Controlling the Prime Minister in Postwar Japan
- How Principals Overcame the Collective Action Problem (too successfully) -

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1. The Puzzle: Has the Prime Minister Been Strong or Weak in Postwar Japan?

A Weak and Reactive Prime Minister?

The ‘weak’ and ‘reactive’ nature of the Japanese prime ministership has been well-documented in the literature. Indeed, some observers have characterized the Japanese system as an ‘un-Westminster’ system, even though it has had similar formal settings to its British counterpart, a typical Westminster system. Aurelia George Mulgan (2003) argued;

The [Japanese] system does not produce strong cabinet government with a prominent leadership role played by the prime minister, but a dual power structure of party-bureaucracy policy-making in which the prime minister and cabinet play a subordinate, rather than a superordinate role. … It is a system where the executive is left out of the loop.

Others have categorized its premiership as a ‘reactive’ leadership. In one of the most thorough pioneer works on the Japanese prime ministership, Kenji Hayao (1993: 201) concluded;

Thus the prime minister does not play a particularly activist role in the policy process: he participates in only a few issues at a time and is not a major actor in initiating change in policy or in determining its contents. The Japanese prime minister appears relatively weak and passive when compared to other heads of government.

Changing prime ministers every year since 2006 may have also helped this view. Thirty-two prime ministers took office under the current constitution, which was enacted in May 1947. While Japan saw fifteen prime ministers in the last twenty years, there have been eight prime ministers in the last seven years. The short-term cycle has apparently worsened recently.

A common understanding was that the Japanese system endowed the governing party and the bureaucracy with vetoes or in fact real decision-making power, which prevented the prime minister from leading any serious reforms (George Mulgan, 2000; George Mulgan, 2003). To some, both the Liberal Democratic Party, namely the governing party, and the bureaucracy were too fragmented and stubborn for any prime minister to push his goals through (Shinoda, 2000). Shinoda (2000: 81 and 90) further argued, ‘In short, the legal authority vested in the post of the prime ministership is limited’ and therefore ‘(P)owerful prime ministers have effectively used a

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2 There has been no female prime minister in Japanese history to present.
combination of informal sources to supplement their limited legal authority.

**A Strong Prime Minister?**

However, it may be interesting to state that the postwar Constitution of Japan did provide the prime minister with substantial power resources (see, Hayao, 1993; Takayasu, 2005). The prime minister could dissolve the lower house of the diet, ie, the national assembly, could hire and fire ministers at his discretion, the prime minister could, with a broad and general cabinet decision, give particular instructions and exercise control and supervision over the ministers in charge of government departments. With a broad and general cabinet decision, the prime minister could submit agenda to the cabinet meeting, which were to decide on what principles the administrative branches should be controlled and supervised.

In fact, Jun’ichiro Koizumi showed the spectacular power of the Japanese prime ministership, particularly when he went into the general election in 2005, dissolving the lower house to challenge the defeat of his pet postal-reforms bills in the upper house. Koizumi demonstrated that a Japanese prime minister could be strong and powerful in leading the way of the government.

One newspaper column, being amazed by these events, stated, ‘Was the prime minister’s power so strong in Japan?!’, while some academics were more certain about the lasting changes of the premiership. Harukata Takenaka argued that Koizumi was the first prime minister to enjoy both the strengthened powers of the party leadership and that of the prime minister, and that the political structure in Japan had changed fundamentally, when the political and administrative reforms in the 1990s were completed by 2001. Takenaka referred to the new political setting in Japan as the ‘2001 regime’ (Takenaka, 2006: 252). Satoshi Machidori also proclaimed with a similar reasoning to Takenaka’s that ‘a strong prime minister will become usual (nichijo)’ (Machidori, 2006).

However, these arguments became less convincing after 2006. Successive prime ministers lost their positions in a year and it seemed that the weak and reactive prime ministership of Japan became even instable. Indeed, there seemed to be an established explanation at each stage of the history of the Japanese prime ministership. Yet each explanation failed to explain the power of the prime minister of a different period of time.

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3 For a detailed analysis of the constitutional and legal framework that has structured the power of the prime minister in postwar Japan, see Takayasu (2005).
A Consistent Explanation in Need

By resorting to the principal-agent model, this paper shows that the principals’ control over the prime minister varied with time, which was at some periods loosened and at others tightened. The variation of the control was not necessarily the principals’ choice, but rather depended on how easily they could overcome the collective action problem they faced. This paper emphasizes the significance of the governing party(ies) as well as the set up of the bicameral system. In particular, the paper will focus on the postwar period when the Liberal Democratic Party was in power, the long-dominant party in Japanese politics, in order to reveal the long trend of prime-minister power.

We discuss in the following section how theoretically the collective action problem for the principals, namely the parliamentarians, can affect their capacity in controlling their agent, the prime minister.

2. Prime Ministerial Power from a Principal-Agent Perspective

A Principal-Agent Perspective: The Prime Minister as a Principal

Principal-agent theory is nowadays a well-known approach to understand the chain of command in parliamentary systems (Strøm, et. al., 2003). The principal-agent perspective helps one grasp the idea of delegation, which is a basic phenomenon in modern democracy; ‘Delegation allows political principals to accomplish desired ends with reduced personal cost and effort’ (Lupia, 2003: 33).

The very beginning of the chain starts with the electorates, who have the ultimate power and rights in a liberal democracy. However, they may, most of the time, not be able to commit themselves to policy deliberation and implementation, owing to their lack of time, expertise, energy and interest. Representatives, such as parliamentarians, are hence required. Parliamentarians, in turn, delegate their rights and power to the executive led by the prime minister, who then passes the task to the ministers and the bureaucrats (Müller, et. al., 2003: 19-21). Actors need to delegate more than often their authority to achieve their goals in politics.

The problem with delegation is that the principals have trouble in controlling their agents. One of the main reasons often given concerns the following discrepancies between the principal and the agent; the principal lacks expertise, energy, and interest in the details, whereas the agent has, which is the precise reason why he is selected to be the agent in the first place. It is not easy to figure out what the agent’s real preferences are, and indeed what performance he is achieving, to which Arthur Lupia refers as problems of adverse selection and moral hazard, respectively (Lupia, 2003:
41-4). Besides, whether the principal has the proper tools to reward and sanction her agent is another serious matter of concern for the principal. Principal-agent theory has concentrated on such agency slack, caused by information asymmetry between the two parties – the principal and the agent - and the not-always sufficient control mechanism on the principal’s side (Fiorina and Shepsle, 1989: 18-27; Moe, 1984: 756-7; Lupia and McCubbins, 1998: chap. 5).

Having said that, as far as a parliamentary system is concerned, the line of delegation and thus accountability is a rather simple one, as figure 1 shows.

Figure 1: Chain of Command in a Parliamentary System

![Chain of Command in a Parliamentary System](image)

※ P = parliamentarian  PM = prime minister  CM = cabinet minister

As we have seen in section one, the Japanese prime minister has always had the power resources to control his agents in government. Surely he faces the same old agency-slack problem, yet his control over the ministers and bureaucrats could not differ too sharply from, for instance, his famously strong British counterpart. Takayasu (2003; 2005) indeed shows that the Japanese prime minister could intervene in the policy-making processes to get his policy preferences reflected on the policy outcome, employing various resources in government.

**Parliamentarians as Principals: Multiple Principals Facing a Collective Action Problem**

What differs starkly between Japan and Britain is the premier’s relationships with his own principals (Takayasu, 2003). From a principal-agent perspective, the prime minister is also the agent of the parliamentarians as well as being a principal of his own cabinet ministers and bureaucrats. If the parliamentarians constrain the prime minister loosely, he would enjoy a fair amount of discretion, while, if the contrary is the case, the prime minister would have less freedom, would be neutralised and could eventually be ‘left out of the loop’. It can also differ amongst systems how easily principals, namely the parliamentarians, can sack their agent, the prime minister.

Then, why do parliamentarians differ in their strength in controlling their prime minister? Parliamentarians as principals can suffer from the agency-slack problem, as mentioned above. Yet it is not too difficult for them to find out the prime minister’s
performances and the government records of its achievements. At the same time, parliamentarians always have the option to sack the prime minister by passing a no-confidence vote in the chamber. The prime minister must be aware of what his principals want. Indeed, if the parliamentarians are strong enough, they could directly intervene in the policy-making processes in government, as happened in Japan.

The more serious problem for the parliamentarians as principals is that they face a collective action problem, caused by the fact that there is actually more than one parliamentarian. Hence, it is not the prime minister’s ‘principal’ but his ‘principals’. This problem could be called the multiple-principal problem (Fiorina and Shepsle, 1989: 21). Even though parliamentarians may wish to control their agent, the prime minister, it is all too difficult to coordinate their own views and methods to stand up against the prime minister, while the prime minister, although being the agent, can exploit such division and lack of coordination amongst his principals.

Therefore, to what extent parliamentarians can overcome their collective action problem is the key to the understanding of the power of the prime minister. Particularly, the structures of the governing party and the national assembly vitally affect the parliamentarians’ ability to overcome this problem and thus control the prime minister in different fashions.

How the Governing Party/Parties Overcome the Collective Action Problem

Let us start from discussing the role of the governing party or parties. The prime minister usually has a party or a group of parties that support him from the very beginning of his office, which is referred to in this paper as the governing party or governing parties. So long as the governing party or parties command the majority or at least the plurality in the chamber, which cannot be beaten by other parties, and the prime minister enjoys their support, the prime minister’s position is secure. It is up to the governing party(ies) how strong it controls the prime minister.

The problem for the party(ies) is that even though (part of) the governing party(ies) is unhappy with its agent, individual members or small groups may not wish to take on the burden for the whole (or the greater part of the) party(ies) to stand up against the prime minister. Such an activity is likely to invite retaliation from the prime minister, who has various resources to strike back against parliamentarians, and particularly those within his own party. Diet members of the prime minister’s party may jeopardize their chance of re-election and promotion. This is indeed a collective action problem.

One way of solving this problem is to form a fresh body to display these voices, although this way itself creates a collective action problem. The other way is to utilise
existing groups and procedures in the party, such as official bodies, factions, policy groups, social groups, and party-presidential election procedures. The usage of existing groups and procedures save the cost of organisation (Olson, 1971: 47).

The governing party, to which the prime minister belongs, may have internal measures to constrain the prime minister; it may have its own policy/decision-making bodies and procedures, including the leadership-election procedure. Officially it should be the role of the party executive to carry out the control over the prime minister, although it may not be the best body to do so, if he selects the party executive himself, as often happens. Instead or in addition, groups, which may not necessarily be formed for the purpose of controlling the prime minister, can be used for such purposes. These bodies and procedures differ amongst parties and even within one party over time.

The Liberal Democratic Party has changed its internal organisation during its long dominance in postwar Japan, which has, as this paper argues, affected the power of the prime minister seriously. Sections three and four will further develop this argument.

**Exploiting Bicameralism**

Let us move on to how a bicameral system can affect the power of the prime minister in a parliamentary system. Bicameral systems vary amongst systems; the relationships between the two chambers as well as between the executive and the upper house vary. The upper house may or may not have the same powers as the lower house. The upper house may in particular have a voice in choosing and/or dismissing the prime minister and the ministers.

Having said that, for the upper house to be a principal of the prime minister, it must be able to select and sack its agent. If it does not, the upper house is not part of the principal-agent relationships surrounding the prime minister. It is merely an external factor from a principal-agent perspective, however crucial it may be. If the upper house can select and sack him, the prime minister, as an agent of both houses, must represent and look after the voices and interests of the upper house as much as those of the lower house.

The prime minister has his governing party or parties in the upper house as well. If the governing party or parties occupy the majority or plurality in both of the two houses, which cannot be beaten by other parties, the function of a bicameral system may not differ much from that of a unicameral system. The key to the control of the prime minister and his survival is the internal dynamics of the governing party or parties.

However, can we actually suppose a situation that the governing party or parties,
which support the prime minister in one chamber, lack in the other chamber a majority or plurality support, which cannot be beaten by other parties? If the prime minister does not command the majority or required plurality to survive in both houses, how did he come into office in the first place? If both houses are the principals of the prime minister, they should be able to select an agent to their own liking. Such a condition is only possible when both of the houses have a say in selecting the prime minister, but one house’s view prevails when they disagree.

If the upper house has the power to dismiss the prime minister, and if the prime minister does not have the support of the majority or plurality in the upper house, which cannot be beaten by other parties, the prime minister’s position may become extremely vulnerable. The upper house cannot choose the prime minister, but can sack him. Still the upper house faces its own collective action problem to overcome in order to control the prime minister, and therefore the prime minister has a chance to survive. Yet if the upper house overcomes this problem, not only the position of the prime minister but arguably the whole system may become instable.

Let us now look into how the principal-agent relationships changed in postwar Japan that affected the power of the prime minister.

3. LDP Tightens Control over the Prime Minister

Still Room to Manoeuvre: Early Factional Constraints on the Prime Minister

When the LDP was formed in 1955, it was officially a merger of two right to centre-right parties, although the parties themselves were in fact an amalgamation of various groups and parties. The LDP experienced its first party-presidential election in 1956, and it was then that the initial eight factions emerged (Iyasu, 1996: 154-5; Krauss and Pekkanen, 2011: 108-9 and124). The original function of the factions was to collectively support a particular politician in the party-presidential election.

Factions functioned as a way for the LDP parliamentarians to overcome the collective action problem and thus to constrain the power of the prime minister. One way the factions performed this function was by utilising the party-presidential elections, which were held every two to three years. The frequency of these elections required the prime minister to maintain at least the minimum support of the factions. The other route was through the party executive, which played a role in representing the party’s view to the government.

4 Faction leaders need not stand as candidates themselves. In particular, small factions such as the Shina faction and the Funada faction gathered around a leader to vote collectively so that they could sell their votes collectively to a certain candidate.
However, factions in the LDP up until the 1960s were not as well-established as they would become from the mid to late 1970s; they did not have headquarters, secretariats, and firm membership. Appointments of cabinet ministers, vice-ministers, posts within the LDP were not proportional to the size of the factions. Factions did not control the personnel of the government and the party in any respect (Krauss and Pekkanen, 2011: 125). Small and medium sized factions as well as diet members who did not clearly show which factions they belonged to still existed to a large extent (Iyasu, 1996). Factions were the ‘property’ of the bosses and they became activated when leadership contests approached, competing with one another.

The prime minister could exploit this situation, which could be seen as a collective action problem. ‘Divide and rule’ worked, and the prime minister could liaise with one group or leader, and alienate another, as did Nobusuke Kishi, Hayato Ikeda, and Eisaku Sato⁵. The LDP did not intervene in every policy, and policy experts and organisations within the party had still not flourished. The prime minister and his ministers, if willing, could take the lead in policy-making. In fact, ministers were the chief obstacles to the prime minister’s power in policy-making in the 1970s (Takayasu, 2003).

**Institutionalisation of the Decision-making System within the LDP**

The way the LDP intervened in the policy processes started to change gradually from the 1960s. Previously in the 1950s when institutionalization was still primitive within the LDP, parliamentarians, in their own right, submitted more and more bills, which required government expenditure. This increasing tendency was not welcomed by the government. The government therefore requested the LDP to restrain such submission, and finally in 1957 the LDP executive decided to limit the submission of the bills by parliamentarians (Kawato, 2005: 194-6). Meanwhile, the LDP executive demanded that the government should notify the LDP executive council, the party’s governing body, when government bills were to be submitted to the diet. The LDP executive further demanded in 1962 that government bills should be approved by the party, prior to their submission to the diet (Sato and Matsuzaki, 1986: 85-6). This practice was the beginning of the LDP’s prior approval system of government policy (Murakawa, 1989: 162).

The government managed to control the ‘irregular expenditure’ triggered by the parliamentarians’ bills. Yet in exchange for this stability and foreseeability, the

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⁵ For instance, Kishi exploited the rivalry between Banboku Ono and Ichiro Kono on one hand, and Ikeda on the other; Ikeda in turn exploited the relationship between Kono and Sato, while Sato exploited the competition between Takeo Fukuda and Kakuei Tanaka.
government accepted the LDP’s prior approval system (Kawato, 2005: 199). Moreover, as the LDP’s rule became longer and more stable, the LDP parliamentarians started gaining more expertise in policies, devoting more time and energy to such matters. The LDP’s policy affairs research council (PARC) and the policy experts amongst parliamentarians (the so-called ‘zoku gin’) started enhancing their importance in the party (Inoguchi and Iwai, 1987). The LDP, as a collection of the prime minister’s principals, gained a significant tool to control government legislation, which was later to be used to its full extent.

Overcoming the Collective Action Problem: The Emergence of the ‘Big Five’

The prime minister’s position became further strained in the 1970s. Three incidents were particularly notable. First, by the mid 1970s, most diet members of the LDP joined one of the five major factions, while the small and medium sized factions and independents within the party almost disappeared (Iyasu, 1996). The amalgamation and expansion of factions meant that parliamentarians, and particularly faction bosses, could coordinate their action and thus more easily overcome the collective action problem within the party.

Secondly, this expansion meant that the power of ‘the boss’ within a faction started declining, as that of the second-rank ‘bosses’ increased. When factions started expanding, it became difficult for a single leader to look after its own members by himself in terms of finance, post, information, pork-barrel, and socialization. Factions changed from being a personally owned group to a more institutionalized organisation (Iyasu, 1996: 184-5; Kohno, 1997: 106).

It became more important for factions to regularly provide their members with material services, rather than mainly supporting their respective leaders at leadership contests, although the latter function remained a key to factions. Factions wanted to be part of the mainstream, enjoying a stake in the existing policy settings. Factions would support the prime minister, but wished him not to do too much and certainly not to intervene in the policy processes, now dominated by the PARC and the policy-expert politicians. Factions and their cooperation indeed supported the whole setting of PARC committees and the policy-expert politicians. Sub-governments, which were networks of stable and exclusive relationships amongst the policy-expert politicians, government departments concerned, and the relevant interest groups, increasingly strengthened their position in their respective policy areas to a point it became difficult even for the prime minister and ministers to intervene. All factions became part of the mainstream.

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6 There has been no female LDP faction leader in Japanese history to present.
from 1980, supporting the Suzuki government.

As all the main factions joined the mainstream, the prime minister lost the space for maneuver by forcing competition amongst factions, liaising with some and isolating others. Even cabinet posts started to be allocated in accordance with the size of the factions, and factions started to submit recommendation lists for various posts to the leadership. Balancing factions in terms of posts started evolving in order to stabilise the factional confrontation within the party in the late 1960s, and was finally established in the 1980s (Krauss and Pekkanen, 2011: 113). It was when the ‘big five’ factions all became part of the mainstream. The party, through factions and official party organisations, established a way to overcome its collective action problem.

Thirdly, it became a practice for the prime minister to appoint as LDP director-general a politician from a faction other than his own. Following a fierce fight within the LDP in 1974, Miki Takeo was elected LDP president and prime minister. The major factions forced Miki to appoint a non-Miki faction member as his director-general. The LDP director-general was second in command in the party, and in effect in charge of all party political matters, while the party president being prime minister. The director-general was the key to intra- as well as inter-party coordination, election campaigns, and party finances. The office of the director-general could protect and promote the prime minister’s position, while it could also be a strong base for any challenger to the prime minister. Until the mid 1970s it was more common for the prime minister to appoint a trusted politician or a rising but younger politician mainly from his own faction, who was not likely to be his immediate rival.

By giving up appointing his confidant as director-general, the prime minister was deprived of a crucial power resource in the party, and potentially created a position that could stand up against him as a representative of the party, namely the prime minister’s principals. When Takeo Fukuda became prime minister, he appointed Masayoshi Ohira, his chief rival, as secretary-general. This appointment constrained Fukuda’s leadership severely, when he tried to dissolve the diet in vain.

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7 Miki appointed Yasuhiro Nakasone, who was one of the four contenders of the 1974 leadership contest.
8 Miki himself was appointed secretary-general in 1956-7 under the leadership of Tanzan Ishibashi and Nobusuke Kishi, and again in 1964-5 under the leadership of Hayato Ikeda and Eisaku Sato. He was a faction leader of his own, later becoming a potential leadership candidate. However, he was not a serious contender in the 1950s and 1960s. He eventually stood for the contest in 1968, securing second place amongst the three candidates.
Little Room to Manoeuvre

As shown in this section, the LDP gradually established various ways to overcome the collective action problem by the 1980s. The five major factions incorporated most of the LDP diet members as their members, and they cooperated to support the sub-government system in each policy area. Once such a system was established, it became extremely difficult to by-pass the system, and the prime minister did not wish to destabilise his support in the party by so doing.

The Kaifu government was the climax of this system. The factions led by the largest Takeshita faction chose Toshiki Kaifu, who was not even a faction leader, as party president and prime minister. The party put Ichiro Ozawa, the then leading figure of the Takeshita faction, in the position of secretary-general. The party established a comprehensive sub-government system and put in the executive a strong representative to control the prime minister. The ‘dual power structure’ became a key word to understand Japanese politics in the early 1990s.

4. The Strengthened Prime Ministership – Impacts of the 1994 Political Reforms

Political Reforms of 1994

The rules and the players of the game changed dramatically in the 1990s.

The political reforms of 1994 involved an electoral reform, a campaign-finance reform and the introduction of the political party subsidies act. The electoral reform for the lower house abolished the single non-transferable voting system (SNTV) and introduced a mix-member majoritarian system (MMM), which combined the single member plurality (SMP) for 300 seats and a proportional representation (PR) for 200 seats.9

Previously the SNTV had allowed 2 to 6 winners from one district. To gain a majority in the lower house, a party by definition had to put more than one candidate in each district. This condition made it impossible for a party to support one candidate instead of another of its own in a certain district. Accordingly, from a candidate’s point of view, she needed to cultivate her own personal vote and gain support from one of the factions (Reid and Thies, 2003). SNTV was not an electoral system that naturally created harmony in the majority-aiming party and loyalty to its leadership.

The importance of the electoral reform was that it eliminated such intraparty competition for the leading party, the LDP. Personal vote did not disappear from elections in Japan, yet it was vital for candidates to be officially nominated by the

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9 The latter was dropped to 180 in 2000.
party to win the race (Krauss and Pekkanen, 2011; Takenaka, 2006). Had the votes been split in the same camp, say, between an incumbent and a newcomer, the chance of either winning would have decreased to a fatal point, giving their rival camp a marked advantage. So long as the candidates wished to stand from the LDP, the party executives’ role to endorse official party candidates strengthened their hands against their candidates.

The political reforms also increased the power resources of the party executive by limiting individual politicians’ access to money, while the political party subsidies act provided the political parties with taxpayer’s money. The campaign finance reform limited the amount of donation, which political parties and particularly individual parliamentarians could receive, and it aimed to direct the donations towards political parties instead of individual parliamentarians. The political party subsidies act provided political parties with grants amounting to just over 32 billion yen (approx. 21 million pounds) in total, which the party executive basically controlled.

**Factions Slowly Lose their Cohesion, PMs Regain More Room to Manoeuvre**

Although the political reforms of 1994 did not eliminate factions in the LDP and personal votes in the elections, they greatly loosened the cohesion of the factions and enhanced the parliamentarians’ dependence on the party executive (cf. Cox, et.al., 1999; Krauss and Pekkanen, 2003; Takenaka, 2006). All LDP prime ministers were faction leaders up until Noboru Takeshita, who resigned in 1989. However, after 1989 there were only four amongst 10 LDP prime ministers, who were faction leaders: Kiichi Miyazawa, Keizo Obuchi, Yoshiro Mori and Taro Aso. Factions became increasingly incapable of keeping the lines of their own troops at party-presidential elections. Factions were still strong in the 1990s, yet presidential elections saw serious divisions or splits of one faction or another in the late 1990s (Cox, et. al., 1999).

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10 Ministry of Internal Affairs and Communications, Local Administration Bureau, Election Department, Political Funds Regulation Division (2009).
11 However, by being a representative of a local branch of a political party, a parliamentarian could receive donations from groups such as business corporations and trades unions, which was prohibited as an individual parliamentarian (Krauss, Pekkanen, 2011). Ministry of Internal Affairs and Communications, Local Administration Bureau, Election Department, Political Subsidies Office (n.d.).
12 This figure is based on the 2010 national census. The total amount of the grant is decided by the following formula: 250 yen × the population of Japan. The Japanese Communist Party has refused to accept any grant provided by the political party subsidies act. [http://www.soumu.go.jp/senkyo/seiji_s/seitoujoseihou/pdf/seitoujoseiseido.pdf](http://www.soumu.go.jp/senkyo/seiji_s/seitoujoseihou/pdf/seitoujoseiseido.pdf)
13 In 1995 the incumbent leader (although not prime minister), Youhei Kono, failed to gain support from Koichi Kato’s group, which belonged to the same faction as Kono, the Miyazawa faction. In 1998 Seiroku Kajiyama stood for the leadership contest from the same faction as Keizo Obuchi, the winner, while Koizumi, a non-faction leader and the third candidate, could not gain the full support from his own Mitsuzuka faction, which later split.
Prime ministers became bolder in selecting their own cabinet, noticeably from the Koizumi government, yet this had already been observed from the Obuchi government (Takenaka, 2006: 109-10, 156-7). As cohesion of factions and coordination amongst them waned, LDP parliamentarians, as principals of the prime minister, started losing their tool to overcome the collective action problem.

It did indeed become more difficult for non-mainstream factions to confront directly with the leadership. Koichi Kato led his own faction in the late 1990s, when he stood up against the remarkably unpopular prime minister, Yoshiro Mori, in 1999. Kato announced he and his faction in cooperation with another faction, the Yamasaki faction, would vote for a no-confidence vote, had one be submitted to the lower house. The party executive threatened members of the Kato faction that they would not gain party endorsement at the coming general election by the LDP, had they supported a no-confidence vote in the chamber (Takenaka, 2006: 134-6). Consequently, the plot was quashed to pieces, and eventually the Kato faction ended up splitting.

Having said that, the mainstream factions, which supported the prime minister, were still in a relatively strong position. It was the Mori and Hashimoto factions, the two leading factions supporting Mori, which exploited the executive’s power resources to retaliate against the Kato faction. When the LDP lost the upper house election and the majority in the house in 1998, the mainstream factions, mainly the Obuchi faction, which Hashimoto belonged to, effectively decided that Hashimoto’s premiership was over (Kakizaki, 2008: 3-5). Mainstream factions were still important.

The Koizumi government, which came into office in 2001, saw the prime minister’s position being further strengthened against the LDP and its factions. After becoming prime minister, Koizumi discriminated against certain leading politicians such as Shizuka Kamei. Koizumi also persistently penalised the lower house members of the Hashimoto faction, while strived to make an alliance with its upper house members led by Mikio Aoki (Takenaka, 2006: 156-7, 182-3). Once again divide-and-rule became far easier for the prime minister within the LDP.

The highlight was at the 2005 general election, when Koizumi dissolved the lower house after his pet policy, the postal-reform bills, was denied by the upper house. He refused to endorse those who opposed to his policy as LDP official candidates, and moreover sent an alternative official candidate to compete with the rebel incumbents. This decision in some cases destroyed, and in others seriously disrupted the political career of the rebels. Koizumi imposed a severe penalty on those who stood up against him, which brought unusual discipline to the party (Reed, 2011: 58-9).

The events after the 2007 upper house election indicated that the prime minister’s
position had indeed been strengthened vis-à-vis the LDP. Succeeding to Koizumi, Shinzo Abe was elected as prime minister in 2006. The upper house election was his first national election to face as prime minister. It could have boosted or killed his premiership, at least, in terms of its legitimacy. Abe himself claimed the election to be a contest between himself and Ichiro Ozawa, leader of the contending DPJ; it was to, according to Abe, decide on which were more suitable to be prime minister.\textsuperscript{14} Abe badly lost this election, leading the LDP government into a ‘divided diet (nejire kokkai)’. Divided diet meant that the majority forces in the lower house did not command in the upper house the majority, or to be more precise, a plurality, which could not be beaten by other parties. Despite such a catastrophic failure, the mainstream-faction bosses failed to persuade Abe to step down; Abe succeeded in resisting the party’s request (Shimizu, 2009: 221-5, 237). Abe carried on until early September, when problems created by the divided diet and his own ill health forced him to resign.

Factions still continue to exist, as rightly pointed out by Krauss and Pekkanen (2011). However, they do not have the cohesion within themselves and independent members have increased. This meant that the LDP as a principal of the prime minister lost a crucial tool to overcome its internal collective action problem; the LDP could not any longer overcome this problem merely by coordinating the interests of the factions (and their bosses). The prime minister has gained more room to manoeuvre in relation with the party.

5. Can’t Choose, but Can Dismiss - Is the Upper House the PM’s Principal?

\textbf{The Upper House in the Constitution}

While the LDP prime ministers started facing less constraint from their own party in the 2000s, they were about to encounter a different force, claiming to be their principal as well: the House of Councillors.

Constitutionally, the position of the House of Councillors, the upper house, is not exactly clear. According to the Japanese constitution, ‘The Cabinet, in the exercise of executive power, shall be collectively responsible to the Diet’ (article 66, clause 3). The ‘diet’ means the national assembly of Japan and thus indicates both houses. Indeed, the upper house has almost equal powers compared with the lower house, except that the lower house has ascendancy on matters of budget, treaties, and designation of the

\textsuperscript{14} Yomiuri Shinbun, 31 July 2007.
The prime minister (articles 60 and 61). The prime minister and the cabinet must seriously consider the views of the upper house when submitting any bill.

Meanwhile, article 67 of the Japanese constitution reads;

The Prime Minister shall be designated from among the members of the Diet by a resolution of the Diet. … If the House of Representatives and the House of Councillors disagree and if no agreement can be reached even through a joint committee of both Houses, provided for by law, or the House of Councillors fails to make designation within ten days, exclusive of the period of recess, after the House of Representatives has made designation, the decision of the House of Representatives shall be the decision of the Diet.

Accordingly, it is the diet’s role to select the prime minister, and article 67 implies that both the upper and lower houses make ‘a resolution’, yet when the two houses differ in their views, the choice of the lower house prevails. Therefore, the upper house has a constitutional role in selecting the prime minister, yet it’s view only matters when it coincides with the lower house’s.

Moreover, the upper house does not have a constitutional role in dismissing the prime minister, except for article 66, which vaguely expresses the collective responsibility of the cabinet to the diet. The upper house may show its disapproval by passing a censure resolution, although the resolution is neither constitutionally nor legally binding on the prime minister or any minister, whom it targets. Conversely, the cabinet led by the prime minister does not have the power to dissolve the upper house. Constitutionally the upper house is thus independent of the prime minister and the cabinet, and vice versa.

**Censure Resolution: The Upper House Joins the Principal**

However, recently the censure resolution has effectively started functioning like a no-confidence vote, despite not necessarily having an immediate effect. The first incident with such an effect was in October 1998; the upper house passed a censure resolution against Fukushiro Nukaga, the then defence minister, following a scandal within the Defense Agency. The Obuchi government commanded a majority in the lower house but lacked one in the other house, which was why the resolution was

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15 This means when the two houses differ in their views on these matters, the lower house’s view prevails. As for other bills, which the two houses make different decisions, according to the constitution, a bill becomes a law when passed a second time by the lower house by a two-thirds majority or more of the members present (Article 59, clause 2).

16 A censure (warning) resolution was passed in 1954 against the Yoshida cabinet, although it made no significant impact on the prime minister’s position (Muko’ono, 2011: 369-70). Numerous censure resolutions have been submitted to the upper house since then, yet none has been passed until 1998.
passed. To avoid disrupting the legislative processes in the diet, Obuchi made the defence minister resign after one month (Takenaka, 2010: 200-1; Muko’ono, 2011: 369). After this incident, the censure resolution and the possibility of it being passed became a serious threat to the government and a critical weapon for the opposition.

Opposition parties in the upper house, when it was possible, employed a strategy to combine the censure resolution with boycotting the deliberation of government bills. The success of this strategy depended on two conditions. The first condition was whether the opposition parties could overcome their collective action problem, when the government lacked a majority in the upper house. Secondly, it depended on which way the blame would go; should the government be responsible for the deadlock in the diet, or should the opposition parties take the responsibility for creating it? When the blame went to the government, it became difficult for the minister, including the prime minister, to resist the pressure to resign, which has been the case to present. Accordingly, the upper house gained a critical tool to dismiss the prime minister, when these conditions were satisfied. The upper house became part of the principal-agent chain surrounding the prime minister.

**Manoeuvring the Fragmented Oppositions: The LDP’s Strategy**

A bicameral system has always been with Japanese politics. Yet it did not gain much attention between 1956 and 1989. The basic reason for the upper house emerging ‘suddenly’ as a strong power centre was because the LDP, the majority party in the lower house, lost its majority in the upper house in 1989. The LDP suffered from consecutive defeats in the upper-house elections (save 2010) and never gained a majority after 1989.

Upper-house elections became a grave concern for the LDP. The results and expected results of upper-house elections have put strong pressure on the prime minister. Although the prime minister does not depend on the support of the upper house, the governing party showed little mercy or patience to a prime minister, who was and was like to be a loser at a national election. Hashimoto resigned after the 1998 upper-house election and Mori resigned a few months before the 2001 upper-house election.

Still the LDP government managed to find partial support from some of the

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17 Later, the opposition parties in the upper house, including the LDP after 2009, changed their tactics and boycotted the deliberation when the accused minister attended.

18 This may be changing after a censure resolution was passed against Yoshihiko Noda in 2012.

19 Even in 2010, when it won more seats than any other party, the LDP still only gained 51 seats amongst the 121 seats in total.
opposition parties, mainly the Komeito and the Democratic Socialist Party (DSP). The opposition parties were fragmented in the early to mid 1990s, which created a collective action problem for them. After returning to power in 1994, the LDP joined in a coalition with its previously number-one rival, the Japan Socialist Party (JSP), and Sakigake, a small splinter party of former LDP members.

However, since 1995 the LDP became constantly challenged by another major party, which emerged as an alternative to the JSP as a leading opposition party and as a potential alternative to the LDP as a governing party. The New Frontier Party (NFP) was founded in 1995, amalgamating Shinseito, another splinter party of former LDP diet members, Komeito, the DSP, and others including former LDP politicians. After the breakdown of the NFP in 1998, the DPJ took over the role of the largest opposition party, absorbing former NFP members. The NFP and the DPJ were different from the JSP in that they were serious contenders to the LDP20. Party competition became fierce, and the opposition parties, particularly the NFP and later the DPJ, found the upper house and its elections a chance to challenge the LDP and strengthen their position.

In 1998 the LDP lost the upper-house election badly. The LDP’s former coalition partners, the JSP and Sakigake, became distant, and in any case even with their support the LDP could not secure a majority in the upper house. The censure resolution against Nukaga was passed under such a condition. The Obuchi government was forced to adopt the DPJ’s policy on financial stabilization in order to gain DPJ’s support in the upper house. Keizo Obuchi, the then prime minister, became desperate to gain a coalition agreement with Ozawa’s Liberal Party and later the New Komeito21 (Takenaka, 2006: 111-7). Although the Liberal Party later split and part of it left the coalition including Ozawa himself, the coalition between the LDP, New Komeito and the remainder of the Liberal Party lasted until 2009 when they lost power.22

An LDP prime minister could find coalition partners in a fragmented upper house, which enabled it to secure a majority in the upper house from the mid 1990s into the 2000s.

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20 In 1995 the LDP did gain more seats than the NFP, but the NFP gained more votes than the LDP in both the districts and the proportional seats. Although the DPJ was still a new party in 1998, it gained 21.75 percent of the votes in the PR seats while the LDP received only 25.17 percent. The LDP dominated other parties in 2001, owing to its newly elected leader, Koizumi. However, in 2004 the DPJ gained more votes in both the districts and the proportional seats, winning 50 seats in total while the LDP gained 49. In 2007 the DPJ overwhelmed the LDP; it won 60 seats, which were 23 seats more than the LDP gained. Between 1962 and 1992 the JSP only won approximately half, if not less, the number of seats and votes compared with the LDP, except in 1989 (Ishikawa and Yamaguchi, 2010: 293-301).

21 After various organizational changes, Komeito became New Komeito in November 1998.

22 The LDP and the New Komeito regained power in December 2012 and formed a coalition government again.
The way the Japanese political system worked changed dramatically in 2007. The LDP-led coalition government lost its majority as a result of this year’s upper-house election. What was so different from the past was that the LDP could not find any other partner to cooperate in the upper house; their chief rival, the DPJ in liaison with two other small parties aimed for a victory in the general election, and tried to use the upper house to bring down the government. The fragmentation of parties in the upper house lessened, as the DPJ increased its share of seats. It thus became easier for the opposition parties to overcome the collective action problem in the upper house.

The political reforms of 1994 had helped the emergence of a two-party competition in the lower house; the LDP and the DPJ dominated the shares of votes and seats in general elections in the 2000s. The relationship between the parties became distinctly adversarial, particularly in the lower house, which made cooperation and concession in the upper house extremely difficult (Takenaka, 2010: 347-9).

In his resignation statement, Abe referred as the reasons for his resignation to the refusal by Ozawa, leader of the DPJ, to meet to discuss the extension of the antiterrorism special measures law, which was due to expire, and to the condition that it became difficult for him to strongly pursue policies with the support and trust of the people, although he later claimed his ill-health to have caused his resignation.

The DPJ argued that since the people’s voice was expressed most recently at the upper-house election in 2007, which supported the DPJ rather than the LDP, the LDP government should dissolve the lower house. Even though only half of the upper house members were elected at each election, the DPJ claimed that the whole upper house had the most recent mandate from the people, which implied that the prime minister, supported by the lower house, was inferior in terms of its democratic legitimacy.

Abe’s successor, Yasuo Fukuda, attempted to form a coalition with the DPJ, and

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23 After the 2007 election, the LDP and New Komeito held 103 seats together, while the DPJ itself had 109 of the 242 seats in total. The DPJ with the Social Democratic Party of Japan (the former JSP) and the People’s New Party, with which it formed a coalition government in 2009, they held 218 seats. The JCP held 7 seats, which was unlikely to cooperate with the LDP (Ishikawa and Yamaguchi, 2010: 300).

24 The 2012 general election has changed the landscape of Japanese politics, owing to the catastrophic defeat of the DPJ and the emergence of other ‘third’ parties. The two-party competition between the LDP and the DPJ may cease to be the basic feature of Japanese politics in the future, although this is yet to be seen.


Ozawa at one point agreed with Fukuda to form one. However, the DPJ executive refused to accept this project. On 11 June 2008 the upper house passed a censure resolution against Fukuda as well. The reason was the government’s slow progress in policy, and the fact that the lower house extended the temporary higher rate for the gasoline tax with its two-thirds majority, on which the upper house had not reached any conclusion. Demanding either a resignation of the whole cabinet or a lower-house dissolution, the resolution stated,

There is no deeper contempt for the House of Councillors [than the lower house passing a bill with a two-thirds majority, on which the upper house has not yet reached any conclusion], which constitutes part of the bicameral system and represents the most recent will of the people. If we had not submitted a censure resolution against the prime minister, we ourselves would have denied the authority of the House of Councillors. 27

Fukuda resigned on 1 September 2008. He raised the deadlock in the diet as the reason for his resignation 28. The censure resolution effectively terminated Fukuda’s premiership.

The censure resolution was also used against Fukuda’s successor, Taro Aso, on 14 July 2009. The reason raised in the resolution was that Aso did not keep his promise, putting off dissolving the lower house, and that the LDP-led government changed its prime minister three times without asking the people’s will in the previous four years. The resolution also stated that the government was not dealing with the economic crisis, pension problems, shortage of doctors, and labour conditions of nursing care staff. The upper house demanded straightforwardly a matter purely for the lower house, namely its dissolution 29. Aso dissolved the diet on 21 July 2009, a week after the censure resolution was passed, although it was at the end of the lower house’s four-year term.

27 House of Councillors, Censure Resolution against Prime Minister Yasuo Fukuda, 11 June 2011. http://www.sangiin.go.jp/japanese/gianjoho/ketsugi/169/080611.html The lower house passed the tax reform related bills and the local tax reform bills with its two-third majority in April 2008. The DPJ had blocked the deliberation of these bills and therefore the upper house had not reached any conclusion (Takenaka, 2010: 291-3). Yet, according to article 59 (section 4) of the constitution, ‘Failure by the House of Councillors to take final action within sixty days after receipt of a bill passed by the House of Representatives, time in recess excepted, may be determined by the House of Representatives to constitute a rejection of the said bill by the House of Councillors’. Clause 2 of the same article states ‘A bill which is passed by the House of Representatives, and upon which the House of Councillors makes a decision different from that of the House of Representatives, becomes a law when passed a second time by the House of Representatives by a majority of two-thirds or more of the members present.’


The upper-house elections and its censure resolutions forced prime ministers to resign one after another. The opposition parties were not necessarily aiming at a policy concession but the resignation of the prime minister or the dissolution of the lower house. The way the upper house functioned destabilised the position of the prime ministership to an extent that they arguably made the whole system fragile.

6. CONCLUSION

This paper aimed to show that the strength of the Japanese prime minister could be explained by the collective action problem, which the prime minister’s principals, namely the parliamentarians, faced. When parliamentarians could overcome the collective action problem, they constrained the prime minister severely, while when they could not, the prime minister had more room to manoeuvre and survive.

This paper particularly focused on the role of the governing party(ies) and the bicameral system. The LDP, the focus of this paper, developed a rigid internal organisation, formal and informal, which could be used to overcome their collective action problem. The development was incremental and thus the power and autonomy of the prime minister gradually decreased during the long single-party dominance of the LDP. After the 1994 political reforms the prime minister gradually regained more autonomy, as the ‘big five’ factions, which were the key to the overcoming of the collective action problem, became smaller with less cohesion. This strengthen the prime minister’s position

However, the political reforms of 1994 also created another new condition for the prime minister. A major rival party grew out of the reforms, which threatened LDP’s position as a governing party. The NFP and the DPJ extended their power base in the upper house, which made the overcoming of the collective action problem easier in that chamber. The LDP prime ministers were constrained by the upper-house elections, but could still exploit the fragmentation of the parties in the upper house until 2007. It was from 2007 that the LDP could not exploit the fragmentation of the opposition parties, as the DPJ alone outnumbered the LDP and New Komeito in the upper house.

The bicameral system of Japan has not yet figured out what relationship they have with each other and particularly with the executive led by the prime minister. The censure resolution in combination with the boycotting of the deliberation in the upper house has a destabilising effect on the position of the prime minister, since, with this tactics, the upper house can sack a prime minister, who it did not prefer and select from the very beginning.
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