

motivated reformers and old rent-seeking groups are in conflict with one another. Although Prime Minister Koizumi seems to be a policy-motivated reformer, the system to block policy changes within the decision-making process in the LDP remains strong.

Figure 2 shows the organizational structure of the LDP. All Members of Parliament belong to the Policy Research Council (*2 in Figure 2), where they discuss making bills or deciding on policy direction. Although the highest decision-making organ in the LDP is the Party Convention, usually held once a year, the most important decision-making organ is the General Council (*1 in Figure 2). It is composed of 40 members, most of whom are influential senior lobbyists. This council is held twice a week and checks all bills that should be introduced to the Diet. This is an example of a partisan veto player in contemporary Japanese politics. The power resources of the veto players in the council are twofold:

(1) The LDP requires the government to receive endorsements before submitting legislation to the Diet. This is known as the privilege of the LDP of prior examination of bills, and it is the General Council that gives this endorsement. Recently, due to the strong leadership of Koizumi, postal reform bills were introduced to the Diet without endorsement of the LDP, though this was a rare case. Furthermore, they were revised in the Diet session.

(2) Although decision-making in the General Council is based on unanimity, and thus, each member has the power to veto, this is also only a custom.

As I have shown here, the veto players in Japan have been historically constituted and institutionalized. If there is no difference of policy preferences between the Prime Minister and senior politicians in the LDP, this decision-making process may go smoothly. However, this is not the case today. I will try to figure out the policy positions of these partisan veto players next. The starting point of this work is shown in Figure 3. These figures are written for the articulation of conflict structure among parties after the mid-1980s in my book (Ono, 1998). By using this schema, I try to show the policy space of the Koizumi Cabinet in Figure 4. As I have shown in Figure 3

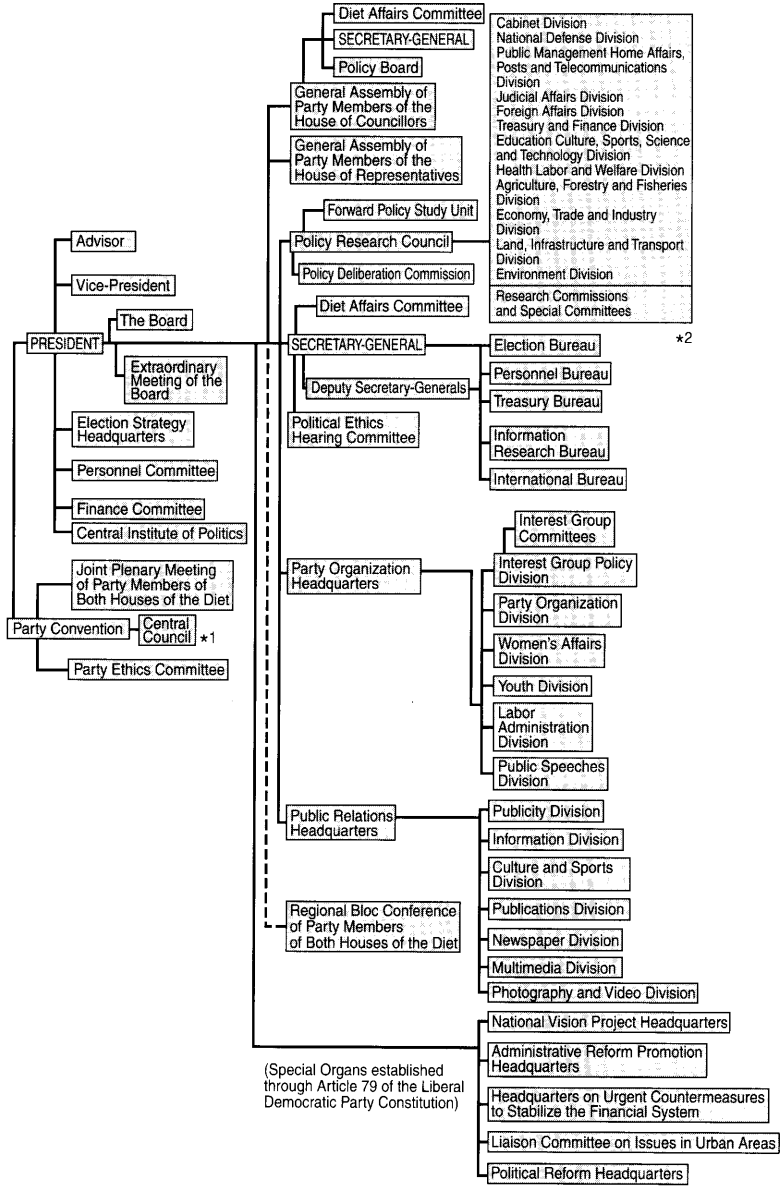
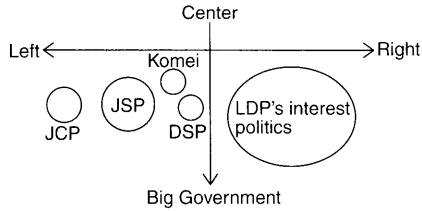
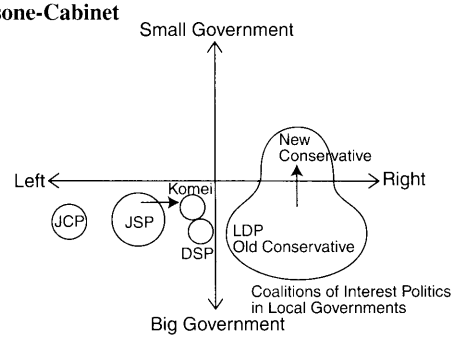


Figure 2. Organizational Chart of the LDP (from the Homepage of LDP)

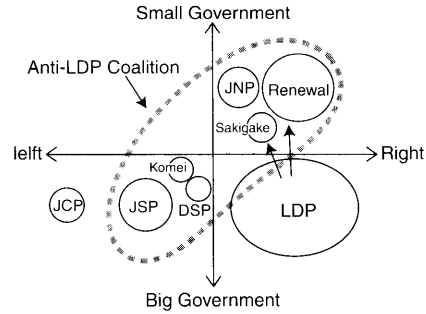
1. 1955-system



2. New Direction in Nakasone-Cabinet (1982－87)



3. Hosokawa-Cabinet (1993/8→94/4)



4. From Hata-to Murayama-Cabinet (1994/4→1996) = Return to Interest Politics

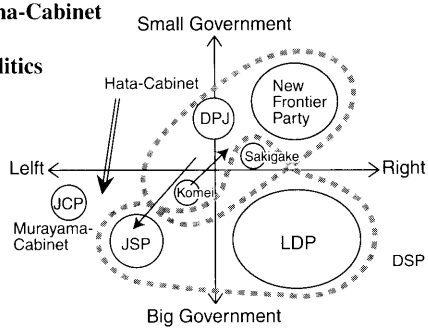
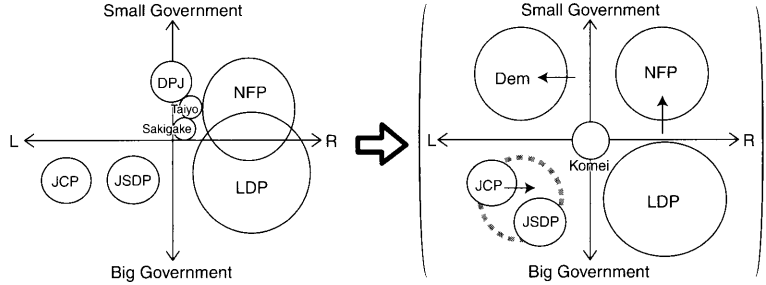
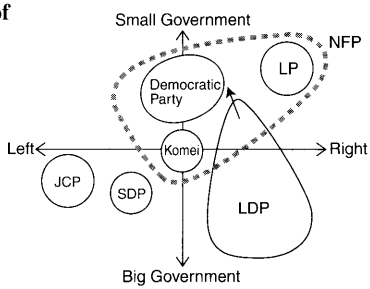


Figure 3. Recent Developments in Japanese Party-System (1)

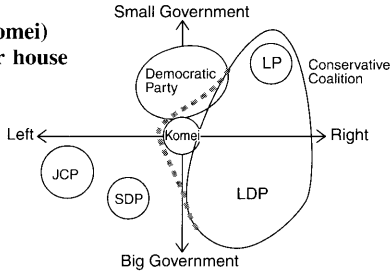
5. Perspective in 1997



6. 1997/12 Dissolution of New Frontier Party



7. LDP-LP coalition in Obuchi-Cabinet (+Komei) for majority in upper house



8. LDP-Komei-Hosyu coalition from Obuchi to Koizumi Cabinet

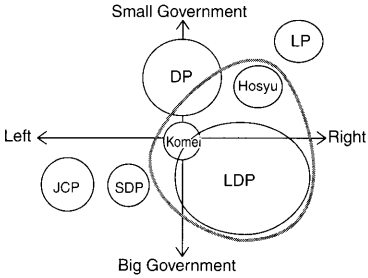


Figure 3. Recent Developments in Japanese Party-System (2)

(no. 8), the Liberal Party was divided in to the Hosyu Party and the Liberal Party during the Obuchi Cabinet. This meant that Prime Minister Obuchi wanted to make the Minimum Winning Coalition by uniting three parties — the LDP, the Komei Party and the Hosyu Party. The policy distance between the LDP and the Liberal Party became too large for Obuchi because he belonged to the old conservative camp. He cut the radical neo-conservative wing of the Liberal Party away from his government, so only the modest neo-conservatives remained in the Obuchi Cabinet after founding the Hosyu Party.

Under the Koizumi Cabinet, the political situation has drastically changed. Since Prime Minister Koizumi wanted to shift his policies toward neo-conservatism, the LDP extended its policy space toward the neo-conservatives and absorbed the Hosyu Party. (Absorption of Veto Player: Tsebelis, 2000, 2002) Conversely, the ideological distance grew wider within the LDP. While the General Council of the LDP remains in the middle of old conservatism, Prime Minister Koizumi wants to move more towards neo-conservatism. Rather than being one collective veto player, i.e. the LDP, there are two veto players. Firstly, the supporters of Prime Minister Koizumi within the LDP, and secondly, the General Council of the LDP. When the borderline of the LDP disappears and two new veto players appear, the winset becomes very small. The policy space of the camp of Prime Minister Koizumi and of the General Council overlaps only at the status quo.

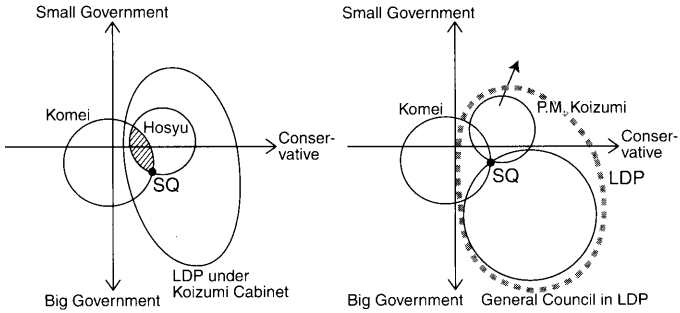


Figure 4

This is the underlying reason for the deadlock of contemporary Japanese politics.

4. Conclusion

I tried to analyze contemporary Japanese politics from the viewpoint of a veto player framework. As Prime Minister Koizumi is also the President of the LDP, if the LDP stays united under his leadership, there may be space for policy innovation. However, when the LDP is divided into two parts, the neo-conservative camp of Prime Minister Koizumi and the old-fashioned conservative camp of the General Council, there remains little space for consensus. This is the background of the stagnant situation found in Japanese politics. However, even though the veto player framework shows this mechanism clearly, there are still some problems.

Although I have applied the veto player framework to Japanese politics, my analysis is still based mainly on intuitive reasoning and I have offered no method for transforming political standpoints into indexes. Without this method, we cannot clarify the positions of the veto players. While we may be able to explain past actions of the veto players, we cannot predict their future actions. Therefore, we must develop a sophisticated method for specifying the positions of collective veto players. This means that we need to specify the relevant parameters of the veto player model so that we can apply them to empirical case studies.

Secondly, the concept of veto player still remains in an institutional framework. As I show in this paper, it is difficult to analyze the LDP as one collective veto player because it is actually a collection of various factions and lobbies. Although the policy space of the LDP is filled with differences and intra-party conflict, this is also the reason why the LDP has such staying power.

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