

7 Generational Change and Political Upheaval

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WHEN the Liberal Democratic Party (LDP) lost its Diet majority as a result of the House of Representatives (Lower House) election of 1993, it was forced to relinquish its monopoly on ruling power for the first time since its establishment in 1955. Eight opposition parties subsequently formed a ruling coalition under Hosokawa Morihiro, head of the Japan New Party (JNP). The LDP, however, retrieved power within one year by forming a coalition government with the Social Democratic Party of Japan (SDPJ) and the New Party Sakigake (*sakigake* means "pioneer") under Prime Minister Murayama Tomiichi, leader of the SDPJ. The SDPJ held the prime ministership for the first time in 46 years, but its brief stint at the helm of government ended with a crushing defeat in national-level elections after 1995.

Many books and articles have been written explaining changes in Japan's political party system in the 1990s. Some analysts point to the structural erosion of the "1955 system"¹ during the LDP's 38-year tenure as the main cause of change. Others argue that the end of the LDP-dominant system was linked with global systemic shifts, specifically

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the end of the cold war in 1989. Yet another argument emphasizes the importance of disputes over political reform between conservatives and reform advocates, especially in the LDP (Narita 1997; Inoguchi 1993; Sakamoto 1994; Morita 1993; Yomiuri Shimbun-sha Seiji-bu 1993).

In this chapter, I will show that the political realignment, or party system changes, of the 1990s can be explained by the emergence of two new types of actors in Japanese politics since the late 1980s. Traditionally, the major actors in the political arena were political parties and factions, not individual politicians. Unlike United States congressmen under the presidential system, Diet members in Japan's cabinet-parliamentary system are kept on short reins by political parties. When a party decides on its position regarding a bill after accounting for intraparty considerations, it is almost impossible for an individual member to take a position different from that of the party to which he or she belongs. If a member does not respect the party position in the Diet, he will be punished as a "rebel," which often leads the member to later abandon the party.²

The first group of newly significant actors I will focus on is the younger generation of politicians, especially those LDP Lower House members first elected in the general elections of 1986 and 1990 and those Japan Socialist Party (JSP; the party changed its name in English to the SDPJ in 1991) members first elected in the 1990 general election. The decade from 1986 to 1995 could be characterized as a period during which the system that had dominated post-World War II Japan was remodeled. During that time, many basic policy premises were reconsidered and revised—the introduction of the value-added tax system (1986–1988); U.S.-Japan trade friction (1985–1994), including Tōshiba Machine company's violation of the COCOM (Coordinating Committee for Multilateral Export Control) agreement, the semiconductor export issue, and the Strategic Impediments Initiatives talks; opening the rice market (1989–1993); the dispute over international contributions during the Persian Gulf crisis and war (1990–1991); legislation of international cooperation for peacekeeping operations activities (1990–1992); and discussion over political reform, especially electoral reform in the Lower House (1990–1994). The young generation of politicians both in the LDP and the JSP were exposed to these issues immediately after being elected to the Diet. Although it was very hard for these young politicians to exert leadership, their junior role in the

political world meant that in the early 1990s many of them were independent of traditional ties binding them to parties or factions and they were therefore able to encourage a tide of political change by supporting younger more senior leaders.

The second type of actors were those outside the political establishment. I will discuss four groups: the JNP, formed by Hosokawa in 1992; Rengō (Japanese Trade Union Confederation), formed by the merger of two national centers of trade unions in the late 1980s; the "Reform of Heisei" group led by Ōmae Ken'ichi; and a nongovernmental ad hoc council for political reform. These outside forces benefited from the electorate's growing distrust of the political establishment fed by two major political scandals—the Recruit Company's stock-for-favors scandal in 1988 and the Tokyo Sagawa Kyūbin scandal in 1992. The JNP presented itself as a new party with a clean image, while the other three groups pushed political reform by appealing to the existing political parties, especially to their younger members.

A NEW GENERATION ARISES IN THE 1980S

New Characteristics of LDP Factions

The LDP factions, or *habatsu*, were fully institutionalized in the 1956 LDP presidential election, when eight newly formed groups competed against each other for the LDP presidency (Uchida 1983, chap. 2). During the LDP's long years of government dominance, the politician who was able to be elected president of the LDP became the prime minister of Japan. In order to gain the prime ministership, LDP leaders formed their own factions to run in the LDP presidential election. When a leader finished his term as LDP president, his faction would be reorganized by a younger leader or leaders who would then seek to become prime minister. Leadership succession within a faction was often accompanied by conflict among the younger leaders, frequently causing the faction to split apart.

By the mid-1970s, however, the traditional character of LDP factions had changed. There were at least two major reasons for this transformation. The first was the establishment of a seniority rule regarding promotions within the LDP, which then-Prime Minister Satō Eisaku established with his initial ministerial appointment in the late 1960s. Under this rule, all LDP Lower House members elected more than six

or seven times had at least one chance to be appointed to a cabinet post (Satō and Matsuzaki 1986, chap. 2 in part 1, especially 42–44). As a result, the share of ministerial posts reflected the power balance among the factions.

The second reason was the Lockheed scandal of the mid-1970s. Although Tanaka Kakuei was forced to resign as prime minister in 1974, he expanded membership in his own faction after he was prosecuted in the Lockheed affair in the summer of 1976. As part of his strategy of “politics is power, power is numbers (of Diet members),” Tanaka thought that a strengthened faction would bolster his ability to uphold his innocence in court. He was to retain his strong influence over the LDP leadership as a “shadow shogun,” or kingmaker, until the mid-1980s (Schlesinger 1997), and the manner in which he maintained his hard-won faction came to be emulated by other faction leaders.

Given these new circumstances, LDP factions had “scale merit,” in that by the early 1980s the larger factions were more advantageous at least concerning the following four functions. The first was to provide support for elections. This support included providing election expertise, arranging campaign appearances by ministerial-level politicians, and introducing candidates to local politicians and local business organizations. The second function was to provide political funding. Candidates needed an enormous war chest because they found it necessary to campaign for two or three years before an election was actually held.³

The third function was to secure cabinet posts and other important positions for faction members. Under the seniority rule and the norm of factional power-sharing, a member of a large faction had a better chance to be appointed to a ministerial or powerful party position during his second nomination.⁴ The final function was to provide services to constituents. A Diet member needs to respond to petitions or requests from his constituents concerning the allocation of public funds. He is more likely to be able to satisfy their requests if his faction members hold important ministerial positions (see Serizawa 1998, chap. 2).

Even after the Lower House election in 1983, three of the five major LDP factions, those of Tanaka, Fukuda Takeo, and Suzuki Zenkō, were headed by former prime ministers (see fig. 1 and table 1). Nakasone Yasuhiro also retained control of his faction in order to maintain his clout in the LDP. Seniority remained the dominant feature among

Figure 1. Reorganization of the LDP's Five Major Factions: 1970s—1990s

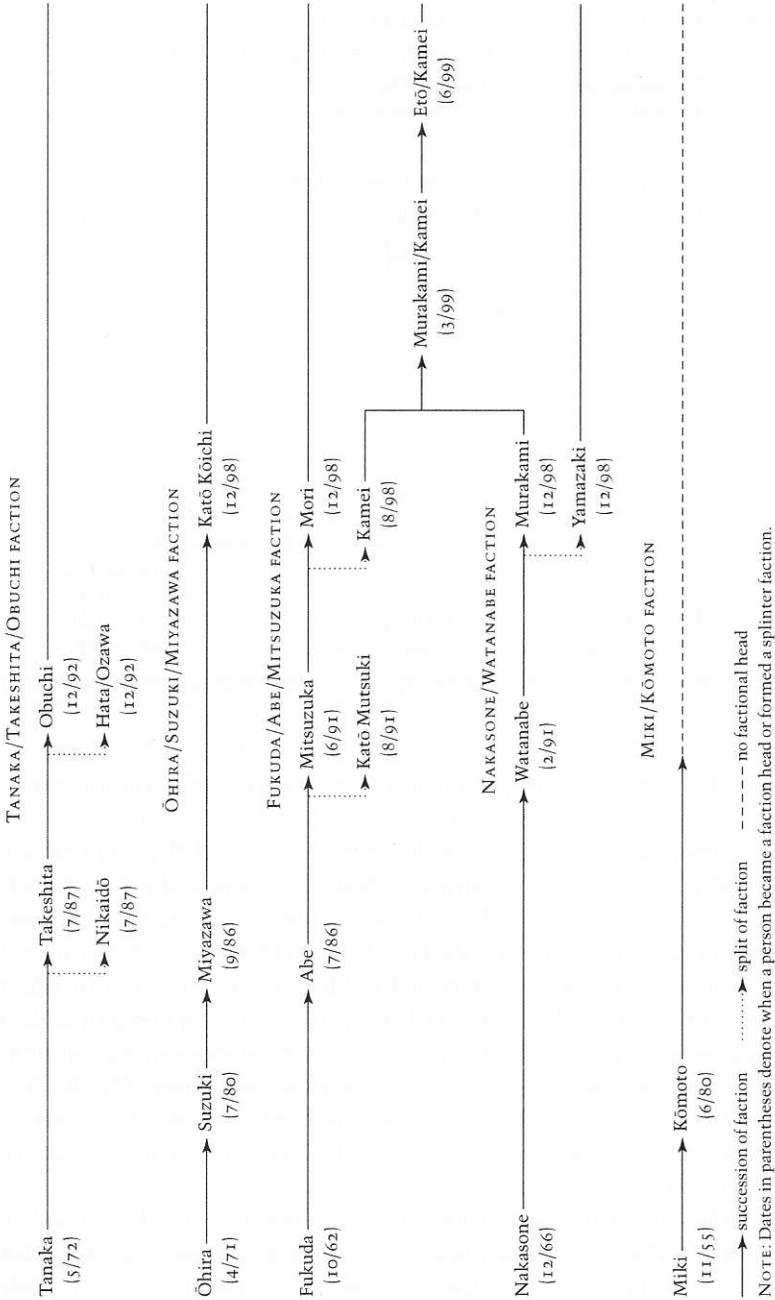


Table 1. LDP Faction Leaders Holding the Party Presidency

TANAKA/TAKESHITA/OBUCHI FACTION	
Tanaka Kakuei (July 1972–December 1974)	
Takeshita Noboru (November 1987–June 1989)	
Obuchi Keizō (July 1998–)	
ŌHIRA/SUZUKI/MIYAZAWA FACTION	
Ōhira Masayoshi (December 1978–May 1980)	
Suzuki Zenkō (July 1980–November 1982)	
Miyazawa Kiichi (November 1991–July 1993)	
FUKUDA/ABE/MIITSUZUKA FACTION	
Fukuda Takeo (December 1976–December 1978)	
NAKASONE/WATANABE FACTION	
Nakasone Yasuhiro (November 1982–November 1987)	
MIKI/KŌMOTO FACTION	
Miki Takeo (December 1974–December 1976)	
LDP PRESIDENTS WHO WERE NOT FACTION HEADS	
Uno Sōsuke (June 1989–August 1989)	Nakasone faction
Kaifu Toshiki (August 1989–November 1991)	Kōmoto faction
Kōno Yōhei (July 1993–September 1995)	Miyazawa faction
Hashimoto Ryūtarō (September 1995–July 1998)	Obuchi faction

NOTE: Dates in parentheses denote a person's term as LDP president, which is the same as that person's term as prime minister. The exceptions are Hashimoto, who became prime minister in January 1996, and Kōno, who was not prime minister.

LDP factions, reflecting their stable structure, and little generational change could occur.

This began to change with the LDP presidential election held in the fall of 1984, when Prime Minister Nakasone was at the end of his first term as LDP president. In early September 1984, Nakasone was believed to be in a comfortable position, bolstered by support from the Tanaka faction, the largest in the LDP. It was therefore assumed that he would be reelected for a second term. However, former prime ministers Suzuki and Fukuda decided to back Nikaidō Susumu, a senior politician in the Tanaka faction, to run against Nakasone. The leaders of both the Kōmeitō (Clean Government Party) and the Democratic Socialist Party (DSP) were also said to be involved in this effort (Yano 1994, chap. 1).

Although this effort did not succeed, it contributed tremendously to spurring generational change in the LDP factions. In this process, younger leaders took positions independent of their factional leaders.

Abe Shintarō of the Fukuda faction and Miyazawa Kiichi of the Suzuki faction, both promising new leaders in their respective factions, were reluctant to support Nikaidō. Takeshita Noboru, who was then considered the most promising potential successor to lead the Tanaka faction, knew that if Nikaidō was elected LDP president he would also try to wrest control of the Tanaka faction, so he and his ally Kanemaru Shin moved to block Nikaidō's candidacy. Takeshita soon decided to break from the Tanaka faction and form his own faction in February 1985, centered on supporters from the Tanaka faction. Takeshita's move infuriated Tanaka, who subsequently suffered a stroke from which he never completely recovered. The era of Tanaka as "shadow shogun" was ended.

*The 1986 Double Election and
New LDP Diet Members*

The 1986 general election was a rare double election, in which balloting for the House of Councillors (Upper House) and the Lower House was held on the same day. This proved especially significant for Nakasone and the "new leaders" of each faction, including Watanabe Michio of the Nakasone faction. Nakasone, who was completing his second term as LDP president, sought to extend his term by leading the LDP to victory in the general election. There is no legal limit on the number of terms a prime minister may serve, but LDP rules prohibit any member from holding the position of party president for more than two terms. With this in mind, the new leaders of each faction worked hard to enlarge their factions by recruiting and supporting younger factional candidates in preparation for the LDP presidential race in the fall of 1986.

The LDP was able to use the double election to its advantage because the proportional representation system of the Upper House forced opposition parties to compete, thereby preventing them from cooperating in fielding joint candidates for the Lower House. As a result, the LDP won by a landslide, securing 300 of 512 seats in the Lower House and 72 of the 126 contested seats in the Upper House. Based on these results, the LDP agreed to provide Nakasone with special consideration, extending his term as LDP president for another year. Nevertheless, although the contest among new leaders for the party presidency was delayed until the fall of 1987 as a result of the double election, the poll did help to advance generational change among LDP

members. Of 66 newly elected Lower House members in the 1986 election, 46 belonged to the LDP. Younger leaders took control of two LDP factions after the election: Abe replaced Fukuda in July, and Miyazawa took over from Suzuki in September 1986.

In the fall of 1986, LDP first-term members faced their first challenge. Although Prime Minister Nakasone had promised during the election campaign not to introduce any "large-scale indirect tax schemes," he raised the possibility of a new type of value-added tax—a sales tax—after the election. As Nakasone prepared to introduce sales tax legislation in late 1986 he faced rising criticism, not only from opposition parties but also from within the LDP.

Newly elected LDP members regarded the sales tax issue as a major threat to their chances for reelection. In general, younger LDP members are more sensitive to the prevailing views of their electorate, because they have not yet secured a stable support base. Thus they were unnerved when they encountered strong criticism by their constituents for allowing the LDP to break its campaign promise. About 40 young LDP Lower House members who had been elected in the 1980 or subsequent elections joined an interfactional group of younger members that was formed to study the proposed tax system in October 1986. Momentum for passing sales tax legislation further weakened after the LDP candidate was defeated in an Upper House by-election in Iwate held in February 1987, presumably partly due to public opposition to the tax. After a nearly three-day filibuster on the Lower House floor by opposition members, marked by a slow-motion "cattle-walk" voting procedure, the sponsoring LDP government decided in April 1987 to shelve the bill to introduce the sales tax.

Takeshita, who had persuaded former Tanaka faction members to join him in creating the largest faction in July 1987, was selected LDP president that fall by the endorsement of Nakasone. To avoid any further factional friction, all the faction leaders were allotted key positions in the cabinet or in the party after the presidential race. Adoption of this "all mainstream faction system" served to stabilize intraparty factional politics, as positions were assigned according to seniority and factional considerations.

The LDP first-term Diet members had to overcome another hurdle in the fall of 1988, with the disclosure of the Recruit Company stock-for-favors scandal. Several LDP leaders, as well as some opposition

members, including those in the JSP, Kōmeitō, and the DSP, were accused of accepting shares of Recruit stock in return for future political favors. The Recruit scandal, along with deliberations on a bill to impose a "consumption tax," a revised version of the sales tax, became the object of severe public censure. In an effort to deal with the electorate's growing distrust of politics, ten of the 1986 LDP newcomers formed an interfactional group, the Utopian Politics Study Group, in September 1988 to discuss political reform. Five of them later left the LDP to form the core of the New Party Sakigake, which was conceived in June 1993.

In the spring of 1989, younger LDP members organized two other interfactional groups that also called for greater attention to be paid to political ethics. One was the Liberal Reform Federation with 36 members, headed by Kamei Shizuka and Shirakawa Katsuhiko, both mid-ranking members of the Miyazawa faction. The other group, called Diet Members for Political Reform, consisted of 14 members. This group activity by younger LDP members can be regarded as a response to public criticism of politicians, and as an expression of their discontent with the faction-based seniority system. Faced with tepid public support for his cabinet⁵ and intraparty criticism by younger LDP members, Prime Minister Takeshita, who succeeded Nakasone in November 1987, was forced to announce his resignation in late April 1989, when the 3 percent consumption tax went into effect. Foreign Minister Uno Sōsuke became the new prime minister in June, but public anger deepened with revelations of yet another scandal, this time involving allegations concerning Uno's long-term involvement with a mistress, forcing Uno to resign after only two months in office.

The LDP suffered the worst defeat in its history in the Upper House general election held in the summer of 1989, winning only 36 of 126 contested seats. (Half of the seats are up for election every three years, and members hold office for six years.) The most serious damage came in the single-seat districts, where the LDP presumably enjoyed an advantage as the largest party. This time it won only three of 26 contested seats. Even with the addition of the 72 members who had been elected in 1986, the LDP was for the first time unable to maintain its majority in the Upper House (Kabashima 1992; Mizusaki 1992). Prime Minister Uno resigned after the election, and was replaced by Kaifu Toshiki in early August 1989; both Uno and Kaifu were relatively weak leaders,

as neither headed a faction or could boast of a personal power base in the LDP. Meanwhile, however, Takeshita and Kanemaru were gaining greater political clout as the new kingmakers.

*A New Generation in the Socialist Party after
the 1989 and 1990 Elections*

Members of the JSP faced a number of difficulties in the late 1980s. Under the 1955 system, the JSP stood staunchly opposed to the conservative LDP. However, the party wasted its energy on intraparty debate between its right wing, which favored Western European-style social democracy, and its left wing, which persisted in its support for Marxism-Leninism, and the JSP remained the "perennial major opposition party" after the 1958 Lower House general election. In the fall of 1959, the Nishio faction, a right-wing group led by Nishio Suehiro, former secretary-general of the JSP and chief cabinet secretary in the Katayama cabinet, split from the JSP over the renewal of the U.S.-Japan Security Treaty. After he and his followers formed the DSP in early 1960, the 1955 system, characterized by two major parties, began to undergo structural transformation, eventually becoming the LDP-dominant system of the 1970s and 1980s. In mid-1970, Eda Saburō, a former secretary-general, left the JSP and formed the Socialist Citizens' League, which was later reorganized as the Shaminren (United Social Democratic Party) in 1978.

From the late 1960s to the mid-1980s, the JSP suffered a long-term decline in popularity. Its share of popular votes in Lower House elections fell from 29.0 percent in 1963 to 17.2 percent in 1986 (Asahi Shimbun Senkyo-hombu 1990, 318-319). The JSP's popularity revived in the second half of the 1980s, but this reflected factors exogenous to the JSP. The party failed to implement structural reform and had lost almost all its popular support by the mid-1990s.

The first of the JSP's major dilemmas came with the party's January 1986 adoption of the 1986 Manifesto. The manifesto resulted from an initiative by party president Ishibashi Masashi to make the JSP into a more responsible opposition party. After four months of intraparty debate, the party announced a shift from Marxism-Leninism to social democracy, but this change did little to enhance the party's popular support. In the double election of July 1986, held less than six months later, the party was badly defeated. Ishibashi subsequently announced

his resignation, and he was replaced by Doi Takako, the first woman to head a political party in Japan.

Under Doi's leadership, the JSP at last made progress. In unified local elections held in April 1987, the party garnered strong public support from voters, who vehemently opposed introduction of the sales tax. Doi then initiated an effort to mobilize women voters by endorsing a greater number of women candidates and in the run-up to the 1989 election she focused party efforts on campaigning against the consumption tax. The JSP prevailed during the 1989 Upper House election, securing 46 of 126 contested seats. Added to the seats it had won in the 1986 election, the JSP increased its seats from 42 to 66 in the Upper House, while the number of its women Upper House members increased from three to 14.

These victories created a second dilemma for the JSP, however. The JSP's success, both in the 1987 unified local elections and in the 1989 Upper House election, was due to the mistakes of the ruling LDP. The JSP had functioned more as a "responsive" rather than a responsible party, benefiting from negative votes cast by an electorate dissatisfied with the LDP. Doi maintained a no-compromise principle against the LDP with her well-known slogan, "No means no!" (*Damana mono wa dame!*). In the fall of 1989, the JSP introduced a bill to scrap the consumption tax, in keeping with Doi's promises during the Upper House election campaign, but the party leadership neglected to offer any alternative sources for national revenue.

It was perhaps unrealistic to expect ideological JSP to alter its basic policies to prepare for taking over the government. Doi's positions on defense and foreign policy issues reflected those of the party's dogmatic left wing: protecting the Peace Constitution, denying the existence of the Self-Defense Forces (SDF), and ending security ties with the United States in favor of an "unarmed neutrality (*hibusō chūritsu*)" policy.⁶

Doi succeeded in maintaining her popularity and led the JSP to another victory in the Lower House general election in February 1990. The 1990 election not only featured party divisions over the controversial tax issue, but it also saw the revival of the 1955 system, with direct confrontation between two major parties, the LDP and the JSP. While the JSP campaigned largely on the demand that the consumption tax be scrapped, the LDP tried to rally voters by stressing the superiority

of the liberal democratic system, alluding to the corruption of communist regimes in Eastern Europe. In the election, the LDP managed to retain a stable majority with 275 of 512 seats, while the JSP received 136 seats, its largest number since 1967.

This victory posed an additional challenge for the JSP. Nearly half of the JSP's seats, 60 of 136, were occupied by newcomers, including two former Upper House members. Their views and orientation differed greatly from those of traditional JSP members, and their involvement in intraparty reform had no ideological basis. These first-term members paid little heed to the JSP's traditional power structure. Instead, they acted to transform the party's structure from the bottom up, as I will discuss later. Ironically, however, although they effected dramatic, beneficial change, most of them were not active for long. Forty-six of the 60 newly elected members did not survive the two general elections held in 1993 and 1996. Of the 1990 first-term members, only two remained in the Social Democratic Party (SDP, the new name adopted by the SDPJ in January 1996) after the Lower House general election in 1996.

THE DIVIDED DIET AND A CALL FOR POLITICAL REFORM

More Generational Change in LDP Factions

The Kaifu cabinet of the early 1990s faced difficulties both at home and abroad. On the international front, Japan had to decide how to respond to the Persian Gulf crisis after Iraq's invasion of Kuwait in August 1990. The LDP administration was taken to task for what were seen as overly passive foreign and security policies, while the Kaifu cabinet's contributions to multinational efforts for the restoration of peace in the Middle East—US\$4 billion by September 1990 and US\$9 billion immediately after the breakout of the Gulf War in January 1991—were criticized as “checkbook diplomacy” by some countries.

The Kaifu cabinet, supported by Ozawa Ichirō, the powerful LDP secretary-general, belatedly offered to send SDF aircraft to the Middle East to transport refugees during the Gulf War in January 1991 (notwithstanding the fact that there had never been a request for such assistance from the International Committee for Migration, the main nongovernmental group involved). After the Gulf War, in April, four SDF minesweepers and a supply ship were dispatched to the Persian

Gulf (Research Institute for Peace and Security 1991, 29–34, 136–139). This was the first dispatch of the SDF outside Japan since 1952, when Japan regained its independence.⁷

On the domestic scene, the Kaifu administration had to deal with a “divided Diet” after the LDP lost its Upper House majority in the 1989 election. The party was forced to collaborate with opposition parties, such as Kōmeitō and the DSP, in order to obtain a majority. Although the United Nations Peace Cooperation Bill was tabled in the Lower House in November 1990, during its deliberations Ozawa succeeded in establishing a good relationship with his counterparts, Ichikawa Yūichi, Kōmeitō secretary-general, and Yonezawa Takashi, DSP secretary-general. The LDP government-sponsored International Peace Cooperation Bill, a revised version of the United Nations Peace Cooperation Bill, was passed through the Diet in June 1992, clearing the Upper House with the support of Kōmeitō and the DSP.

Prime Minister Kaifu also emphasized political reform in an effort to overcome public distrust of politicians. An advisory council to the prime minister on the electoral system, reactivated in June 1989 for the first time in 17 years, submitted a recommendation to Kaifu in April 1990, in which members proposed to introduce a system of single-seat districts combined with proportional representation for Lower House elections. Kaifu, who had a weak power base in the LDP, regarded political and electoral reform efforts as ideal means for him to maintain his popularity among the electorate. In response to recommendations by the advisory council, Nishioka Takeo, chairman of the LDP’s General Council, Katō Mutsuki, chairman of the party’s Policy Research Council, and Hata Tsutomu, chairman of the LDP Electoral Research Council, worked diligently to build a consensus within the LDP for electoral reform.

The party had adopted a slogan after the 1989 Upper House election calling for dissolution of LDP factions, and it was now regulating factional activities on a voluntary basis. However, the factions’ enduring influence was readily apparent as the 1991 presidential race approached. Members of the Miyazawa, Mitsuzuka, and Watanabe factions formed an anti-Kaifu coalition to prevent Kaifu from winning another term as LDP president. The young leaders of these factions, Yamasaki Taku, Koizumi Shin’ichirō, and Katō Kōichi, criticized Kaifu’s plan for political reform, preferring a less ambitious approach. These three, who were later referred to as the “YKK” group, combining the

initial letters of their last names, succeeded in tabling the electoral reform bill in the Lower House in September, forcing Kaifu to abandon his presidential campaign. The split between pro-reform and antireform elements in the party continued through the end of 1996. Many pro-reform members left the LDP by the summer of 1994 and established the New Frontier Party in December 1994, while many of the anti-reform group were influential in maintaining the LDP-SDPJ-Sakigake coalition after June 1994.

Prime Minister Miyazawa, who succeeded Kaifu as party president in the fall of 1991, was lukewarm on political reform. When Miyazawa decided to shelve the electoral reform plan in November, 54 young LDP members responded by forming a new interfactional group, the Group of Junior Members for Political Reform, headed by Ishiba Shigeru, who had first been elected in the 1986 poll, and Watase Noriaki, whose first election victory had been in 1990. Members of this group were critical of the LDP's indifference to political reform and they felt strongly that such reform was needed. By early in the summer of 1993, they had become strong opponents to LDP conservatives who opposed or did little to further the cause of political reform.⁸

Factional leaders faced another tide of generational change in 1991 and 1992. Both Watanabe Michio, who had taken over the Nakasone faction in early 1990, and Abe suffered serious health problems. Ozawa resigned as LDP secretary-general after the Tokyo gubernatorial election in April 1991 and became acting chairman of the Takeshita faction. Although Ozawa was the youngest of seven prominent Takeshita faction members, including Hashimoto Ryūtarō, Obuchi Keizō, and Hata, he was often accused by members of leading the Takeshita faction in a high-handed manner, with the support of Kanemaru.

Generational change in the early 1990s was a little different from that of the mid-1980s, however, in that the later transitions in factional leadership were accompanied by intrafactional conflict. The Abe faction split into the Mitsuzuka faction and a minor Katō Mutsuki group with 13 members in the fall of 1991. But the most drastic change was the fissure of the Takeshita faction in 1992. The Takeshita faction, with more than 110 Diet members, was divided into two subgroups, the Takeshita group, including the anti-Ozawa group, and the Kanemaru-Ozawa group, in the early 1990s. At the end of August 1992, Kanemaru was accused of receiving ¥500 million from Tokyo Sagawa Kyūbin, a parcel delivery firm, far exceeding the ¥1.5 million annual

ceiling allowed by the Political Fund Control Law. On Ozawa's advice, Kanemaru called a press conference at the end of August to admit receiving the money. This strategy backfired, earning Kanemaru more criticism from the public. Other LDP leaders, notably including Kajiyama Seiroku, one of the more prominent members of the anti-Ozawa group in the Takeshita faction, blasted Ozawa's defense strategy for Kanemaru. Kanemaru was able to strike a deal with the Prosecutor's Office to pay only ¥200,000 in penalties, but this just sparked additional public anger, forcing Kanemaru to resign as a member of the Lower House in October.⁹

Obuchi and Hashimoto, senior members of the Takeshita group, failed to support Ozawa's effort to become chairman of the Takeshita faction, leading to heated factional wrangles over leadership that lasted nearly a month. In late October, Obuchi was finally appointed chairman of the Takeshita faction. The Ozawa group decided to form their own faction with Hata in December 1992 (*Yomiuri Shimbun-sha Seiji-bu* 1993, 22–38). Twelve of the 14 Takeshita faction members who had first been elected in 1986 joined the Hata-Ozawa faction, which seceded from the LDP and formed the Japan Renewal Party (JRP) in June 1993, ending 38 years of LDP ruling party dominance.

With the split of the Takeshita faction, the system of single-faction dominance in the LDP was transformed into a turbulent system in which six factions competed against each other. The double power structure, characterized by LDP presidents and kingmakers backed by the largest faction, was no more.

Rise of Younger Groups in the JSP

Soon after the 1990 Lower House election, newly elected JSP members took active roles in challenging the status quo. They were organized into two groups. One was the New Wave group formed in March 1990 with 30 members. Many of them had had professional careers prior to the election; they included lawyers, television reporters, a university professor, a medical doctor, and a nurse. Their ties with the JSP were relatively weak. The other was the Group of 1990, which was reorganized in November into the New Power group, with 32 members. Most of them had previously been local politicians and leaders of local trade unions or the JSP's local chapters.¹⁰

Members of the two groups presented quite different proposals in response to the electoral reform plan issued by Prime Minister Kaifu

in April 1990. The New Wave proposed a mixed system of single-seat districts and proportional representation, modeled upon the West German electoral system. The Group of 1990 insisted on a plan based on the existing multiseat system. In February 1991, the JSP changed its name in English to the Social Democratic Party of Japan (SDPJ), but there were no substantial changes in the party's structures or policies.

Traditionally, JSP factions had been categorized into three ideological blocs: the right wing, the left wing (sometimes called "the middle group" between the right and the ultraleft), and the ultraleft wing. The 1990 cohort worked to effect structural change in the JSP factions. In January 1991, the left-wing members formed the Social Democratic Forum. JSP's factions were reorganized into three: the Governing Vision Study Group (the right wing), the Social Democratic Forum (the left wing), and the Group for a New Socialist Party (the ultraleft).

After the SDPJ suffered defeat in the 1991 unified local elections, the New Power and the New Wave groups requested a reshuffling of party leaders. A weakened Doi insisted on remaining chairperson to carry out party reform, but after being criticized by younger members she was forced to announce her resignation in May. By raising the issue of structural reform before she resigned, however, Doi refocused attention on the party's traditional division between right and left. In June, the right-wing group issued a scheme for party reform which recommended that the party recognize the SDF as constitutional, as long as the SDF focused on defensive operations. Ten members of the leftist bloc, on the other hand, formed a group insisting on defending the party's traditional position that the SDF had no constitutional legitimacy. Separately, 19 of the 1989 Upper House and 1990 Lower House first-term members formed the Action New Democracy group to review the SDPJ's traditional policy on the SDF and to propose new policies for the post-cold war period. The party held an election to select a new leader in July, at which Tanabe Makoto was selected as party chairman, the first right-wing candidate to claim the post in 26 years.

The SDF soon figured again in party activities, as legislation proposing that Japan participate in international peacekeeping operations became the most controversial issue in Diet sessions from September 1991 to June 1992. The International Peace Cooperation Bill, a revised version of the United Nations Peace Cooperation Bill that had been tabled in the Diet in November 1990, was introduced in the Diet in September 1991. The SDPJ resolutely opposed the bill, insisting that

the dispatch of the SDF violated the Constitution, and the party tried to stymie passage with a "cattle-walk" filibuster when the bill came to a vote in the Upper House in June 1992. Despite the party's efforts, however, the bill was passed by the Diet with the support of the LDP, Kōmeitō, and the DSP.

In the Upper House general election in July 1992, the SDPJ won 22 of 127 contested seats, approximately the same number it had had before the election. However, this was less than half the number won by the SDPJ (JSP) in the 1989 Upper House election, suggesting that the SDPJ's aggressive moves to block passage of the International Peace Cooperation Bill legislation were not supported by the electorate. The average Japanese voter appeared to regard cynically the SDPJ's time-consuming tactics in the Upper House and the threat by SDPJ Lower House members to resign in protest following passage of the International Peace Cooperation Bill. Their letters of resignation were ultimately shelved in the Lower House administration committee, and the SDPJ members retained their seats.

During the Upper House election campaign, Tanabe, seeking to reassure voters of the party's basic stability, announced his intention to review the 1986 Manifesto of the SDPJ. With the onset of discussions of the new Manifesto in the late autumn of 1992, members began to organize new groupings within the party, and the second stage of the SDPJ's intraparty reorganization began. In November, 21 members of the SDPJ's 1989 cohort in the Upper House and the 1990 cohort in the Lower House organized a transpartisan group calling for political reform. The group, Sirius, also included two Shaminren members, Eda Satsuki and Kan Naoto, and four Upper House members of the Rengō group (a group formed by union-backed Diet members first elected in 1989 from single-seat districts), and it was headed by Eda Satsuki. Another newly formed group, Leadership 21, which consisted of 23 members first elected in 1990, appealed for changes in the SDPJ's dogmatic policies regarding the SDF, the U.S.-Japan Security Treaty, and nuclear power plants. Spurred by these groups' examples, many mid-ranking party members also formed interfactional study groups, such as the New Political Generation Forum, comprised of former student movement leaders from the late 1950s when renewal of the U.S.-Japan Security Treaty was controversial, and a group composed of members first elected in 1983. These groups were generally nonideological and policy-oriented (Richardson 1997, 81-82, table 3.4 on page 71), a further sign

that the SDPJ's traditional factional balance based on ideological blocs had greatly weakened.

In December 1992, SDPJ Chairman Tanabe came under fire for being friends with Kanemaru of the LDP, who was then being charged by the Tokyo prosecutor's office. Kanemaru and Tanabe had established close relations in the 1980s when they had both headed up their respective parties' Diet Affairs Committee, the body that deliberates a party's strategy and tactics in the Diet.¹¹ Tanabe was pressured to resign as SDPJ chairman in December 1992, and Yamahana Sadao replaced him in January 1993. Yamahana tried to encourage younger party leaders by appointing Akamatsu Hiroataka, who had first been elected in 1990, as secretary-general of the SDPJ. Surprisingly, although Akamatsu had previously served as a prefectural assembly member in Aichi, he had been inactive in the SDPJ national organization before the 1990 election.

Tanabe remained a senior leader of the right wing after he resigned as SDPJ chairman. In the spring of 1993, based on his group's review of the party's basic policies, he drafted the 1993 Manifesto, which fomented another reorganization of factions and blocs within the SDPJ. In early March, three groups of younger members—Leadership 21, Action New Democracy, and Sirius—agreed to cooperate in discussing basic party policies. In mid-April, the Governing Vision Study Group, the SDPJ's largest right-wing group, was reorganized into the Party Reform Federation, with 87 members. They shared a consensus on basic security policies, such as recognition of the constitutionality of the SDF and the need to maintain the U.S.-Japan Security Treaty. The draft of the 1993 Manifesto was released in May, but the party did not have the time to adopt it officially before the drastic changes that occurred in Japanese politics after June.

New Political Forces in Japanese Politics

The late 1980s witnessed the emergence of new political forces from outside the traditional political arena. While these groups did not always directly lead political activities, they had an enormous impact on politicians, especially younger Diet members. The first was Rengō, formed by the unification of four major trade union national centers, including Sōhyō (General Council of Trade Unions of Japan) and Dōmei (Japan Confederation of Labor). Sōhyō and Dōmei had been rivals in the Japanese labor movement since the 1960s, with the former

supporting the JSP in election campaigning and the latter backing the DSP. Private-sector trade unions were first unified under the Rengō umbrella in 1987, while trade unions in the public sector followed in November 1989.

However, those two blocs were not completely unified. When the JSP/SDPJ and the DSP took different positions on a controversial bill or in a local election, Rengō often divided into two blocs, the ex-Sōhyō and the ex-Dōmei. Rengō leaders, especially Yamagishi Akira, who served as president from 1989 to 1994, began to advocate structural reform of the JSP to facilitate the reorganization of opposition parties.

The Upper House general election in 1992 proved a turning point for Rengō's policy toward the political parties. Differences between the SDPJ and the DSP, both in backing candidates for the Tokyo gubernatorial election in April 1991 and in positions toward the International Peace Cooperation Bill legislation from 1991 to 1992, prevented Rengō from being able to carry out unified planning for the Upper House election campaign. Rengō endorsed 12 candidates in single-seat districts for the Upper House election, but even though Rengō-backed candidates had routed LDP candidates in these 12 districts in 1989, largely due to the group's lack of internal cooperation not a single Rengō-backed candidate was elected in 1992. After the 1992 Upper House election, Rengō leaders called for formation of a new opposition party as a powerful counterforce to the LDP ("Rōso ga aitsuide" 1992, 4).

Rengō was able to function as a very useful umbrella for anti-LDP cooperation. The opposition parties could campaign together under the Rengō banner for Upper House candidates in single-seat districts where opposition parties were relatively weak against the LDP. In this way, Rengō-backed candidates prevailed in two Upper House by-elections in early 1993, one in Nara in February and the other in Miyagi in March. By-elections are widely regarded as a litmus test of public opinion on important national issues, and their results can have national implications. For example, the LDP's defeat in the Iwate by-election in February 1987 led to the party shelving the sales tax bill. The LDP's victory in an Ibaraki by-election in October 1989 led the LDP government to believe that the headwinds blowing against it, which had resulted in the LDP's historical defeat in the 1989 Upper House election, were now abating. And the LDP's win by a narrow margin in the Aichi by-election of November 1990 wrought serious damage to prospects for passing the United Nations Peace Cooperation Bill. Consecutive

Rengō wins in early 1993 were seen as reflecting the electorate's distrust of politics in general.

The second active force outside of the political establishment was the Japan New Party, led by Hosokawa. Hosokawa once belonged to the Tanaka faction as an Upper House LDP member from 1971 to 1983, but he subsequently ran for governor of his native Kumamoto Prefecture in western Japan. After serving for eight years as the governor, he declared the formation of a new party in a monthly magazine in early May 1992 (Hosokawa 1992, 94-106). Only two months later, his new party (later named the JNP), won four seats in proportional representation balloting in the July 1992 Upper House election. The Kanemaru scandal in 1992 greatly boosted the JNP's popularity. Reflecting widely felt public distrust of the political establishment, the support rate for the JNP, as indicated in newspaper opinion polls, increased from 1.9 percent in November 1992 to 5.2 percent in March 1993, the third largest after the LDP and the SDPJ (Yomiuri Shimbun-sha Seiji-bu 1993, 48).

The third major force was the Reform of Heisei group, led by Ōmae Ken'ichi. Ōmae was the well-known head of the Japanese branch of a top management consulting firm and a prolific writer, notably of books such as *Heisei Reform: Zero-based Organization and Construction* (Ōmae 1989). As a management consultant, he stayed outside of the political arena, but his unique strategy allowed him to try to influence politicians by persuading the electorate to concur with his vision for the future. When he announced he was organizing the Reform of Heisei group in November 1992, many young Diet members, including those from the LDP and the SDPJ, reacted positively. Thirty-three younger members of the LDP formed a counterpart group in February 1993, and 25 from the SDPJ organized the Heisei Forum in May. When the Reform of Heisei group organized its first convention in April 1993, the leaders of both the LDP and the SDPJ responded nervously, seeing the group as functioning as a precursor to forming a new party. Despite clear LDP and SDPJ disapproval, 27 Diet members and staff representatives of 47 other members attended the convention.

The fourth actor was the Nongovernmental Ad Hoc Council for Political Reform, organized in April 1992 by opinion leaders in business, academia, and labor unions. These leaders were former members of an advisory council to the prime minister on the electoral system, which submitted a recommendation in April 1990 to introduce a system of single-seat districts combined with proportional representation

for Lower House elections. Similar sentiment in the Diet was shown when 95 young Diet members organized a counterpart group to discuss political reform in April 1992, when the council was officially launched ("Seiji kaikaku" 1992, 4). This council issued recommendations for political reform, and in November 1992 adopted a declaration to abolish the existing multiseat district system in the Lower House. The council's declaration was signed by 188 Diet members.

In April 1993, the LDP was deadlocked with the SDPJ and Kōmeitō over electoral reform. The LDP insisted on a single-seat district system, while the other two parties wanted to introduce a German-type system combining single-seat districts and proportional representation. The ad hoc council proposed a compromise ("Shōsenkyoku hireidaihyō" 1993, 4). Although their efforts were not successful at the time, their moves prompted six major opposition parties to reach agreement on election reform in late May. These six parties formed a non-LDP coalition government in August with two groups that had split off from the LDP, the JRP, and Sakigake.

THE NON-LDP COALITION AND THE BREAKDOWN OF THE SDPJ

Power Struggles within the LDP and the End of LDP Dominance

From December 1992 to June 1993, the political world was rocked by two events: a power struggle within the LDP, initiated by the Takeshita faction, and the emergence of a nonpartisan movement calling for political reform. Aware that the Miyazawa cabinet was to be reshuffled in early December 1992, the Obuchi group took the initiative in seeking to assume control of the posts that would be allocated to the Takeshita faction. The Hata-Ozawa group in the Takeshita faction opposed the actions of the Obuchi group and decided to form their own faction. The Obuchi group, the fourth largest grouping within the LDP, received three ministerial posts, including the powerful post of construction minister. More importantly, Kajiyama, a leader of the anti-Ozawa forces, was appointed LDP secretary-general. Although two ministerial positions were awarded to the Hata-Ozawa group—directors-general of the Economic Planning Agency and the Science and Technology Agency—these posts were less influential. The Hata-Ozawa group announced one week later that it was leaving the Takeshita faction. By the end of

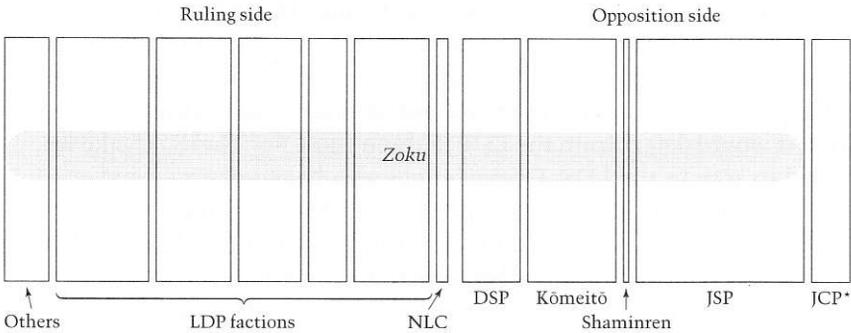
1992, the Hata-Ozawa faction was calling for political reform, deriding members of the LDP mainstream factions as antireform "conservatives."

Meanwhile, younger LDP politicians took further action. Members of the Utopian Politics Study Group, led by Takemura Masayoshi, organized the System Reform Study Group, a nonpartisan group, in December. At their first meeting in January 1993, the LDP members were joined by members from five opposition parties, including Eda Satsuki and Kan of Shaminren and Hosokawa of the JNP (*Asahi Shimbun Seiji-bu* 1993, 53). Of course, by organizing young LDP pro-reform members Takemura also intended to increase his own political influence. When Hosokawa asked Takemura and his allies in the LDP to join the JNP at the end of 1992, Takemura spurned the offer, preferring to form his own new party first and then join the JNP later on an equal footing with Hosokawa (*Ôtake* 1996, 274). The conservatives also formed interfactional groups. In February 1993, 75 mid-ranking and senior members, including YKK leaders, organized a group to oppose the LDP Heisei reform group. At the end of May, Group New Century, led by the YKK trio, was formed with 64 members.

Impetus for political reform increased dramatically in March, when Kanemaru was arrested in connection with the Sagawa scandal for violating the Income Tax Law. When prosecutors searched his office, they confiscated cash, gold bullion, and bank debentures totaling ¥4 billion. Shortly thereafter a new scandal came to light when several major construction companies were found guilty of providing illegal political donations to Kanemaru totaling nearly ¥1 billion a year. The LDP expeditiously drafted guidelines for political reform to counter public criticism, but it was unclear whether party leaders would fullheartedly promote legislation based on these guidelines.

At this point, reform groups within the LDP began to cooperate with their counterparts in opposition parties to bring about political reform. When the Miyazawa cabinet threatened the reformers with dissolution of the Lower House in May, the Group of Junior Members for Political Reform protested by collecting signatures of LDP Diet members who agreed that electoral reforms should be carried out before the dissolution of the Lower House. Two hundred and four LDP members signed in defiance of LDP efforts to control the actions of the young reformers ("*Kanjichō ni nihyaku-yo-nin*" 1993, 7).

Figure 2. Ruling-Opposition Relations in the 1980s



NOTE: The size of the boxes denotes party or faction strength after the 1983 Lower House election.

*The JCP has no *zoku* members.

The most impressive reform initiative at this time was the formation of the Solidarity of Transactional Junior Members for Political Reform in June 1993. This group was organized with 55 members elected in 1990: ten from the LDP, 23 from the SDPJ, 11 from Kōmeitō, and one from the DSP. They agreed to cooperate in a push for passage of the electoral reform bill.

These cooperative moves within the LDP and between the ruling and opposition parties in the cause of political reform differed markedly from that of the 1980s. LDP factions and political parties in the 1980s had vertical power structures, based on members' seniority. Interfactional activities based on policy issues were horizontally structured, bringing together *zoku*—mid-ranking and senior Diet members with common knowledge, interests, and involvement in a specified policy area—in networks with bureaucrats and interest groups (Satō and Matsuzaki 1986, chap. 4, especially 92). Although the *zoku* members were relatively senior, their expertise and experience was the primary source of their influence. It should be noted that *zoku* relations extended to opposition party members (see fig. 2). *Zoku* members in the opposition usually belonged to Diet committees dealing with their special interests. Opposition *zoku* members often shared common interests with their counterparts in the LDP, and they played key roles when their parties decided positions and tactics on legislative matters.

In this context, the actions taken by the Hata-Ozawa faction could be categorized as traditional factional fragmentation. Although 12

members of the 1986 cohort and seven from the 1990 cohort defected from the LDP with Hata and Ozawa and joined the JRP, their decision was motivated primarily by considerations derived from a faction-based power struggle. Ozawa was said to have had no desire to leave the LDP prior to the June 19, 1993, announcement by the Sakigake group that it would defect from the LDP (Hirano 1996, 80). Had Sakigake decided to stay in the LDP, Ozawa might also have remained and continued to struggle against his opponents within the party.

Unlike the behavior of the Ozawa group, the actions taken by other young pro-reform Diet members, including newly elected members of the SDPJ, differed greatly from those that took place in accordance with the traditional power structure: Their actions were interfactional without consideration for seniority. These cooperative efforts between pro-reform members of both the LDP and the opposition parties weakened the once solid factional structure that had developed over the previous two decades. They thus lowered the barriers between factions and narrowed the gap between the ruling and opposition parties (see table 2 for a listing of transfactional and transpartisan groups).

*The Four Coalition Governments and
the Breakdown of the SDPJ*

The Lower House was dissolved when a no-confidence motion against the Miyazawa cabinet was passed on June 18, 1993. After the general election in July, the LDP was unable to maintain its majority in the Lower House. But this was not a direct result of the election itself, since the LDP was able to secure 223 of the 511 seats in the Lower House, almost the same as its preelection strength of 227 seats. The reason the LDP lost its majority was not electoral defeat, but the decision of the Hata-Ozawa faction and the Sakigake group to leave the party before the election was held. The Hata-Ozawa group created the JRP with 36 members and the latter group of ten members organized Sakigake as a party, enabling both groups to campaign under their new party banners.

Only one party was truly vanquished in the general election—the SDPJ. The SDPJ lost considerable support, as it saw its seats decline by almost half from its preelection strength of 134 to 70. Although the SDPJ was still the second largest party after the LDP, it was no longer powerful enough to take the initiative in organizing non-LDP forces. SDPJ Chairman Yamahana was blamed by left-wing members for the

Table 2. Major Transactional and Transpartisan Groups

TRANSACTIONAL GROUPS IN THE LDP	
October 1986*	Study Group on a New Tax System (40 younger members)
September 1988	Utopian Politics Study Group (10 freshman members)
March 1989	Diet Members for Political Reform (14 younger members)
April 1989	Liberal Reform Federation (36 younger members)
September 1991	YKK group (three senior members)
December 1991	Group of Junior Members for Political Reform (54 young members)
February 1993	LDP Heisei reform group (33 younger members)
May 1993	Group New Century (64 antireform members)
June 1993	Transactional Liaison Committee for Political Reform (middle-ranking members)
June 1993	Members League for Political Reform (159 members)
August 1993	Democratic Politics Study Group (some 50 antireform members)
August 1993	Group for Clean Politics (169 antireform members)
TRANSACTIONAL GROUPS IN THE JSP/SDPJ	
March 1990	New Wave group (30 freshman members)
March 1990	Group of 1990 (32 freshman members)
November 1990	New Power (former Group of 1990)
January 1991	Social Democratic Forum (left-wing members)
May 1991	Action New Democracy (freshman members in both the Upper House and the Lower House)
November 1991	Leadership 21 (23 freshmen members)
November 1991	New Political Generation Forum (middle-ranking members)
April 1993	Party Reform Federation (87 right-wing members)
May 1993	Heisei Forum (25 members)
December 1993	The Democrats (40 reformers of eight SDPJ groups and 10 former Lower House members)
TRANSPARTISAN GROUPS	
October 1991	Strong Wind Group (23 freshman members from the LDP, SDPJ, Kōmeitō, and DSP)
November 1991	Group of Comparative Political Studies (21 freshman members from the LDP, SDPJ, Kōmeitō, and DSP)
November 1992	Sirius (21 SDPJ freshman members from both the Upper House and the Lower House, two Shaminren members, and four Upper House Rengō members)
January 1993	System Reform Study Group (19 freshman members from the LDP, SDPJ, Kōmeitō, DSP, and JSP)
June 1993	Solidarity of Transactional Junior Members for Political Reform (55 members from the LDP, SDPJ, Kōmeitō, and DSP)

NOTE: Younger members refers to Lower House members elected less than five times. Young members are those elected less than three times.

*Month and year of formation.

SDPJ's failure in the election, and he was replaced by left-wing leader Murayama in September.

An eight-party coalition government was established on July 29 under Ozawa's leadership, and Hosokawa was appointed as prime minister on August 6. The eight-party coalition, including the SDPJ,

announced that it would adhere to the LDP's foreign and security policies, which implied that the SDPJ tacitly accepted the constitutionality of the SDF and its participation in overseas peacekeeping operations.

The most important task for this non-LDP coalition was political reform. At his first press conference in August, Hosokawa promised to push through legislation for political reform by the end of 1993, and in September he introduced a political reform bill to the Diet. This political reform initiative again fostered dissension within both the LDP and the SDPJ. In the LDP, proponents of reform numbered some 200 by the end of August. Antireform LDP members established their own groups, including the Democratic Politics Study Group with some 50 members and the Group for Clean Politics with 169 members (Uezumi 1995, 226-27; tables on 56-59, 109-112, 186-195). SDPJ infighting intensified between the right wing, led by former chairmen Yamahana and Tanabe, and the left wing, led by Murayama. Right-wing and centrist members joined with members of the Democratic Reform Party and Shaminren to establish a group they called The Democrats in December 1993 (Akamatsu 1994).

The vote on the political reform package tested the allegiance of both LDP and SDPJ members. In the vote in the Lower House chamber in November 1993, five SDPJ members stood against the government-sponsored bill and 13 LDP members supported it. Four LDP members, including three first elected in 1986 who supported the bill, defected from the LDP after the vote. In January 1994, the bill was narrowly approved in the Upper House Special Committee on Political Reform by a vote of 18 to 16, including one LDP vote in its favor. When it reached the Upper House chamber, however, the bill lost 118 to 130, mainly due to opposition by 17 SDPJ members. The Hosokawa cabinet was forced to yield to the LDP and accept its proposed legislative revisions.

After the watered-down political reform package finally cleared the Diet, the centripetal force binding the ruling coalition seemed to weaken. Differences between Ozawa, a key member of the ruling alliance, and Takemura, chief cabinet secretary of the Hosokawa cabinet, gradually came to the surface. LDP antireform "conservatives" approached Sakigake and the left wing of the SDPJ to propose collaboration. These groups shared anti-Ozawa feelings and a dovish position on security policy. Ozawa tried to encourage reform proponents in the LDP to leave the party and join the coalition.

In early April 1994, Hosokawa suddenly announced his resignation

as prime minister, after he was questioned about a ¥100 million loan from Sagawa Kyūbin, the parent company of Tokyo Sagawa Kyūbin, which had been party to the Kanemaru scandal in 1992. About this time two more groups split from the LDP. One was a group of Watanabe faction members, who supported Watanabe Michio as successor to Hosokawa. Seven of these members formed the Liberal Party. The other group, comprising five members of the Miyazawa faction, formed Mirai (New Vision Party). These groups could be categorized as faction-based movements.

Two weeks later, the non-LDP coalition appointed Hata as Hosokawa's successor. On the same day he was appointed prime minister, the JRP, the JNP, and the DSP established a parliamentary group in the Lower House. The SDPJ strongly criticized this action, regarding it as a move designed to contain the party's influence, and in retaliation withdrew from the ruling coalition, which led Hata to form a minority cabinet.

After withdrawing from the coalition, the SDPJ divided into two blocs: the right wing, comprising those who continued to feel an affinity with the non-LDP Hata cabinet, and the left wing, whose members resented what they saw as Ozawa's high-handed ways and were thus willing to consider cooperating with the LDP's antireform conservatives. In late June, the LDP, the SDPJ, and Sakigake tried to introduce a no-confidence motion against the Hata cabinet, forcing Hata to resign as prime minister. While the right wing of the SDPJ sought to rejoin the non-LDP coalition, LDP conservatives tried to persuade the left wing of the SDPJ to join with them in a coalition, sweetening their argument by proposing that the SDPJ would be awarded the prime ministership. In June 1994, the LDP-SDPJ-Sakigake coalition government was established.

As a coalition partner, the SDPJ was forced to revise its traditional foreign and security policies. Replying to a question from an opposition leader, Prime Minister Murayama announced in the Lower House in late July that the SDPJ now accepted the existence of the SDF and the necessity to maintain security ties with the United States. The SDPJ ratified Murayama's position in September. The SDPJ's ultraleftists, not surprisingly, would not sanction the party's policy reversal. When Murayama resigned as prime minister in January 1996, this group split from the SDPJ and formed the New Socialist Party. The right wing, on the other hand, organized a new policy group, the New Democratic

Coalition, in August 1994. Most of these members later defected from the SDPJ and helped establish the Democratic Party of Japan (DPJ) in September 1996, just prior to the Lower House general election.

CONCLUSION

As I discussed above, younger members in both the LDP and the SDPJ played important roles in overthrowing the stagnating, often deadlocked political system that had developed in the 1970s and the 1980s. The LDP's seniority-based factional system seems to have reached its apex in the mid-1980s. Each LDP faction functioned almost like an independent political party, by offering support to electoral candidates, raising funds for its members, participating in the government by placing members as ministers and vice-ministers, and advocating its own policy positions, especially during the LDP presidential race. In other words, the LDP's structure was that of a coalition of party-like factions.

Many younger members in the LDP, however, began to adopt stances at variance with party policy in the late 1980s, when they confronted such controversial issues as introduction of a new tax system and political reform. About the same time, the SDPJ was joined by newly elected Diet members who were uninvolved in the traditional ideological disputes between the party's right and left wings. They organized nonideological, policy-oriented intraparty groups and debated structural reform of the party. Young members from both the LDP and the SDPJ even worked cooperatively to achieve political reform in 1993.

They were also the core of political realignment in the 1990s. Forty-one of the 46 LDP freshmen who were elected first in 1986 were reelected in the 1990 Lower House election. In June 1993, eight left the LDP to join the JRP and six left to form Sakigake. Another three split from the LDP when the political reform bill passed the Lower House in November 1993. In April 1994, after Prime Minister Hosokawa announced his resignation, another three quit the LDP. By the summer of 1994, only 23 of the 46 remained in the LDP. Meanwhile, 26 of the 60 JSP freshmen who were elected first in the 1990 Lower House election survived the 1993 Lower House election. They were banded into small groups, reflecting the SDPJ/SDP's disarray. In the 1996 general election, 35 of the 1990 cohort ran from five parties: six from the SDP, 22 from the DPJ, two from the Democratic Reform Party,

two from the NFP, and three from the New Socialists. Only two of the 14 seats these candidates won went to members of the SDP.

Factional coherency weakened in both the LDP and the SDPJ during the Hosokawa and Hata governments in 1993 and 1994. Although strong LDP reform advocates such as the Sakigake group and the Hata-Ozawa group had already left the party, the LDP was still divided into pro-reform and antireform (conservative) blocs. Observers expected several more pro-reform members to defect from the LDP between the fall of 1993 and the winter of 1994. The SDPJ also contained two blocs, a conservative, left-wing group led by Chairman Murayama and a pro-reform group under Secretary-General Kubo Wataru. Despite this internal rift, the SDPJ finally succeeded in shifting to what most of the electorate considered to be more "realistic" policies in 1994, though this was largely a quid pro quo for being awarded the prime ministership for the first time since 1948.

In this sense, an alliance between LDP conservatives and SDPJ conservative (although ideologically left wing) members under Prime Minister Murayama in June 1994 was reasonable and understandable. Faced with the opposition of young reformist members, conservatives in both the LDP and the SDPJ cooperated with each other in order to survive. For many LDP members, the decision to support the SDPJ chairman for prime minister was a thunderbolt, a radical shift in allegiance that was difficult for them to accept. It is likely that, had Hata reconstructed his cabinet with SDPJ pro-reform members after his announcement to resign in late June 1994, more members would have defected from both the LDP and the SDPJ to join the ruling coalition.

In the first Lower House general election under the new electoral system, held on October 20, 1996, the LDP received 239 of 500 seats. Although the SDPJ had changed its name to the Social Democratic Party (SDP) in both Japanese and English in January, it found it difficult to make over its image among the electorate. The SDP had already lost its *raison d'être* as an anti-LDP party. The SDP and Sakigake were soundly defeated, with the SDP capturing only 15 seats and Sakigake only two, largely because many of their members left to join the newly established DPJ shortly before the election. As with the coalition government between the LDP and the New Liberal Club from 1983 to 1986, voters soon forgot the achievements of smaller coalition partners. After the 1996 general election, both the SDP and Sakigake

agreed to stay in the coalition framework with the LDP, but they refrained from joining the cabinet. In September 1997, the LDP regained a majority in the Lower House for the first time since June 1993, as members defected from the opposition parties and rejoined the LDP.

In late May 1998, while preparing for the Upper House election, the SDP and Sakigake announced their intention to dissolve their coalition with the LDP. However, this strategy of emphasizing their independence from the LDP failed to impress voters in the Upper House election in July. The SDP won only five of 126 seats, while Sakigake was unable to claim a single seat.

The 1990s was a period of tumultuous change in Japan's party system. Under the system of LDP dominance that had prevailed until the summer of 1993, relations between the ruling and opposition parties were both stable and unvarying. The LDP president was automatically appointed to be prime minister, and the JSP/SDPJ could enjoy its status as the largest opposition party under the multiseat electoral system.

In the coalition era that has held sway since 1993, all of the political parties have had a chance to join the ruling government. The Hata-Ozawa faction and the Sakigake group split off from the LDP and established a non-LDP coalition with six opposition groups in 1993. The following year, the SDPJ and Sakigake left the non-LDP camp and formed a three-party coalition with the LDP. In this situation, a party's most critical decision was whether to stay on the ruling side or join the opposition. After a stint as part of the opposition, the LDP decided to return to the ruling side by whatever means necessary. The party thus opted to cede the prime minister's post in forming an alliance in June 1994 with the SDPJ, its rival for almost 40 years.

With the enactment of political reform laws, including introduction of the new electoral system, the political landscape has changed yet again. Contributions to factions of political parties were prohibited by the revised Political Fund Control Law of 1994, which has weakened the power of LDP factions, while the power of parties has been strengthened with the introduction of public subsidies for political parties. Under LDP Presidents Kōno Yōhei and Hashimoto, neither of whom were faction heads, LDP factions lost their traditional role as organizations backing their leaders in vying for the LDP presidency. With the rise of new leaders after the 1996 Lower House election, LDP factions have again entered a period of reorganization.

Unlike under the previous multiseat district system, what matters

most under the single-seat district system is not which party or faction a candidate belongs to, but whether the candidate can draw enough votes to prevail in the election. The winning candidate in a single-seat district can represent his or her electoral district exclusively. This is why many former LDP members returned to the LDP, both before and after the 1996 election.

The period from the summer of 1993 to the fall of 1996 was a time of transition comparable in its volatility to the years from 1951 to 1955, when the chaotic postwar political system was transformed into a system characterized by LDP dominance. The widely held expectation that the political system would evolve to feature two competitive conservative parties suddenly collapsed with the dissolution of the NFP at the end of 1997. However, the LDP's defeat in the 1998 Upper House election prevented the revival of single-party dominance, and Japanese politics again entered a coalition period. It now looks unlikely that a new party system will be firmly established within the next few years.

NOTES

1. The term "1955 system" has at least four meanings: (1) the structure of the two-party system formed in 1955; (2) ideological confrontation between the LDP and the Japan Socialist Party (JSP; the name of the SDPJ in English until 1991); (3) major policy differences between the LDP and the JSP on the Constitution and security issues since the 1950s; (4) collaborative management of Diet affairs by the LDP and the JSP (Wada 1999, 29). In this chapter, I will use the term "system of LDP dominance," emphasizing the party system structure from 1955 to 1993, except when I specifically refer to the two-party system of the late 1950s as the "1955 system."

2. In the spring of 1987, LDP leaders succeeded in controlling "rebels" who opposed the introduction of a sales tax by threatening them with expulsion from the LDP ("*Uriagezei zōhan-giin*" 1987, 1). Ironically, many LDP Lower House members and SDPJ House of Councillors members who did not follow their parties' position on political reform later left their parties during deliberations on a political reform bill in 1993 and 1994.

3. Although it was commonly said in the 1980s that a candidate needs ¥500 million to win in the Lower House election, there is no available data that discloses the amount individual candidates spent on their campaigns except during the official campaign period. In the spring of 1989, some first-term LDP members of the Utopian Politics Study Group agreed to disclose their annual

political expenditures. Their average annual spending to maintain their offices, including paying staff salaries, came to more than ¥100 million per member. One can imagine how prohibitively expensive campaign costs are for younger Lower House members who lack the access to campaign funds enjoyed by senior members ("Shikin atsume anote konote" 1989, 2).

4. The most important power-sharing norm is associated with the LDP's four top positions: president, secretary-general, chairman of the General Council, and chairman of the Policy Research Council. After the Miki administration in 1974, these positions were typically divided among members of the four major factions (Curtis 1988, 86-87).

5. Takeshita maintained a 40 percent approval rating in public opinion surveys from November 1987 to October 1988. After the Recruit scandal came to light, however, his support rate dropped sharply to the 20 percent level by December 1989, and down into the teens by March 1989 ("Approval Rate of Takeshita Cabinet" 1989).

6. In an effort to resolve the contradiction since 1954 between the party's position on the SDF and the actual existence of the SDF, the JSP introduced a unique and somewhat contradictory interpretation of the SDF in the mid-1980s, which posited that although the SDF was established by the Diet in accordance with proper legal procedures, the SDF itself was in violation of the Constitution (*iken gōhō-ron*).

7. Under the U.S. occupation, 20 minesweepers from Japan's Coast Guard Agency (later reorganized as the Maritime Self-Defense Force) were dispatched to the Korean peninsula in 1950 during the Korean War (Yomiuri Shimbun Sengoshi-han 1981, chap. 2). Regarding the Japanese government's policy toward the Gulf, see also Tejima (1993).

8. In this chapter, I will use the term "conservatives" to refer to those who took a passive or negative stance toward political reform during deliberations from 1992 to 1994.

9. According to Hirano Sadao, an advisor to Ozawa, Kajiyama initiated the deal with the Prosecutor's Office (Hirano 1996, 60-61).

10. Five of the newly elected members belonged to both groups, while three did not belong to either ("Shakaitō tōsen" 1990, 2).

11. The chairmen frequently met to resolve problems between ruling and opposition parties regarding management of Diet matters. These discussions at the party head level functioned as the most important channel of communications between the ruling and opposition parties in the Diet in the 1970s and 1980s.

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