FACTIONAL DYNAMICS IN JAPAN'S LDP SINCE POLITICAL REFORM

Continuity and Change

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Japanese politics in recent years has experienced changes so rapid and thoroughgoing that even careful Japan watchers can hardly keep track of all the details. The country has had nine prime ministers since 1990. More than 10 new political parties have emerged and then disappeared during that time, while the alignment and realignment among political forces have often gone beyond traditional partisan identity. Yet, despite the amazing magnitude and rapidity of political change, few analysts claim that Japan's political transformation has finally stabilized.[1] As Otake Hideo suggests, the current political change represents a restructuring of the political marketplace mainly among politicians rather than a significant voter realignment on the part of the general electorate.[2]

The current round of political transformation began with the downfall of the Liberal Democratic Party (LDP), which had been Japan's ruling party for 38 years starting in 1955. This loss occurred principally because the faction led by Ozawa Ichiro bolted from the LDP (the party was able to return to power through backdoor deals reached with its former archenemy, the Social

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1. See for example T. J. Pempel, *Regime Shift* (Ithaca, N.Y.: Cornell University, 1998); and Gerald L. Curtis, *The Logic of Japanese Politics* (New York: Columbia University Press, 1999), especially the last chapter.

2. Otake posits two concepts, political restructuring (*seikai saihen*), which he sees as a realignment among politicians, and partisan realignment (*seitou saihen*), which he sees as a significant in voter alignment. According to him, a partisan realignment has yet to be seen in Japan. Otake Hideo, *Nihon seiji no tairikujiku* [Pillars of contention in Japanese politics] (Tokyo: Chukou Shinshou, 1999), pp. 41–44.

Democratic Party of Japan [SDPJ]). Given that the leader of the majority party generally becomes the prime minister, in essence the selection of who will lead Japan's government is the product of conflict and compromise among the LDP's factions rather than of any popular endorsement. It may be no exaggeration to say that the ways in which specific political situations develop in Japan are deeply rooted in conflict and cooperation among factions within the LDP and the impact thereof on opposition parties.

The impact of this factional struggle goes beyond intraparty competition. Opposition parties continually anticipate the possibility of a faction bolting from the LDP and toppling the party from its position of power, a tactic one-time LDP faction leader Ozawa Ichiro has employed a number of times. Hatoyama Yukio, current leader of the Democratic Party of Japan (DPJ), has not hesitated to call on LDP faction leader Kato Koichi to leave the party and join with him to form a new political force against the LDP, though Kato has repeatedly rejected the idea. Regardless, the fact remains that the potential for a faction within the party to exit the organization, speak with its own voice, or shift its loyalties represents a time bomb whose detonation could reconfigure the world of Japanese politics. Thus, LDP factions both define the limits on what change can occur in Japanese politics generally and bear within them the possibilities of future political upheavals. Without understanding how factions work, it will be difficult at best to grasp the dynamics of Japanese politics now and in the future.

During the period when the political reform campaign was in full swing, factions were characterized as a source of political evil that were a by-product of the existing multimember district electoral system. The government introduced a new electoral system that combined single-member districts with proportional representation in an effort to eliminate factions within the parties and strengthen party leadership. In December 1994, the LDP's then-president Kono Yohei followed up these moves with a declaration that the party's factions should be dissolved. But in reality, none of the major factions voluntarily disbanded their organizational core. Despite the ideals voiced during the political reform drive, factions persist.

This article addresses the puzzle of why factions have survived political reform. While examining the changes and continuities in the attributes and functions of factions in the LDP, I will also address the question of what shape interfactional rivalry has taken following the party's loss of its absolute stable majority. I argue that factions survive because they not only satisfy the career incentives of individual politicians, but they also contribute to the effective management of the party as an organization. The effects of the change in the electoral system are distorted by the existing factions, which are creatively adjusting to the changed political institution. The utilities each faction has for managing party affairs work as a disincentive to their abolish-

ment, especially for party leaders who have a vested interest in maintaining the institution. Furthermore, since the end of LDP one-party dominance, the logic of interfactional coalition within the LDP has come to be closely entwined with the range of choices available for designing any interparty coalition strategy.

Theoretical Perspectives on Factions

It is not surprising, some scholars argue, to find factions in Japan's political parties because one can find similar structures throughout the country's society. The tendency to form factional groupings is regarded by some as a uniquely Japanese phenomenon that stems from distinctive elements of Japanese culture. Commenting on this pattern, former prime minister Ohira Masayoshi once said that two factions could be formed if there were three people.[3] Hierarchical order is preserved as a norm in Japanese society; factions are characterized by such patron-client relations and so to join one may be necessary not only to survive but also succeed in the political realm. Thus, according to this perspective factions are an outgrowth of Japanese cultural traits and so electoral reform is likely to have little impact on factional dynamics in the LDP.

However, while the cultural perspective may explain why factions exist, it does not explain the distinctiveness of the factions within the LDP as opposed to those found elsewhere in Japanese society. LDP factions are not loosely connected informal groups but rather formally institutionalized organizations of politicians with declared membership identities. No factions in a school or a firm have their own offices and secretariats. Each of the LDP factions holds a regular weekly meeting to share information among its members as well as consolidate the faction's identity. When in government, ministerial portfolios are proportionally distributed among the factions according to the size of each.

Furthermore, the cultural perspective does not account for the changing factional dynamics over time. Factions have existed for several decades, but the attributes and functions of each have varied with the times. That this variation has been the rule is especially noticeable when one considers the effects of political reform. If one follows the logic of cultural perspective, no change should be expected because factions are deeply rooted in the culture of the Japanese society. As shall be shown below, however, the mechanism by which factions operate has changed since the political reform drive of the 1990s.

3. Seizaburo Sato and Matsuzaki Tetsuhisa, *Jiminto seiken* [LDP regime] (Tokyo: Chuo Koronsha, 1986), p. 52.

In contrast, the institutional perspective takes the view that factions are a rational organizational response to institutional incentives, especially the electoral system. Factions have little to do with cultural traits. Rather, claim institutionalists, they are the by-product of unique institutional arrangements resulting from the multimember district electoral system.[4] Under this system, a few co-partisan candidates compete with one another by running for election in the same district. Individual LDP candidates have strong incentives to join a particular faction to accommodate intraparty rivalry. In addition to such electoral motivations, LDP politicians have career incentives to be a faction member in order to efficiently climb the ladder of success within the party.[5] Even the number of factions within the party has been interpreted as an adaptation to institutional incentives: it has been alleged that the number of LDP factions was reduced to five to correspond with the maximum number of candidates that the party could field in any multimember district.[6]

The factional system needs to undergo a fundamental structural change if it is to adapt to the new electoral system, according to the institutional perspective. In this interpretation, the 1994 political reform that introduced an electoral system mixing single-member districts with proportional representation has factions breathing their last breath. Regulations were imposed on political funding in return for the grant of public subsidies to political parties. This changed the outlook for factions as a result.[7] Unlike in the past, there now is little electoral connection among faction members. What remains, says the institutional perspective, are mainly those functions related to the allocation of posts within the LDP for which the effects of political reform are indirect and will take a while to appear.

However, the institutional perspective has a hard time explaining why the number of factions has not been reduced since the introduction of the new electoral system. Under a single-member district system, one would have expected such a reduction to have occurred. Also, it is hard for institutionalist logic to explain why one particular faction attracts more faction members than another after an election. Undeniably, the electoral function of factions has declined. New candidates have incentives to not disclose their factional affiliation. Nonetheless, most enter a particular faction because they have had a long-time connection with it prior to and during an electoral campaign

4. Mark Ramseyer and Frances Rosenbluth, *Japan's Political Marketplace* (Cambridge, Mass.: Harvard University Press, 1993), ch. 4.

5. Gary Cox, Frances Rosenbluth, and Michael Thies, "Electoral Rules, Career Ambitions, and Party Structure," *American Journal of Political Science* 44:1 (January 2000), p. 116.

6. Masaru Kohno, "Rational Foundations of the Organization of the LDP in Japan," *World Politics* 44:3 (April 1992), pp. 389.

7. Cox, Rosenbluth, and Thies, "Electoral Reform and the Fate of Factions: The Case of Japan's LDP," *British Journal of Political Science* 29:1 (January 1999), pp. 33–56.

period. They do not shy away from joining a particular faction after getting elected. The Hashimoto faction, which dropped to the third largest faction in the LDP following the 1993 elections, has returned to a position of dominance within the party in the two elections since then. Yet, the institutional perspective has limited power to explain the rise and decline of this or any other faction's power as measured by its membership size. The type of electoral system may explain what external constraints there are on factional dynamics, but it does not define capacity of a given faction to mobilize its organization within the context of the party itself. At the cognitive level, the institutional perspective sees factions as something bad needing to be eliminated. The perspective exaggerates inefficient or dysfunctional aspects of factions while ignoring their positive functions.

In counter to the institutional as well as cultural perspective of factions, the present article regards them as an organizational response to political uncertainty and information asymmetry in a dynamic political situation as well as to such static institutions as electoral systems. Politicians must continually face the challenge of shaping and coping with new political environments while at the same time make the utmost effort to be reelected. A faction serves the dual purpose of reducing uncertainty in the advancement of political careers while providing the chance to collectively share the information that politicians badly need. This perspective, which has more organizational and behavioral nuances than the institutional one, is grounded on a few analytical innovations. First, parties are regarded here as collections of politicians who are not necessarily independent and self-serving individuals solely devoted to advancing their careers but rather work as teams seeking to defend their positions against competitors within and outside the party. Second, the electoral system is not the only institution that matters. Politicians operate within a complex network of multiple institutions, and the interlocking relationship between the multiple connections this network produces defines the way politicians behave. Third, incentives for senior, mid-ranking, and junior politicians should be disaggregated, as factions are not necessarily detrimental to all members of the LDP. Senior leaders tend to feel more comfortable managing the party affairs with the aid of a few factions. Mid-ranking politicians competitively exploit their chances to get good party posts, serving as middle managers within the factions who channel directives down from party leaders as well as demands up from backbenchers. It is the junior politicians who think the most about reelection. The institutional perspective overvalues the incentives to these individuals and exaggerates the utility of factions accordingly. To redress this imbalance, I will highlight below the neglected stories of factional dynamics in the wake of Japan's political reform drive of the 1990s.

Lineages and Development of the LDP's Factions

In the early years of LDP dominance, factions within the party reflected the pre-LDP groupings that were centered around those eminent political leaders who worked out the formation of the new party. Factions were very much the personal entourages of powerful politicians. Accordingly, their organizational structures typically featured an inner core of men intensely loyal to the faction leader and strong *oyabun-kobun* (roughly, senior-junior) relations.

The origins of the LDP's factions lie in the so-called *yatsu no gundan* (eight corps), which existed at the time the party was formed. Originally, the charismatic quality of faction leaders was of primary importance. However, the generational change in faction leadership saw the patron-client relationship evolve into a more collegiate structure with less emphasis on a charismatic leader. Factions acquired a bureaucratic quality in the early 1970s when each one established the internal position of secretary-general (*jimu shocho*). A subsequent change in the political funding law in the mid-1970s facilitated the consolidation of factions to just a few large ones. As a result of these shifts, leaders of the smaller factions lost the funds mobilization capacity that made it possible to maintain the numerous factions by themselves; the so-called "Big Five" factions, however, have been able to sustain their organizational solidarity. The lineage of the Big Five factions is shown in Table 1. Two more factions emerged in the late 1990s when there was a generational change in faction leadership. Kono Yohei established a new grouping within the LDP when Kato Koichi became the leader of the former Miyazawa faction. In 1998, Yamazaki Taku decided to form a second new faction after Nakasone demonstrated hesitancy in appointing him the next leader of the Nakasone faction. Table 2 shows the numerical strength of each faction as of April 2001.

As Watanabe Tsuneo has written, factions perform three major functions: they provide (1) electoral support, including earning party nominations for its members and the mobilization of support; (2) cooperative political funds mobilization; and (3) a means for collective negotiations over portfolio distribution in times of a cabinet reshuffle.[8] Each faction had its own offices, a managerial organization, separate channels for political fund management, and a competitive recruitment system. Factions can be seen as being "miniparties" that operate under the umbrella of the LDP. It is no exaggeration to say that the LDP can best be described as a coalition of factions.

Under the multimember district system, that members of the same party would have to compete among each other was an unavoidable fact if that

8. Watanabe Tsuneo, *Habatsu* [Factions] (Tokyo: Kobundo, 1959), p. 3. See also Sato and Matsuzaki, *Jiminto Seiken*, especially ch. 3.

TABLE 1 *The Lineage of LDP's Big Five Factions, 1955–Present*

Year	*Yoshida Shigeru**	*Kishi Nobusuke*	*Yoshida Shigeru**	*Kono Ichiro*	*M*
1956	Sato Eisaku		Ikeda Hayato		
1961		Fukuda Takeo			
1963			Maeo Shigesaburo	Nakasone Yasuhiro	
1971			Ohira Masayoshi		
1972	Tanaka Kakuei				
1979			Suzuki Zenko		Kom
1986		Abe Shintaro	Miyazawa Kiichi		
1987	Takeshita Noboru				
1989				Watanabe Michio	
1990		Mitsuzuka Hiroshi			
1993	Obuchi Keizo				
1998		Mori Yoshiro	Kato Koichi	Murakami Masakuni	
1999				Eto Takami/ Kamei Shizuka	
2000	Hashimoto Ryutaro				
2001			Horiuchi Mitsuo		

SOURCE: *Asahi nenkan* [Asahi yearbook] (Tokyo: Asahi shinbunsha, 1957, 1962, 1964, 1972, 1980, 1987, 1990, 1991, 1994, 2001); and *Asahi shinbun*, March 19, 1999; July 14, 2000; and February 1, 2001.

* The pre-LDP Yoshida faction split into two factions with the party's founding.

** After Komoto retired on February 26, 1997, this faction was led by collective leadership for several years.

TABLE 2 *Factions within the LDP* (as of April 2001)

	Lower House	*Upper House*	*Total*
Hashimoto faction	63	39	102
Eto-Kamei faction	34	21	55
Mori faction	38	22	60
Horiuchi faction	34	8	42
Yamazaki faction	19	4	23
Kato faction	6	9	15
Former Komoto	12	1	13
Kono group	12	0	12
Independents	22	3	25
Totals	239	107	346

SOURCE: *Asahi shinbun*, April 1, 2001.

party desired to be the ruling party. Given that Japan had 129 districts under that system, a party needed to have at least two candidates elected in the same district to obtain a stable majority. It was an accepted norm among LDP politicians that if a district already had one member from a given faction, the other political aspirant would have to call on a different faction in order to get party endorsement. Faction leaders were also active in recruiting potential members from those districts where their faction had no members. Each faction managed its electoral affairs independently and new faction members usually received their electoral support from members of the same faction.

Second, factions also served as a reliable source of political funds for its Diet members. In the past, faction leaders raised huge amounts of money to distribute to junior members. Each faction utilized this money for helping new candidates get established. Recalled Watanabe Yoshimi, first-term Diet member from Tochigi Prefecture and a son of former faction leader Watanabe Michio, "There was one instance in which our faction poured in more than ¥ 50 million to establish a newcomer who had no financial resources at all. That amount alone may not have been sufficient for him, but there is no doubt that money from the faction played a critical role in his getting elected."[9] Also, it was usually the case that each faction distributed money to individual members at least twice a year. Money was the fuel that kept the faction's engine going.

Finally, factions also oversaw the distribution of cabinet portfolios. To avoid extreme competition, cabinet posts have been distributed in proportion to the size of factions. Internally, key party posts are allotted to mainstream

9. Watanabe Yoshimi, personal interview, Tokyo, July 23, 1999.

factions. Monopoly by a single faction of either government or party posts is deliberately avoided. The factions set an overall numerical framework of portfolio distribution that takes into consideration balance among the factions; each faction then allots posts to individual members, observing a seniority rule based on the number of Diet terms served. This informal distribution system is designed to foreclose unequal treatment of any given faction and serves as a preventive measure against any group taking an exit option. Overall, it provides checks and balances among the party's factions.

The Political Reform of 1994

After years of twists and turns, the Diet in 1994 finally produced a package of political reform bills. An eight-party alliance had been formed against the LDP following the departure of the Ozawa group from the party. The alliance formed a government under the leadership of Hosokawa Motohiro, whose cabinet had made the passage of the reform bills its raison d'etre.

The reform bills came in four sets. The first targeted the introduction of a new electoral system. The new system replaced the 511-seat lower house elected from 129 multimember districts, with two to six candidates running in each district, with a lower house of 500 members, 300 of whom would be elected in single-member districts and 200 in 11 regional proportional representation districts. The second set of bills focused on redistricting. A special commission was formed whose task was to draw the lines for the new election districts. It concluded its work on June 2 and, after earning Diet approval, the new lines went into effect on December 25.

The third set of bills produced a new law regulating political funding. The law forbade companies or organized groups from making contributions to individual politicians, though they could still contribute money to a political party. Individuals were allowed to contribute money to politicians if the total amount remained under ¥ 1.5 million a year. The clause on donor transparency was also stiffened. The names of any individuals buying a ticket to a political fund-raising event that costs more than ¥ 200,000 have to be disclosed to the public. Individuals or organizations must disclose their names if they contribute more than ¥ 50,000 to a politician. In return for the tighter regulations on political contributions, political parties receive subsidies from the government. Public money is reserved for the support of political parties, with the amount calculated on the basis of ¥ 250 per citizen. The funds are distributed to each political party based on the percentage of votes received in each national election.

Finally, the fourth set of bills provided for the strengthening of the penalties on misbehavior. The candidates, their family members, their office staff, and their campaign managers can all separately or jointly be held responsible for any election campaign irregularities or illegal handling of political funds.

If any of these individuals other than the candidate is found guilty, the candidate's election can be legally disputed; if a candidate himself or herself is found guilty, the election is annulled and a new election held.

Refractive Effects and Sustained Power of Factions

Institutionalists expected that the introduction of the reform bills would produce a drastic change in factional dynamics within the LDP. Since only one candidate can be endorsed and elected in a single-member district system, intraparty competition in the same district would end. Candidates would be less likely to disclose their factional affiliation to enhance their chances of receiving cross-factional support; as a consequence, factions were not expected to receive new members. In addition, faction leaders were expected to lose their ability to mobilize funds since public monies were to be channeled directly to the party headquarters under the new law on funding. Faction leaders thus would lose some of their authority to control how party money was distributed. Conversely, the individuals who manage the public subsidies—the party president or the secretary-general—were certain to gain more power within the party. Though faction leaders retained power related to the distribution of portfolios, it is expected that faction solidarity will decline rapidly owing to the weakening of the factions' role in providing electoral support.

However, the effects of the changes to the electoral system haven't been as simple as the institutional perspective argues. Changes to several aspects of factional dynamics have been found, as will be shown below, but those changes are not necessarily as fundamental as institutionalists might claim. The effects of political reform are more refractive in the sense that the faction managers are working harder to mold and bend their organizations to conform to their own preferences and organizational interests in a changed institutional environment. Factions did not simply disappear; rather, they have preserved their organizational form but with different attributes.

There is no denying that the factions' electoral functions lessened following passage of the reforms. The intense competition among copartisans in the same district disappeared after the introduction of a single-member district system. With the LDP nominating only one candidate per district, members of the same party no longer need to manage their electoral affairs competitively. The point of Tanaka Kakuei's statement that "factions would disappear without multimember district system"[10] was that the factions' political recruitment function would be fundamentally transformed if the electoral formula were to change.

10. Uchida Kenzo, *Habatsu* [Factions] (Tokyo: Kodansha, 1986), p. 10.

However, this has not meant that competition among political hopefuls has disappeared. Nor has it meant that the factions have each abdicated their ambitions to recruit new members. Even though there no longer is competition among incumbent members in the elections themselves, fierce competition does arise to win party nomination when seats become available in any given district. Faction leaders are desperate to place members of their own faction in those districts. Thus, in a sense competition among political hopefuls has shifted from the post-endorsement stage to the pre-endorsement one.[11]

With respect to the new reluctance to disclose factional allegiances, as Cox, Rosenbluth, and Thies have correctly pointed out, "undisclosed" does not mean "unaffiliated."[12] LDP candidates have little incentive to declare their factional affiliation before they get elected because it reduces their chances to obtain electoral support from other factions. However, this does not mean that they have no connection with a particular faction. For example, Hirasawa Katsuei, a candidate whom the author observed in the 1996 general election, definitely had closer ties with many Obuchi faction leaders such as Kajiyama Seiroku and Hashimoto Ryutaro. But Hirasawa never openly declared his links with the faction out of awareness that he otherwise might and did get support from other factions.[13]

There is no empirical evidence to indicate that factions have given up on recruiting new members. In fact, rather than giving up on recruiting in the aftermath of the reforms, factions have persisted in their efforts to add members. The general convention of the Eto-Kamei faction held on November 4, 1999, well before the 2000 general election, saw some 16 individuals step up on the stage to be introduced as new members. Other factions also engaged in similar practices and newspaper analysts continue to identify the factional affiliation of new candidates with complete certainty. That the reforms have not blunted the efforts of factions to grow can be seen in the way in which the Hashimoto faction, which went from being the LDP's third largest faction in 1993 to once again being its largest by the decade's end, revived its fortunes. Leaders of the faction made aggressive recruitment efforts among junior Diet members in order to recoup the losses the faction experienced after the departure of the Ozawa group in 1993.

It is also worth noting that those factions to which the LDP's president and secretary-general belong tend to become more popular, as the individuals in those positions have final say when there is discord among party members or

11. Cheol Hee Park, "Enduring Campaign Network in Tokyo Shitamachi District" in *How Electoral Reform Boomeranged*, ed. Hideo Otake (Tokyo: JCIE, 1998), pp. 66–69.

12. Cox, Rosenbluth, and Thies, "Electoral Reform and the Fate of Factions," p. 44.

13. Cheol Hee Park, "Electoral Strategy in Urban Japan" (Ph.D. dissertation, Columbia University, 1998), ch. 4. Immediately after being elected, Hirasawa joined the Obuchi faction.

different factions. For example, the Obuchi faction attracted 20 new members after the 1996 general election that put Hashimoto Ryutaro in the prime minister's office. In addition to new candidates, 16 of the 23 Diet members who rejoined the LDP after having defected to the opposition camp opted to join either the Obuchi or Kato faction. The Obuchi faction, which attracted eight of the 16, was the home faction for the party president and prime minister, as has been shown. As for the other eight, Shirakawa Katsuhiko, a Kato faction strategist and six-term Diet member from Niigata Prefecture, points out that "Kato was the [party] secretary-general and it was he who seduced opposition members to rejoin the LDP. It is not at all surprising that many of them joined the Kato faction after their return, for they were urged to do so by the then-secretary-general."[14] Because of the powers associated with their positions, the LDP president and secretary-general clearly are strategically well positioned to recruit new faction members. This makes it highly likely that the factional competition over nomination of the party president will become more intense.

Finally, as noted earlier the introduction of stricter regulations on the flow of political money has reduced the factions' capacity to allocate funds. That said, ever since the revision of the political funding laws in the mid-1970s, factions have mobilized funds through collective efforts rather than by relying solely on the work of their leaders. The recent changes in the funding law added momentum to the factions' shift in reliance on individual members seeking their own funding. Now even junior members are expected to attract funds, too, and can no longer simply take money from the factions. Faction members introduce potential contributors to individual Diet members and one another. The faction's fund-raising role is shifting from centralized mobilization and distribution of money to providing an umbrella for individualized mobilization through mutual assistance. Politicians rely more on their own efforts to raise the funds they need, which they do through attracting private contributions or by holding fund-raising parties.[15]

In essence, factions are turning into members-only clubs in which individual members pay their dues with the tariff being proportionally higher for those individuals with greater influence. Each member contributes a monthly fee of ¥ 50,000. Senior members usually contribute extra money to their factions individually. Faction leaders are further obliged to allocate a large sum of money to their factions. Additionally, faction members are required to sell a percentage of tickets to their supporters when the faction holds a fund-raising party. Describes six-term Diet member and Shikoku Regional

14. Shirakawa Katsuhiko, personal interview, Tokyo, July 29, 1999.

15. A joint project by *Asahi shinbun* and political scientists analyzed the changes in political funding after the political reform. Sasaki Takeshi, ed., *Daigishi to kane* [Politicians and money] (Tokyo: Asahi shinbunsha, 1999).

Bloc participant Morita Hajime, "At times of fund-raising events, junior members are encouraged to sell 50 tickets and mid-ranking members have a minimum share of 100 tickets. Senior members, meaning those who had been cabinet members in the past, are encouraged to sell more than 200 tickets."[16]

Factions now mobilize less than one-tenth of the money that they had been able to under the old system, according to Ochiai Kazuo, administrative secretary-general of the former Nakasone faction.[17] Accordingly, factions have only a nominal amount of money to distribute to their members. An LDP member told the author, "I received ¥ 2 million two times a year from my faction. To tell you the truth, that covers nothing but a month's worth of telephone or postage bills."[18] Though numerous LDP members made it clear that they get more money from LDP headquarter than they do from their factions, the proportion of the party's treasure chest being channeled to individual LDP members is relatively minimal. As far as funding is concerned, individual politicians are responsible for generating the money they need from all imaginable sources. The money distributed by either a faction or the party is just a show of courtesy.

Regarding the distribution of cabinet portfolios and important Diet posts, some LDP Diet members do maintain that the faction's role in these areas has been preserved despite the change to the electoral system. Party leaders need to distribute posts while keeping the level of dissatisfaction among party members to a minimum, while individual party members aspire to get important posts in the party and the cabinet. In fact, Watanabe Yoshimi has gone so far as to claim that a faction "is the organ for the distribution of posts for the LDP members."[19] To manage the conflict of interests, factions serve as a means for linking the career incentives of individual politicians with the party leaders' need to efficiently manage the party. In the words of Abe Shinzo, a second-term Diet member from Yamaguchi Prefecture, they allow their members to "talk about anything, including our personal desires related to posts."[20] As another LDP member has put it, "We need to be a member of a faction to get the position we want."[21] The distribution of portfolios in the past seven cabinets attests to the fact that the system of maintaining factional balance has never been broken (see Table 3).

16. Morita Hajime, personal interview, Tokyo, July 2, 1999.

17. Ochiai Kazuo, personal interview, Tokyo, July 7, 1999.

18. Takemoto Naokazu, first-term Diet member from Osaka, personal interview, Tokyo, July 2, 1999.

19. Watanabe Yoshimi interview, July 23, 1999.

20. Abe Shinzo, personal interview, Tokyo, July 8, 1999.

21. Kishida Fumio, second-term Diet member from Hiroshima 1st district, personal interview, Tokyo, August 10, 1999.

TABLE 3 *Factional Balance in Cabinet Portfolio Distribution*

Cabinet	*Date*	*Obuchi*	*Mitsuzuka*	*Miyazawa*	*Watanabe*	*Komoto*
Murayama	June 1994	2	3	3	1	1
Murayama	August 1995	2	2	3	3	1
Hashimoto	January 11, 1996.	2	2	2	2	1
Hashimoto	November 7, 1996	4	4	4	4	1
Hashimoto	September 11, 1997	7	4	4	4	1
Obuchi	July 30, 1998	5	3	4(+1)	3	1(+1)
Obuchi	October 4, 1999	3	3	3	3	1
Mori	April 6, 2000	3	2	4	3	1
Mori	July 4, 2000	3	3	4	2	1
Mori	December 5, 2000	5	3	2	3	1

SOURCE: *Asahi shinbun*, January 12 and November 8, 1996; September 12, 1997; July 31, 1998; October 5, 1999; and April 7, July 5, and December 6, 2000.
NOTE: The factions are grouped under the names of the people who were their leaders as of June 1994.

Given that LDP executives allot posts in terms of factional balance, LDP members with no factional affiliation face a number of disadvantages. First, independents do not know whom to contact if they wish to be given a particular post. Second, their wishes are not seriously considered because party leaders give priority to the person recommended by each faction. Third, when there is competition for posts, independents have nobody to back them up. In contrast, faction members can find compromise solutions in each of these areas through repeated mutual negotiations. Explains one individual who has worked for the Nakasone faction for more than three decades, "It is the deputy secretary-general's business to make a deal with the representatives of other factions with regard to getting certain posts. Give and take is often observed there."[22]

The decline of the factions' fund-raising functions and the weakening of faction-operated elections have put new emphasis on the factions' role in serving as a pressure group overseeing portfolio distribution within the LDP. As a result, factions can split in the fierce struggle over posts. For example, a bottleneck that arose within the former Mitsuzuka faction over portfolio distribution caused the faction to split into the Mori and Kamei factions on September 1, 1998. Abe Shinzo explained,

> At the time Abe Shintaro [Shinzo's father] was working hard to become prime minister, he recruited about 23 new members into his faction. About 15 members still held their Diet seats after three elections, which caused a problem in coordinat-

22. Ochiai Kazuo interview, July 7, 1999.

ing the distribution of portfolios among them. It is these three-term Diet members who asserted themselves first by creating their own group within the Mitsuzuka faction and then by eventually forming the Kamei faction.[23]

A similar situation was faced by Yamazaki Taku, who rumors had it was in line to be the leader of the Nakasone faction for the next generation. However, Yamazaki, too, left the faction because the prospects of becoming leader seemed rather distant, given that there were 11 members senior to him. Establishing his own faction gave Yamazaki the chance to control the distribution of portfolios himself.

One may surmise that politicians would not hesitate to switch their factional affiliation if another faction could serve their career interests better than the one they belong now. However, faction members tend to not switch their affiliation very often. They develop a strong sense of group identity and solidarity among themselves. Personal connections, once nurtured, last for a long time. Interviews with politicians reveal that the individual who was instrumental in helping that politician get into inner political circles in the first place usually continues to serve as his or her patron. For example, a third-term Diet member from Kyushu, Eto Seichi, offered the following explanation as to why he jumped from the Abe to Mitsuzuka to Eto-Kamei factions: "Hiranuma Takeo, who first selected me to be a Diet member, has had a strong influence on me. As Hiranuma moved from faction to faction, I followed his example."[24] Murakami Seiichiro, a fourth-term Diet member from Ehime Prefecture and part of the now-defunct Komoto faction, pinpointed the essence of factional lineage: "I entered politics with the support of Komoto Toshio. I have been loyal to him ever since. Though Komoto retired from politics a few years ago, I will remain a Komoto faction member as long as he is alive. If I were ever to switch factions, it would only be after Komoto dies."[25] Except for those who once split from the LDP and then returned, relatively few politicians change their factional affiliation.

The LDP's factions did not appear suddenly, nor will they easily fade away. Faction members develop a group identity through repeated personal contacts and the offering of mutual assistance in various political and personal activities. A faction is not simply a group composed of self-interested individual politicians; it contains a strong element of informal organization that is based on the self-identity of and the norms shared by its members.

Though LDP politicians do not switch factional affiliations easily, the party is seeing the emergence of a new internal dynamic because the possibility has emerged for two or more factions to be integrated into one. This

23. Abe Shinzo interview, July 8, 1999.
24. Eto Seichi, personal interview, Tokyo, November 24, 1999.
25. Murakami Seichiro, personal interview, Tokyo, July 27, 1999.

situation could not have occurred under the multimember district system. The new dynamic is based on the presumption that the more members a faction has, the stronger its leverage will be within the LDP. Under the multimember district system, it was usually the case that LDP members from different factions maintained intense personal rivalries and even had distrust and suspicion of one another. Bringing two or more factions together was almost unthinkable. But the change to the electoral system brought about a fundamental shift in this logic. Candidates no longer need to worry about competition with co-partisan members in the same district. Without this concern, incumbents have no reason to resist the temptation to make their faction bigger. The pressure group function of a faction has become more prominent, and factions can now reconfigure themselves if members of different ones have shared interests in getting posts within the party.

The formation of the Eto-Kamei faction on March 18, 1999, provides an illuminating example that the party's other factions might emulate in some fashion. Unification gave the new faction's members many advantages while causing them to lose little. The Kamei group, which had split from the Mitsuzuka faction with 18 members, and the Nakasone faction, which had 40 members following the departure of Yamazaki and his supporters, were both interested in being part of the most important faction in the LDP and united to try to help bring this about. The Kamei group and the Nakasone faction turned out to be a perfect match even in terms of their compositions, for the latter group had numerous elder leaders while the former included many junior members. The senior politicians, many of whom were experienced ministers, would not stand in the way of the juniors who might seek to become a minister in the future.

Economy of scale matters for a faction to function as a pressure group for portfolio distribution. Bigger factions get more posts. The ideal size of a faction is a matter of some debate and the opinions of some of the LDP members interviewed for this article on optimum size were divided. The view of Watanabe Yoshimi was that "if they share principles and ideas, even 30 members can work as a high-spirited and united team." For Ochiai, his 30 years of experience gave him the sense that the "optimum size of a faction may be between 60 and 70. If the number reaches 100 like the Takeshita faction in the past, one can hardly unify them as a single group. Cleavage may run through a faction." And Morita, like Ochiai, also thought that "about 60 to 80 people may be optimal."[26] Many shared the view that 30 members was the minimum size; this is closely related to the fact that one needs the recommendation of 30 LDP incumbents to run for party president. Those interviewed also shared the view that having too many members would

26. Morita Hajima interview, July 2, 1999.

prompt other factions to form coalitions against the biggest faction and produce conflicts within the faction itself. All is all, according to Ochiai, "nowadays every major faction is actually trying to get around 70 members."[27]

At this point, it seems likely that the LDP's factions will merge to produce four major ones and one or two smaller ones. The LDP has four main posts that are not cross-held by a single faction: president, secretary-general, chair of the Policy Affairs Research Council (PARC), and chair of the General Council.[28] As long as the informal practice of distributing posts among the factions is observed, which is highly likely, this figure will remain the primary determinant of the number of major factions in the party. Even under the 1955 system, there were four main factions (those of Takeshita, Miyazawa, Nakasone, and Abe) and one minor one (Komoto's). As Kohno has observed, in a structured party like the LDP, the number of factions is not only constrained by the electoral system but also defined by the number of major party posts.[29] As for smaller factions, they may arise either as a splinter group from a faction in decline or as a newly emerging challenger to the established factions.

The Utility of Factions for Party Management

In addition to the sustaining functions they have for individual politicians, factions also help party leaders to manage organizational affairs. Under Japan's parliamentary system, any party aspiring to be the ruling one needs to get more than 241 seats in the lower house and above 127 seats in the upper house. In other words, a ruling party is required to have more than 368 Diet members (of course, a simple majority is not required for a party that forms a majority coalition). One can surmise that a leader can hardly manage a party as a single unified group when the number of Diet members reaches into the hundreds. It is necessary to break it down into a few groups and delegate the functions of crisis management and information channeling to those groups to facilitate efficient decision making.

Factions in the LDP have served to channel the aggregated demands of party members upward as well as convey messages downward to them. Such demands and messages are delivered to and from the central party organization by means of representatives from each faction who participate in the activities of such major party organs as the secretary general's office, the Diet

27. Ochiai Kazuo interview, July 7, 1999.

28. There are two other key party posts. They are the president and the secretary-general of the LDP's upper house delegation.

29. Masaru Kohno, "Rational Foundations for the Organization of the LDP in Japan," *World Politics* 44:3 (April 1992), pp. 369–97. Kohno put more emphasis on the effects of electoral system.

affairs committee, and the PARC. Communication to and among members of the factions takes place at the faction general meetings. Usually convened at the faction offices, in hotels, or at party headquarters, these gatherings are held weekly from noon to 1:00 p.m. on Thursdays. Main Diet sessions open on Thursdays, which is why the day was chosen as it should maximize attendance. That all faction meetings are held concurrently on the same day at the same time intentionally or unintentionally also prevents or at least makes it quite difficult for the member of any one faction to attend the meeting of another.

The meetings themselves open with remarks from the faction leader and the managing director. The individuals who represent the factions in the various party organs then give status reports regarding matters pertaining to party management, the policy issues involved regarding whatever bills are under deliberation, and the party's official responses to opposition camp initiatives and so on. These regular meetings, as well as the irregular and unscheduled ones, among faction members serve as fertile ground for information exchange. Members can discuss the issues of the day and exchange ideas about election campaigning, personnel administration in the party and the ministries, strategies for raising political funds, and even personal affairs.

In addition to information channeling, factions serve as a crisis management system. The LDP's president is responsible for picking the people who will occupy the party's three key posts: secretary-general, chair of the PARC, and chair of the General Council. The president also decides how all of the other party posts will be distributed. Furthermore, as prime minister this individual will be charged with selecting cabinet members and filling various Diet posts as well. All in all, there are many dozens of posts to be filled. Given that every LDP Diet member wants an important position in that body or the party or both, the resulting bottleneck always creates a headache for a party leader. Party unity can be imperiled if a leader fails to satisfy the demands and requests of individual party members. To forestall this, faction leaders or their representatives collectively negotiate with one another over which faction will be guaranteed control over the appointment of individuals to which posts. Each faction then distributes those posts to its members, taking into account their seniority, specialty, and electoral concerns. By delegating authority in this way, the party president can prevent an internal crisis from arising.

Also, factions share some of the labor in maximizing the mobilization of ideas, money, and people. If such functions were centralized and hierarchically controlled, party members would be dependent on the party leadership for resource mobilization. However, the party's informal groupings provide an incentive for resources to be mobilized competitively under the franchised title of the party. Having such multiple channels makes it more likely that all

available resources will be mobilized than would be the case with a single channel. An unintended consequence of the competitive resource mobilization among the factions has been the infusion of dynamism into the LDP. Observed Murakami Seiichiro:

> Under the multimember district system, five major factions competed to pump air into balloons [i.e., candidates] in order to fill up the boxes [i.e., electoral districts]. The LDP secured a majority through this competitive infusion of energy, but the opposition parties almost suffocated. Many people place the blame for the loss of vitality in party management one-sidedly on factions, but ironically it is factional competition that brought about competitive dynamism in the LDP.[30]

The existence of factions within the party guarantees intraparty democracy through dynamic competition among a few main figures for the leadership position. Without such competitive elections for that post, factions would simply become a divisive element with few positive things to recommend them. The Japan Communist Party and New Komeito, for example, do not have elections for party president because it may lead to the rise of factions that could hurt party unity. That the LDP has a presidential election system is tightly intertwined with the persistence of factions. As implied earlier, a faction can gain strength when it has a strong potential presidential candidate, while its power and unity tends to plummet when its leader finishes a term as prime minister without having designated a successor. All in all, one can argue that the LDP party maintains its dynamism and internal democracy through constantly developing candidates for party president.

The importance of the LDP presidential election lies in the fact that, as noted, the party's president as a rule becomes prime minister when the party is in power. Kono Yohei, elected president in 1993, has been the only exception; even so, under coalition governments the person who holds the party presidency position is still thought to be the shortest distance from premiership. Candidates for LDP president always present themselves as being ready to step in as the next prime minister. Candidates who lose the LDP presidential election still can position themselves as potential candidates to be the next party leader. That is the reason why Kato Koichi in 1999 challenged incumbent prime minister Obuchi Keizo in the LDP presidential election that year even though he knew he would be defeated. Politicians who want to run in the presidential election need at least 30 followers within the party, the minimum number required for the endorsement that allows participation in the presidential contest. With the party leader being chosen by an open ballot among incumbent Diet members, the persistence of factions serves the purpose of senior politicians who want to be party leader. Thus, the utility of

30. Ibid.

existing factions has made it unlikely that anyone with leadership pretensions would want to replace them with new ones.

The Shifting Logic of Inter-Faction Coalitions

When the LDP had a complacent majority in the Diet, the selection of Japanese prime ministers essentially was an affair internal to the party. The period during which the party enjoyed its most stable majority, from the late 1970s to the early 1990s, was one in which the numerical strength of the Tanaka (now Takeshita) faction allowed it to take a commanding position over the other factions. According to Schlesinger, the Takeshita faction functioned as a shadow shogun, manipulating the party and Diet affairs from behind the scenes.[31] During this period, the faction's support was critical for anyone who wished to become prime minister. The prime minister would then apportion cabinet portfolios based on the size of the factions and no faction would be left out in the cold. This system is often called the all-faction mainstream system (*soshuryuha taisei*); the Takeshita faction used it to coordinate party affairs informally. The logic that made this system work the Takeshita faction was as follows: if the LDP secures a majority, the LDP can control the Diet. Within the LDP, a faction can become a mainstream faction if it produces a majority within the party, either independently or cooperatively. If one faction is positioned to lead a group of factions supporting the LDP president, that faction can control the party president even when that individual is not from that faction. In other words, one faction is able to lead the nation if it can recruit about one-fourth of the LDP's membership. One-fourth of the membership is around 100 individuals, and ever since the early 1980s the Takeshita faction has at least that many members.

The break up of the Takeshita faction produced two critical changes in factional dynamics. First, the LDP lost power in 1993 after 38 years of single-party rule not because of a revolt by the electorate but because some members defected from the party. The LDP lost its Diet majority and the party, which now concentrated on making every effort to regain that status, found that engaging inter-faction rivalry served no purpose. Second, the breakup of the Takeshita faction reduced it from the LDP's largest faction to the third largest such grouping. It lost its power to control party affairs as a result.

The LDP's utmost concern was how to retrieve its ruling party position. The LDP chose Kono Yohei as leader in order to repair an image that had become tainted because of the party's failure to pass political reform bills. Not a faction leader, Kono was popular among the general electorate because

31. Jacob Schlesinger, *Shadow Shoguns* (New York: Simon & Schuster, 1997).

of his reform-oriented image. However, it was not popular endorsement that brought the LDP back to power in 1994; rather, it was a backroom deal made with the party's long-time archenemy, the Japan Socialist Party (JSP), which would become the SDPJ in January 1996. The LDP had only 223 members in the lower house (a plurality but not a majority), so the only way to return to power was to join up with other parties. The coalition was fleshed out by the addition of another new party, Sakigake.

The LDP's presidential elections since 1995 have attested to the fact that factional rivalry is the single most important factor in determining who will lead the party. What is different from the pre-1993 system is that inter-faction competition over selecting a president now may take the form of a conflict between mainstream and nonmainstream factions centered on how to form a multiparty coalition. Power struggles internal to the LDP are no longer the only matter of importance. Lacking a Diet majority, the LDP has been forced to make the strategic choice of working with opposition parties in order to remain in power. The internal side-effect of this new system is that the party's leaders are now compelled to take responsibility for any failures to gain either a Diet majority singly or cooperation from the opposition camp sufficient to produce a coalition government.

Under the multimember district system, the LDP was able to use the so-called tactic of fishing one-by-one (*ippon tsuri*), the drawing in of enough independent Diet members to work with the party in order to secure a Diet majority. However, the ability to use this tactic under the new electoral formula is quite limited. Bringing in a new person from the outside would mean expelling an existing party nominee from the same district. It is more feasible now to attract independents whose districts do not overlap with those of LDP incumbents. After the 1996 election, Kato Koichi and Nonaka Hiromu, secretary-general and deputy secretary-general, respectively, at the time, used this tactic extensively. The ruling party can engage in this practice only when it remains attractive and powerful, and being in an opposition party reduces the chance of getting reelected. Accordingly, at the initial stage of nominating party candidates, the LDP tends to adopt the strategy of not nominating a candidate in several districts in order to secure room for inviting the members of other parties to join after the election.

Thus, given that the LDP now has limited room for post-election maneuvering over stray seats, forming coalitions with other parties has taken on new importance as a way of coming to power. This unprecedented political situation has engendered debate within the LDP over which party or parties should be embraced as a coalition partners. As might be expected, debate over what the composition of that coalition should be comes up as a major agenda item for party management after each national election, especially since the configuration of political parties changes after each such contest.

The Hashimoto Presidency

There was comparatively little controversy over the coalition formula following Hashimoto's first victory in the 1995 LDP presidential election. Most party members accepted the idea of working with the JSP to stay in power. But Hashimoto's victory exposed delicate power struggles within the LDP, the outcome of which produced a distinct factional coalition. From the outset, Kono expressed his willingness to run for party president. However, Kato, who like Kono belonged to the Miyazawa faction, saw no reason to support one of his chief rivals and threw his weight behind Hashimoto early in the contest. A struggle for a leadership succession took place in the Nakasone faction as well. Yamazaki Taku wanted to be faction leader, but Nakasone gave more support to the faction's senior members. Thwarted, Yamazaki and his followers, without consulting Nakasone in a serious manner, eventually would come to actively work for Hashimoto's victory in the hope of being rewarded with key party posts. Finally, an even more serious cleavage developed in the Mitsuzuka faction. Even though the faction fielded Koizumi as a candidate, two key members, Kamei Shizuka and Tsukahara Junpei, worked in support of a Hashimoto victory. After the presidential election, Yamazaki, Kato, and Kamei would be made the chief representatives of their respective factions for managing personnel administration even though they did not hold leadership posts within their factions.

At the beginning of 1996, the JSP's Murayama stepped down and Hashimoto took over as prime minister. That October, he called the first general election under the new electoral system. The SDPJ and Sakigake lost a number of seats and their positions in the cabinet, moving them to a status that was described as providing extra-cabinet cooperation (*kakugai kyoryoku*). Though the LDP failed to get a majority, it won 239 seats, 16 seats more than it had after the previous election. Hashimoto retained the party leadership and the so-called YKK group composed of Yamazaki Taku, Kato Koichi, and Koizumi Junichiro remained as party executives.

With the SDPJ and Sakigake out of the cabinet, some faction leaders raised the issue of revamping the LDP's coalition strategy. The government was also feeling pressure to revise the U.S.-Japan security guidelines and related bills owing to a threatened nuclear weapons crisis in North Korea as well as the need to extend the leases on the land used by U.S. bases in Okinawa. As the SDPJ and Sakigake were less cooperative over revising those laws, Nakasone and Kajiyama, then-chief cabinet secretary, proposed the formation of a grand conservative coalition. The YKK group, however, argued that it was important to maintain a sincere attitude or stance toward and credibility with the LDP's former coalition partners, the SDPJ and Sakigake, given that the LDP still lacked an upper house majority.

Kato then went on to show how a lower house majority could be retrieved by handpicking disgruntled opposition party members who could be brought into the LDP. The biggest opposition party was an LDP splinter group, the New Frontier Party (NFP). The NFP was disintegrating after the election and a number of members willingly came back to the LDP. Those who returned had been handpicked one by one by the LDP and the party eventually regained its lower house majority.[32] Even though the LDP still lacked majority in the upper house and had to work together there with two other parties, the Hashimoto regime was able to pass bills in the lower house with the cooperation of the former coalition partners as well as a few independents. Hashimoto successfully gained a majority in the lower house and was rewarded with reelection to the post of party president in September 1997.

The Obuchi Presidency

The upper house election of 1998 presented the LDP with an outcome that was unexpected and demoralizing. The LDP won only 44 seats in that contest, far short of the amounts being predicted in most opinion surveys and election forecasts. It did not hold a majority in the upper house. Taking responsibility for the defeat, Hashimoto and all party executives resigned. Three candidates—Obuchi, Kajiyama, and Koizumi—stood for the party president election in 1998. The former non-mainstream factions led by Nakasone, Kamei, and Kono lined up behind Kajiyama, while Obuchi was supported by the YKK group and his own faction. The Mitsuzuka faction fielded Koizumi again as a gesture intended to consolidate factional unity. However, his candidacy in fact helped assure Obuchi's eventual victory because some Mori faction members might have otherwise given their votes to Kajiyama and this in turn might have reduced Obuchi's chance of winning the contest. As a reward for this achievement, Obuchi appointed Mori Yoshiro secretary-general. The Kato and Yamazaki factions, who supported Obuchi, retained the two other key party posts: Ikeda Yukihiko of the Kato faction became PARC chairman and Fukaya Takashi of the Yamazaki faction was appointed chairman of the General Council.

With the beginning of the Diet session, Obuchi realized how bitter it could be to be a minority government in the upper house when his defense minister, Nukaga Fukushiro, was forced to step down after the opposition parties accused him of corruption tied to defense-related facility construction deals. Obuchi jumped on the banking reform bandwagon by adopting the DPJ's

32. Interestingly, when I asked Kato right after the 1996 general election about how many seats could be reserved for defectors from opposition parties and independents, he said, "I am pretty much sure that 20 to 30 seats are still available for them." He would then go on to attract 23 non-LDP members into joining the LDP. Question and answer session with Kato Koichi, project meeting at the JCIE, Tokyo, October 28, 1996.

policy recommendations in this area. It seemed possible that the LDP would cooperate with the DPJ. With the state of the Japanese economy a matter of concern, junior LDP and DPJ junior politicians worked jointly to draft and put on the table a series of so-called financial rehabilitation bills. But then Obuchi instead made moves to form a coalition with the Liberal Party headed by Ozawa Ichiro. The Kamei group, which by now had formally broken off from the Mitsuzuka faction, wanted to bring Ozawa back into the governing coalition in order to make a breakthrough in the upper house. Kamei's idea that a grand conservative coalition was needed in order to carry out fundamental administrative and financial reform was shared by Nakasone. Obuchi was not against the idea and the Liberal Party became part of the coalition.

Obuchi and the LDP's executives also made a critical choice in bringing New Komeito into the coalition government. The LDP accepted the New Komeito's idea of distributing a voucher that could be used by children and the elderly at shops near their places of residence as a way to stimulate individual consumption and so the negotiations over working together went rather smoothly. The three-party coalition that resulted gave the ruling parties an absolute majority in both houses. The LDP and its coalition allies thus were able to pass most of their bills with few revisions being required. Controversial legislation, such as a bill on the contentious issues of the national flag and the national anthem and another bill on screening communications, were passed with this majority, overriding the objections of the opposition parties.

With the rising popularity of his cabinet, Obuchi was confident of being reelected LDP president. But two faction leaders, Yamazaki and Kato, challenged him for the position in the presidential election of September 1999. Kato presented himself as a national leader and a potential successor to Obuchi. It was rumored that Kato would be in the best position to succeed Obuchi if he continued to work with him. But Obuchi's success at forming an alliance with the Liberal Party and New Komeito made Kato anxious. Also Kato had learned a critical lesson from his experience as secretary-general under Hashimoto: he would stand less of a chance of becoming the next president if he were too close to the incumbent.[33] Yamazaki, whose group had broken off from the Nakasone faction, also looked for the chance to become party leader. Realistically, however, his chances would be second to those of Kato.

33. Shirakawa Kazuhiko, a Kato aide, suggested, " I think it is much better for Kato to stay arm's length from Obuchi, who seems to be in the lead, in order to present himself as the next party leader. If Kato acts as if he is Obuchi's partner, people will not see him as being an alternative to Obuchi. We should be ready to present Kato as the next party leader when Obuchi falls into any trouble." Shirakawa Kazuhiko, personal interview, Tokyo, July 29, 1999.

Both Kato and Yamazaki had serious reservations about working with New Komeito. They were against the idea of bringing New Komeito members into the cabinet. Having a contingent minimum winning coalition would be enough for the LDP to be able to pass bills in the Diet. The two contenders believed that it would be difficult to work with New Komeito because of the two parties' divergent policy stances. It could even be detrimental to the LDP because it would confuse the party's traditional supporters.

On the Obuchi side, the newly formed Eto-Kamei faction aggressively moved to offer its support beginning that April. They believed that this would help in the ultimate quest of making the LDP part of a three-party coalition that held an absolute majority in the Diet. An important additional consideration was that Kamei wanted to be PARC chairman. Meanwhile, Mori and his faction had declared back in May that they would support Obuchi. As a leader of the LDP's second biggest faction, Mori devised a strategy of bestowing favors on Obuchi and thereby gaining credit from the Obuchi faction that would increase his chances of becoming the next LDP leader. This stood in contrast to Kato's confrontational strategy. Finally, knowing that his former competitor Kato would be running for election, Kono also approached Obuchi to give him his support. All of the non-mainstream factions thus had lined themselves up behind the Obuchi faction with the goal of becoming the new mainstream factions.

Once each of the factions had declared their positions on who they would support, it became quite clear that Obuchi would win the presidential election. This he did, receiving 350 votes when the contest took place on September 21. That said, Kato received 113 votes, 15 more than were expected. As for Yamazaki, his 51 votes passed his self-declared target of 50, though only barely.[34] After the election, Obuchi ignored demands from Kato and Yamazaki and filled key party posts and ministerial portfolios without regard to recommendations from the two. Obuchi distributed party and Diet posts in a way that seemed equitable when viewed numerically, but in fact he ignored Kato and Yamazaki's wishes. By relegating their members to secondary positions, Obuchi turned the two factions into non-mainstream ones.

The Mori Presidency

An unexpected development occurred on April 2, 2000, when Obuchi was suddenly hospitalized and could no longer perform his job. The then-chief cabinet secretary, Aoki Mikio, kept Obuchi's condition a secret until he and his fellow leaders of the other mainstream factions—Nonaka Hiromu, Murakami Masakuni, Kamei Shizuka, and Mori Yoshiro—could gather together to designate the next party leader. Though Aoki appointed himself

34. *Asahi shinbun*, September 22, 1999.

interim caretaker, all eventually agreed to give the party leadership to Mori, which occurred on April 5.

The deal was made secretly in a hotel room, though the decision was later endorsed by the party convention. Many political analysts as well as members of the general public voiced their doubts over the process by which Mori was selected.[35] However, if one takes into account the factional alignments of the time, the result likely would have been the same even if the selection process had been open. There are several reasons for this. First, party executives had no intention of changing the coalition arrangement with the New Komeito. As long as Kato remained reluctant about forming such a coalition, Mori, who had close ties with New Komeito politicians, stood a better chance of success. Second, the Obuchi faction itself had no conspicuous next-generation leader who could inherit Obuchi's position. With no visible leader, the faction had no alternative but to support a candidate from a faction with which they had cooperative relations. Third, the Mori faction was the second largest in the LDP. As the incumbent secretary-general, it was also clear that Mori would inherit the legacy of the Obuchi administration without fears that the government would suddenly change course. Finally, except for those of Kato and Yamazaki, the other factions were ready to accept him as party leader.

Mori dissolved the lower house soon after becoming prime minister and called a general election for June 25. The LDP won only 233 seats in the contest, seven seats short of a majority. The DPJ took 127 seats, an increase of 32, while the LDP's coalition partners, the New Komeito and the Conservative Party, won 31 and seven seats, respectively. Though the LDP's lower house strength fell by 38 seats, Mori managed to retain the presidency. The issue facing the party was not how many seats they lost but rather, given that the LDP again had only a plurality, with what party or parties should they form a coalition. Practically speaking, the same two parties that had been the LDP's partners prior to the election were the only ones available after it, too. Also, internal opposition against working with the New Komeito had died down. Mori had no strong internal challengers at the end of June and so he survived his party's general election disappointment.

Mori's Decline and the Kato Debacle

Though he survived the June general election, Mori's cabinet lost popularity continuously in the contest's aftermath. The Japanese public was angry and seriously frustrated when Mori's principal aide and chief cabinet secretary, Nakagawa Hidenao, resigned on October 27 because of a scandal involving a

35. According to an opinion poll, 45% of the Japanese public responded that the way Mori was selected was improper. *Asahi shinbun*, April 11, 2000.

mistress. An October *Mainichi* survey showed only 15% of respondents as supporting the cabinet while 58% said they did not.[36] Even among LDP members, serious concerns were being raised as to whether the party would be able to conduct an effective campaign for the upper house election if Mori remained leader. However, many shared the view that Mori would continue as LDP president and prime minister until the next upper house election (scheduled for July 29, 2001) once he reshuffled his cabinet, which was being planned for that December.

It was this timing that prompted Kato to challenge Mori's leadership. On November 10, Kato declared that he and his faction would support a no-confidence motion submitted by opposition parties. Yamazaki agreed to support Kato's move. Though Kato repeatedly rejected the possibility of leaving the LDP, the possibility that his moves would split the party intensified expectations for change in Japanese politics. By saying he would support the no-confidence vote, Kato was making a deliberate attempt to bring Mori down. If he succeeded, it would move his and Yamazaki's factions into the LDP mainstream before the cabinet reshuffling in December. Furthermore, it was believed that if Mori were to step down Kato would be the most likely contender to become prime minister.

But Kato's attempt to topple Mori produced a serious intraparty controversy over whether his actions were justified, even though many LDP members shared his concerns over Mori's political leadership. Secretary-General Nonaka moved swiftly to squash the Kato revolt. First, he linked together the Hashimoto faction, the LDP's largest, with the other mainstream groupings—the Mori, Eto-Kamei, and Kono factions. Nonaka also threatened members of the Kato and Yamazaki factions, saying that in the next election the LDP might endorse other candidates in the districts of those who rebelled against the party leadership. Nonaka used the moves as part of a strategy to divide the Kato faction. Eventually, 17 lower house members would refuse to go along with Kato. They formed a separate group on November 19 and this ultimately forced Kato's last minute surrender.[37] Members of the Kato and Yamazaki factions did not attend the Diet deliberations on the no-confidence motion and the motion was defeated, 237 to 190. The Kato faction split into two groups, one led by Kato himself and the other by Horiuchi Mitsuo.[38] The Horiuchi faction lent its support to the mainstream factions, which only

36. *Mainichi shinbun*, October 31, 2000.

37. *Yomiuri shinbun*, November 21, 2000. Out of the Kato faction's 45 lower house Diet members, these 17 and another seven opposed the no-confidence vote. *Asahi shinbun*, November 21, 2000.

38. The nascent Horiuchi faction expanded to 27 members and formalized its organizational structure with Horiuchi as the head on December 6. It eventually reached 42 members and declared itself officially established as a faction on January 31, 2001. The Kato faction, mean-

added to their power while the Kato and Yamazaki factions were further moved to the fringe.

The Hashimoto faction increased its power through this intraparty power struggle with its success in defeating Kato's attempt to topple Mori. This faction, which traces its lineage through Obuchi and Takeshita, had regained its strength to once again become the LDP's biggest, with 101 Diet members. Mori's was the next largest as of April 2001, with 60 members (see Table 4). A number of Diet members have said that the current Hashimoto faction is the only one that has an element of traditional factional solidarity. The Hashimoto faction is the only one that has not seen any splits or defections since 1995. In the five years between 1995 and 2000, the Mitsuzuka faction split into the Mori and Kamei factions; the Miyazawa faction produced the Kato faction, Horiuchi faction, and Kono group; and the Nakasone faction lost the members who created the new Yamazaki faction. In contrast, the Hashimoto faction added members during those years and recouped the losses it suffered in 1993 with the departure of Ozawa.

It is striking that Hashimoto faction members have a clear consciousness of their factional identity and solidarity while the members of others have little such awareness. As Watanuki Tamisuke, who was acting chairman of the Obuchi faction at the time of our interview in October 1999 and is now speaker of the lower house, observed, "Our faction keeps good control of members' behavior. In return for following instructions from the leaders, junior members are always compensated through posts and other means. In that way, we keep solidarity. We learned a good lesson from the faction's split in 1993. We will never make such a stupid mistake again."[39] This may be contrasted with a remark made by Shirakawa Katsuhiko, who worked closely with Kato Koichi. He said in an interview, "When I was director of general affairs in charge of elections under Kato, then the party's secretary-general, neither he nor I ever thought about increasing the number of faction members. We devoted ourselves fully to winning the election under a party label. Factions were not on my mind at all."[40]

The Hashimoto faction's renewed strength in the LDP has made gaining its support or at least tacit endorsement critically important for anyone who wanted to become the party leader. Without it, a would-be leader would have to develop a skillful strategy if he or she wanted to build a factional coalition that could stand against the Hashimoto faction. Koizumi's emergence as party leader illustrates this strategy.

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while, became a small faction with 25 members. *Yomiuri shinbun*, December 7, 2000; and *Asahi shinbun*, February 1, 2001.

39. Watanuki Tamisuke, personal interview, Tokyo, August 2, 1999.

40. Shirakawa Katsuhiko interview, July 29, 1999.

TABLE 4 *Number of Big Five Faction Members over Time*

	Tanaka	*Fukuda*	*Ohira*	*Nakasone*	*Miki*	*Total*
1972	93 (45)	88 (33)	65 (20)	39	49 (11)	408 (136)
1979	82 (32)	74 (25)	73 (23)	48 (7)	40 (11)	381 (124)
1982	109 (45)	73 (27)	87 (25)	50 (6)	41 (11)	418 (134)
1985	120 (54)	72 (26)	80 (29)	55 (7)	34 (7)	387 (136)
1986	140 (54)	85 (27)	80 (29)	81 (19)	35 (7)	447 (143)
1988	120 (48)	89 (30)	89 (28)	84 (21)	31 (6)	446 (144)
1990	104 (34)	79 (24)	79 (18)	66 (15)	31 (7)	403 (109)
1993	64 (33)	71 (18)	68 (14)	63 (17)	27 (6)	325 (99)
1996	88 (38)	86 (25)	73 (16)	68 (16)	21 (4)	351 (112)
1997	94 (40)	88 (25)	76 (19)	67 (17)	21 (4)	373 (117)
May 2000	95 (37)	65 (18)	69 (18)	63 (21)	18 (1)	375 (107)
Sept. 2000	100 (39)	61 (22)	62 (17)	56 (21)	13 (1)	340 (107)
April 2001	101 (39)	60 (22)	42 (8)	55 (21)	13 (1)	346 (107)

SOURCE: *Asahi nenkan*, 1973, 1980, 1983, 1986, 1987, 1989, 1991, 1994, 1997, and 1998); *Asahi shinbun*, May 13, 2000, and April 1, 2001; and Seiji Koho Center, *Seiji handobuku*, no. 37 (Tokyo: Seiji koho sentaa, September 2000).

NOTE: The factions are grouped under the names of the people who were their leaders as of 1972. Figures in parentheses show the number of upper house members.

The Koizumi Presidency

Mori reorganized his cabinet on December 5, 2000. It included two former prime ministers, Hashimoto and Miyazawa. The new cabinet appeared strong, but it had an underlying fragility. With the situation firmly under control, Nonaka resigned as secretary-general and turned the post over to Koga. This freed the Hashimoto faction from having to blindly support Mori. In the process of cabinet portfolio distribution, a schism reportedly developed between the Hashimoto and Eto-Kamei factions. The fissures among the mainstream factions and the fact that not all members of those factions were enthusiastic about supporting Mori lent an element of instability to the new Mori cabinet. Mori's fortune turned for the worse with his reportedly callous response to the accidental sinking of a Japanese fishing boat on a training cruise by a U.S. submarine in February 2001.[41] The public's anger with his government peaked that month. Only 9% of the respondents to one newspaper poll said they supported his cabinet, while 79% were opposed.[42] The

41. *Asahi shinbun*, February 11, 2001. Mori received the report while playing a round of golf and chose to finish his game rather than return to his offices or official residence. It was disclosed later that his golf club membership was for all intents and purposes a private donation to him that he did not report to the authorities as a political donation.

42. Ibid., February 19, 2001.

strong sense developed among most LDP members that the party could not fight the upper house election under Mori's leadership. Despite Mori's repeated denials of any plans to resign, speculation was rife both within and outside of the party over who should replace him. Under increasing pressure from both the public and members of his own party, Mori finally announced on March 10 that he would step down.[43]

Four LDP members stood for the LDP presidential contest. Aso Taro, a member of the Kono group, declared his candidacy around mid-March; the Kono group and a dozen or so independents gave him their support. After twists and turns, the Hashimoto faction agreed to field its namesake rather than endorsing another candidate. But the faction's sheer size became a burden rather than an asset. Members worried that the faction would attract criticism if it was to play a king-maker role again from behind the scenes. That two prominent members, Nonaka and Aoki, had played a critical role in informally annointing Mori as Obuchi's successor exacerbated this concern. Nonetheless, the Horiuchi faction was almost certain to support Hashimoto.

As for the Mori faction, it gave unanimous support to Koizumi, who was the leader of a faction himself and a figure with high national popularity. However, Koizumi made public his intention to quit as faction leader and seek the LDP presidency as an independent. His goals were twofold. On the one hand, he wanted to demonstrate his commitment and willingness to engage seriously in the reform of LDP-style politics, while on the other he wanted to make it easier for the other factions to give him support. As was expected, Kato and Yamazaki threw their support behind Koizumi from the beginning of the campaign. They shared a concern over the upper house election and the LDP's need to expand its support base beyond its complacent reliance on the party's traditional supporters and embrace the floating voters. The YKK three also shared the notion that the LDP should be flexible in choosing its coalition partners rather than sticking to working with the New Komeito and the Conservative Party. Moreover, in policy terms, they were in accord that structural reforms in the area of finance and administration were what was needed to bring the country back into fiscal balance rather than the repeated introduction of stimulus packages centered on public works projects.

The third competitor in the presidential campaign was Kamei Shizuka, who jumped in the race at the last minute. Though he had little chance of winning the election, Kamei also had little to lose. His faction may hold the decisive votes should any internal party competition become close. This factor in turn would enhance his chance of being rewarded with a major party post after the election. Finally, participation in the contest would also give

43. Ibid., March 11, 2001.

Kamei the chance to show the public that he is another of the LDP's next-generation leaders with aspirations to become its president some day.

The party instituted a new rule for this presidential election. According to internal party regulations, when there are more than four candidates for the presidency, the electorate is expanded from the members of the LDP's Diet delegation to include one vote each for each prefecture. However, mindful of the criticism that Mori had been made president under the consensus of a few party leaders, the party's leaders agreed to give each prefecture three votes this time instead of one. Most of these prefectural votes are cast by party members with organizational affiliations. Given that the Hashimoto faction's influence on individuals of these backgrounds is strong, most people expected that he would win the election. But in an unexpected development, many of the LDP prefectural organizations held primary elections among their rank-and-file membership. Koizumi was quite popular among the public for his reform-minded attitude and a clean image free of the taint of scandals and backroom deal making. As a result, he won the primaries in 42 prefectures, with only four going to Hashimoto and one to Aso.[44] This massive support from the rank and file put pressure on the LDP's Diet members to support Koizumi.

There was a critical development related to the party's factional dynamics that took place before the votes in the LDP headquarters. Knowing that Kamei's low popularity meant he had no chance of winning the election and also recognizing that Koizumi's policy stance was similar to his own, Nakasone let on that Koizumi should be supported. Kamei abandoned his candidacy at the last minute and declared his support for Koizumi. A loose coalition was then formed that would stand against the Hashimoto faction. With the support of the YKK group and Mori already in place, Koizumi then drew the backing of the Eto-Kamei faction. This enabled him to isolate the Hashimoto faction. Koizumi won 298 votes in the election held at the LDP headquarters on April 24. Hashimoto took 155 votes and Aso got only 31, and as a result Koizumi was elected LDP president.[45] The following day, he was elected prime minister in the Diet with the support of New Koimeito and Conservative Party.

During the campaign, Koizumi declared his intention to abolish faction-driven politics within the LDP. With his victory, it would seem that the party's factional dynamics may fade away. However, a closer look at his victory shows that the party's inter-factional struggle has simply entered another phase similar to what has been seen in previous presidential elections. Firstly, though Koizumi described himself as an independent in the final

44. Ibid., April 24, 2001.

45. Ibid., April 26, 2001.

TABLE 5 *Distribution of Portfolios under the Koizumi Cabinet*

Faction or Group	*Size of the Faction*	*Vice-Minister*	*Deputy Secretary-General*	*Deputy Head of Diet Affairs Committee*	*Deputy Head of the General Council*
Hashimoto	101	5	5	3	4
Mori	60	3	1	2	2
Eto-Kamei	55	5	4	4	1
Horiuchi	42	4	2	2	1
Yamazaki	23	1	1	2	1
Kato	15	0	1	1	1
Ex-Komoto	13	1	1	1	1
Kono	12	0	1	1	1
Independents	25	0	0	1	1
Total	346	19	16	17	13

SOURCE: Author's analysis based on information at the Liberal Democratic Party's home page <http:/www.jimin.or.jp>, May 11, 2001.

stage of the election, it should not be forgotten that he was a faction leader himself. In fact, the Koizumi regime did not come into being because he gave up on factional politics but rather because he designed a smart strategy to encircle and contain the Hashimoto faction by aligning himself with the Eto-Kamei faction and the YKK group. Secondly, even though Koizumi broke the rule of proportionality and seniority when he formed a new cabinet, key mid-ranking posts such as deputy secretary-general, deputy head of the General Council, and deputy head of Diet affairs committee, have been allocated in proportion to the size of factions (see Table 5). Finally, as was the case with the previous LDP presidential election, Koizumi's victory suggests that the internal power struggle over who the party should form coalitions with may continue. With upper house election imminent, at the time of writing the LDP has little incentive to switch coalition partners, but Koizumi's stance on the issue suggests that the LDP may yet align itself with other parties on the basis of his own strong backing within the party.

It goes without saying that, for the moment, Koizumi is the LDP's golden boy. His record high support rate of 78%[46] will give the party a boost as it prepares for the upper house election. His coming to power and his personal popularity might yet save the LDP from devastation in the election.

46. Ibid., April 30, 2001.

Conclusion

Factions within the LDP never disappeared. In contrast to the view that factions will eventually fade away, I have argued that they are likely to survive, albeit with different structures and functions to perform. Given that the party routinely has more than 340 members, the division of labor in managing party affairs that factions provide makes good sense. In place of hierarchically disciplined formal lines of management, factions feature an informal organization and function as working groups that horizontally and competitively permeate all party organs. The LDP's factions have inherited the organizational legacy of the past, and their multiplicity guarantees the preservation of intraparty democracy and also, if not deliberately, serves to revitalize the party by introducing competition to the political resource mobilization process.

Although I have suggested reasons for the continued existence of factions, this does not mean they are immutable. The internal working mechanism of each faction has changed. The introduction of a single-member district system has eliminated the need to be concerned over competition among party members from the same district. Factions also have lost the capacity to mobilize and distribute political funds to their members owing to changes in political funding laws and deteriorating economic conditions. Though senior faction members continue to assist with political fundraising, raising funds by individual politicians is now the rule, not the exception.

Most Diet seat candidates will join a specific faction before or after a general election. That they continue to join factions is related to their continuing importance as pressure groups that can collectively negotiate over and win the candidates posts in the cabinet, the party, and the Diet. In that sense, the information institution of factions provides their members with more of a defensive insurance against negative treatment by party leaders than an assertive group through which they can realize shared political ideals.

By producing a relationship of interdependence and reciprocal checks and balances, the LDP's factions compete and coalesce among themselves at times to select the party's president, which for all intents and purposes means choosing the prime minister of Japan. The locus of power in the country becomes more apparent when one closely studies factional dynamism. A Japanese political leader is selected from the intersection of factions working in coalition with one another. The popular conception that personal likes and dislikes are all that matter is an inadequate explanation for assessing why such coalitions may be formed. Pointing fingers at Japanese cultural norms to account for inter-faction coalitions presents more puzzles than answers. In this regard, it is useful to keep in mind that the changed electoral formula has made mergers and annexations between factions possible. Two or more factions can join together to create one as long as numerical size gives a faction

an advantage in managing party affairs. The removal of overlapping electoral districts among the Diet members made this possible. However, it is unlikely that one single, large faction will be the end result, nor is it likely that the change in the district system will produce numerous small factions. What is more likely to be the case is that the LDP will see the emergence of few oligarchic factions.

With the end of the LDP's one-party dominance, observers perceive the varied strategies used to seek a coalition partner as being associated with cleavages within the party. Rather than bouncing off one another like billiard balls, factions are uniting to lay their claims to the party leadership. Depending on how the political situation develops, mainstream and non-mainstream factions may reverse their standing or recombine among themselves on such political issues as whether or not the LDP should form a grand conservative coalition or join with centrist parties in the LDP's ongoing effort to remain a government party.