Overview

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FROM a historical perspective, the 1990s in Japan can be called a time of political upheaval on a par with the decade after the end of World War II. In 1993, the Liberal Democratic Party (LDP), which had monopolized power for 38 years, was ousted in the House of Representatives (Lower House) election and Japanese politics entered a coalition era. During the period of one-party dominance from 1955 to 1993, the LDP had only once needed to ally with another party. Having secured only a marginal majority by recruiting some conservative independents after the 1983 Lower House election, the LDP formed a coalition government with eight members of the New Liberal Club (NLC), a splinter of the LDP. The coalition dissolved in the summer of 1986, when the LDP absorbed the NLC.

The coalition governments of the 1990s, however, are far more significant politically than the LDP-NLC coalition of the 1980s. From 1993 to the first half of 1999, three types of coalition governments were organized. The first one was a non-LDP coalition with eight parties installed under Prime Minister Hosokawa Morihiro in August 1993. The Hosokawa government succeeded in passing a controversial political reform bill through the Diet in early 1994, but Hosokawa's sudden decision to resign as prime minister in early April that year left most other issues on the government's docket unresolved. After some maneuvering within the coalition, Hata Tsutomu formed a minority government following the withdrawal of both the New Party Sakigake (*sakigake* means "pioneer") and the Social Democratic Party of Japan

(SDPJ) from the coalition. The Hata cabinet was forced to resign in June 1994, when the LDP, the SDPJ, and Sakigake tried to introduce a motion of no-confidence against the Hata cabinet.

The second type of coalition government was a three-party coalition with the LDP, the SDPJ, and Sakigake, which replaced the non-LDP coalition at the end of June 1994. The LDP returned to power by agreeing to support the SDPJ's chairman, Murayama Tomiichi, as prime minister. The SDPJ, formerly named the Japan Socialist Party (JSP), and the LDP were longtime rivals, and their alliance stunned the electorate. When Murayama resigned abruptly in January 1996, he was replaced by LDP President Hashimoto Ryūtarō. Immediately after Murayama's resignation as prime minister, the SDPJ changed its name to the Social Democratic Party (SDP) and tried to increase its appeal to the electorate by presenting itself as a party adaptive to the new situation in the post–cold war era.

The 1996 Lower House election—the first election under the new electoral system—seriously damaged the LDP's coalition partners, the SDP and Sakigake. The former won 15 of the 500 seats in the Lower House, and the latter won just two—far fewer than its preelection strength of nine seats. Although both parties agreed to stay in the coalition with the LDP, they declined representation in the new cabinet formed after the election. The LDP won 239 seats, or fewer than half of the Lower House seats. Later, however, some former LDP members returned to the LDP one by one, giving it a majority in the fall of 1997.

At the end of May 1998, the SDP and Sakigake announced they would leave the coalition to prepare for the House of Councillors (Upper House) election. Although the LDP then dominated power in the Diet for the first time since 1993, stable rule was brief. The LDP suffered a stunning defeat in the Upper House election in July 1998, forcing it to form a new coalition. In November, the LDP reached agreement with the Liberal Party (LP), and their coalition government—the third type—was installed in January 1999.

The coalition era of the 1990s was also a period of change in the party system. Many political parties appeared on and disappeared from the political stage. The Japan New Party (JNP) was established in 1992. Sakigake and the Japan Renewal Party (JRP) were formed by politicians who split from the LDP when the Lower House was dissolved in June 1993. In late 1994, the New Frontier Party (NFP) was established

through a merger of six parties, including the JRP, the JNP, Kōmeitō (Clean Government P arty), and the Democratic Socialist Party (DSP). These four parties had supported the Hata government, which fell from power in June 1994. The NFP broke up into six political parties and groups at the end of 1997. After the Democratic Party of Japan (DPJ) was established in September 1996, many members of the SDP and Sakigake switched to the DPJ before the 1996 Lower House election. As a result of these mergers, splinters, and changes of allegiance, by the fall of 1998 only two parties, the LDP and the Japan Communist Party, remained of the nine that had existed in the summer of 1993.

How has the shift from LDP dominance to coalition governments affected the policy-making process? What factors brought about these political changes and power shuffles? The party system change and the coalition governments in the 1990s forced political scientists to reconsider the views on Japanese politics developed under LDP dominance, and to reconstruct the theoretical framework of Japanese politics.

In this book, seven political scientists present in-depth analyses of power shuffles and policy-making processes in Japan in the 1990s. The first three chapters offer case studies of policy making under coalition governments.

Chapter 1 discusses the establishment of long-term health care insurance for the elderly. Long-term health care insurance for the elderly was originally discussed by scholars and bureaucrats of the Ministry of Health and Welfare in the late 1980s as part of a new welfare vision for an aging society. The Hosokawa coalition government put this plan on its agenda in 1994, and the legislative process was initiated under the three-party coalition. Author Etō Murase Mikiko argues that the "three-party coalition lessened the influence of the LDP *zoku* [Diet members specializing in welfare policy]," whose main role under LDP rule was to act as intermediaries between bureaucrats and pressure groups. This setup had enabled the project team members of the ruling side to be involved in drafting the bill. Another influence on the policy-making process for long-term health care insurance was the involvement of new actors. In addition to the traditional pressure groups in welfare policy (such as the Japan Medical Association and the National Federation of Social Welfare Councils), labor unions, citizens' groups, and municipal governments were part of the process and affected its outcome.

Chapter 2 focuses on administrative reform of public corporations,

or quasi-governmental organizations dealing with public finance and business operations. Public corporations had been criticized for their inefficiency and for interfering with private business activities, but reforms of those organizations were stymied by bureaucrats who had jurisdiction over them. Tatebayashi Masahiko argues that Murayama's three-party coalition put this issue on its agenda and achieved "more successful" reforms than the LDP government had in the early 1990s. At the time of formation of the coalition with the LDP, their former rival, the SDPJ and Sakigake needed a rationale for allying with the LDP. Sakigake was enthusiastic about reform and the SDPJ lent its support. Public-sector labor unions supporting the SDPJ could not help dampening their criticism of the government, because the SDPJ held the prime ministership. The LDP, which had defended the bureaucracy during its 38-years rule, had seen its ties with bureaucrats weaken during the ten months the party belonged to the opposition ranks. These changes under the three-party coalition "had a certain impact on the reform process."

Chapter 3 reviews telecommunications policy undertaken in tandem with the consideration of issues concerning the privatization and deregulation of the telecom giant Nippon Telegraph and Telephone Public Corporation (Denden-kōsha). Japan's three major public corporations, including Denden-kōsha, were privatized by the Nakasone LDP government in the mid-1980s. Although the other two public corporations were downsized or divided at the time of privatization, Denden-kōsha was privatized into Nippon Telegraph and Telephone Corporation (NTT) as a whole on condition that a review of its structure be undertaken within five years. Thus, NTT became the largest private company in Japan. In 1990, a final decision on NTT's structure was deferred another five years, causing the issue to be reviewed under the three-party coalition. Toyonaga Ikuko explains how NTT's trade union, which had exerted strong influence on the government in the late 1980s, became "marginalized" because Rengō (Japanese Trade Union Confederation), the new national center of trade unions, was weakened by the split of its supporting parties, the SDPJ and the DSP (later the NFP), between the government and the opposition after June 1994. Although the final decision on the structure of NTT was postponed again until after the 1996 Lower House election, the LDP government decided at the end of 1996 that NTT should be divided into three companies.

Chapter 4 considers the degree of similarity and difference among the policy-making processes of the LDP government and those of the various coalition governments. Decision making under the LDP government is characterized as bottom-up decision making because subcommittees of the committees in the party's Policy Research Council were monopolized by *zoku* members since the 1980s. Decision making under the Hosokawa eight-party coalition government, in contrast, relied on the leadership of Ozawa Ichirō, the key person behind the formation of the non-LDP coalition in the summer of 1993. The Hosokawa government succeeded where the LDP had failed in maneuvering the controversial political reform bill through the Diet. Ozawa's high-handed, top-down style of decision making, however, caused friction among the eight coalition partners, especially between the SDPJ and Sakigake. Nonaka Naoto argues that this antagonism motivated the formation of the SDPJ-Sakigake-LDP coalition that replaced the non-LDP coalition in June 1994. The Murayama government introduced the bottom-up style of policy making, by emphasizing the principle of "politics by consensus." It was "an effective return to how the LDP had governed under one-party dominance" before 1993.

Chapters 5 through 7 discuss the structural change in Japanese politics during the 1970s and 1980s that acted as the catalyst for the collapse of one-party dominance and party system change in the 1990s. In chapter 5 I present the backdrop to the political events of the last decade of the century by examining the impact of voter preference on party realignment and policy conflict from the 1970s to the present. The party system change that occurred in Japan after 1993 was not based on a bias alteration by a large segment of the population, or what is referred to as "party realignment" in political science. (In this book, we use the term political realignment or party system change, instead of party realignment, to explain the political change in Japan in the 1990s.) Three political parties newly founded in the early 1990s—the JNP, the JRP, and Sakigake—were led by three key figures, Hosokawa, Ozawa, and Takemura Masayoshi, respectively. They intended to "induce party realignment from the top" by offering their new policy packages with a clear axis of policy conflicts vis-à-vis other parties. The new stable left-right scale, however, failed to replace the traditional left-right scale between the LDP and the JSP, and these parties could not gain and stabilize support through new policy packages.

Chapter 6 discusses two decades of SDPJ structural reform, including

the era before 1991 when the SDPJ was called the JSP. The JSP/SDPJ had a long tradition of intraparty cleavage between the leftists and the rightists since the 1950s, and the leftist groups were dominant within the party because of their strong influence in local chapters. As such, Marxism and constitutional pacifism deeply affected the JSP's policies until the early 1980s. Shinkawa Toshimitsu argues that the transformative process of overcoming the influence of Marxism was a consequence not of the JSP/SDPJ's own efforts for party reform, but of the labor unions' rightward shift in the mid-1980s. The party's adherence to "constitutional pacifism" was rather strengthened by the popular Chairperson Doi Takako in the early 1990s, but in 1994 the SDPJ suddenly abandoned constitutional pacifism when its chairman, Murayama, was named prime minister. The SDPJ's swing to the right, however, led to its splintering and weakening into a minor party in 1996.

Chapter 7 argues that new actors in Japanese politics facilitated the party system changes in the 1990s. Wada Shūichi focuses on two new types of actors: younger-generation politicians of the LDP and the JSP/SDPJ who were first elected to the Diet in 1986 and 1990, and forces raised outside the political establishment. Young politicians who entered politics after the mid-1980s were relatively free from traditional factions or ideological values. When faced with the criticism of the electorate over political scandals, they responded positively concerning political reforms. Forces outside the political establishment, including Rengō, advisory groups such as the Nongovernmental Ad Hoc Council for Political Reform, and the JNP (whose members were all newcomers to the Diet), hoped to influence the established political parties by calling for political reforms. Cooperation between these outside forces and the younger generation politicians on political reform caused discord within the established political parties. These movements weakened the traditional structure of the LDP and the SDPJ, thus leading to political change in the 1990s.

In the fall of 1999, another type of coalition government emerged between the LDP, the LP, and Kōmeitō. This new coalition is very powerful, holding 357 of the 500 seats in the Lower House. The second Lower House election under the new electoral system will be contested before October 2000. It is expected that retrospective voting rather than issue voting will characterize the election, as people will use their ballots to convey their judgement of the policy achievements of this

new three-party coalition. Since the collapse of one-party dominance, voters' choices have shifted radically in every national election. In this context, politics in Japan is still in the process of "de-alignment" from the voting pattern under one-party dominance, and it could be difficult for a stable party system to emerge under the new electoral system.