

EXPLAINING ELECTORAL REFORM

Japan versus Italy and New Zealand

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ABSTRACT

Japan, Italy and New Zealand changed their electoral systems to similar (though also significantly different) mixed systems combining single-member districts and proportional representation in the early 1990s. I examine the reasons for these three reforms being enacted, showing that while common symptoms of system failures were important in setting the three reform movements in motion in like fashion, they were not compelling enough to push reluctant politicians to enact reform. Other country-specific factors were needed to intervene and force them to take action. Japan's reform was enacted without the imposition of the popular referendum that occurred in Italy and New Zealand, but was made possible by changes in the nature of party competition that favourably altered political parties' incentives to reform. The change was brought about by the presence of pro-reformers within the dominant party and the relative coincidence between reform and the interests of parties.

KEY WORDS ■ electoral reform ■ Italy ■ Japan ■ New Zealand ■ party competition

Introduction

Changing electoral systems is not easy. Politicians have difficulty modifying the system under which they have been elected. Large transitional costs accompany a shift from one system to another; politicians will need to invest in new campaigning, and a new system will introduce uncertainty about their electoral prospects, possibly even endangering their re-election. Politicians will also need to overcome the transaction costs of securing a legislative majority for reform; pro-reformers will need to override opposition by anti-reform politicians. Further, agreement on one particular system is difficult as different electoral needs will lead politicians to advocate different systems.¹

Consistent with those conceptually expected difficulties, reform does not often occur in practice. The norm in the post-war period has been for electoral systems not to change among liberal democracies (Dunleavy and Margetts, 1995; but with some exceptions, as in France and Greece, Taagepera and Shugart, 1989: 219–20). This tendency toward inertia is understandable, given that all electoral systems – plurality or proportional representation (PR) – have empirical biases to favour strong parties (Rae, 1967). Reform needs the support of a legislative majority; if electoral systems favour strong parties, there is little intrinsic force in democracies to favour their reform.

Nevertheless, in 1994 Japanese politicians changed their electoral system for the House of Representatives from a multi-member district (MMD) system to a ‘combinational’ mixed system that simply combines single-member districts (SMDs) and PR. Italy also changed its electoral system for the Chamber of Deputies from PR to a ‘correctional’ mixed SMD-PR system, and New Zealand replaced a simple plurality system for the House of Representatives with a correctional mixed system in 1993.² Why was the enactment of these three reforms possible?

Some scholars have provided rational explanations of institutional origins (Knight, 1992; Lehoucq, 1995) and of incumbents designing rules to protect their careers (Grofman, 1990). But then, how did self-seeking politicians in Japan, Italy and New Zealand manage to overcome their disposition toward career protection in carrying through reform? How did they agree to new systems that would introduce uncertainty and other transition costs? Another question is whether the three reforms could be explained as having been brought about by the same causes, thus allowing us to posit a general explanation. To answer these questions, this paper examines the causes of the three reforms and considers the relative importance of alternative explanations.

This study is exploratory in nature partly because of its methodological limits, including the selection of cases on one value of the dependent variable (successful reform legislation) and small-*n* cases (King et al., 1994). But a study based on selection on the dependent variable can still provide insight into a phenomenon and its causes, if previous theories and empirical studies provide limited insight (Collier, 1995). The causes of electoral reform are one such subject about which little is systematically known, while much is known about the effects of electoral systems on the party system, intra-party politics and the behaviour of politicians (Duverger, 1954; Rae, 1967; Katz, 1980; Grofman and Lijphart, 1986; Taagepera and Shugart, 1989; Lijphart, 1994).

Alternative Explanations

One explanation would be that general factors common to all three democracies drove the reform movements, producing similar outcomes (legislation of variant mixed SMD-PR systems) in similar ways. Norris (1995a), for

instance, lists the fragmentation of dominant one-party systems and party dealignment, and rampant political scandals and/or government failures as common long-term conditions that create the potential for change to correct failures in the political system. Dunleavy and Margetts (1995: 26) suggest that the adoption of mixed systems in many countries may not be a coincidental phenomenon, but the 'start of a more important phase in the evolution of liberal democratic systems across the globe'. If common factors actually brought about reform enactment in the three countries, we would not have to invoke country-specific factors, thus opening up the possibility of a general explanation.

A country-level explanation would stress factors unique to a particular country, including institutions (e.g. Weaver and Rockman, 1993) or particular circumstances or events; namely, that diverse factors among the three countries played an indispensable role in producing similar outcomes. This view, while not necessarily denying the role of common prior conditions in giving an impetus to the three reform movements, would hold that the conditions would not have resulted in similar reform enactment in the absence of some country-specific factors. Thus, country-specific factors would be an intervening variable between the common conditions and the common outcomes.

Still another (though not mutually exclusive) explanation from the perspective of electoral incentives would be that some circumstances made reform in the interest of the politicians who had originally opposed it. This situation could have been engendered by positive change in their perception of the benefits of a new electoral system or by their concern that a failure to enact reform might cost them re-election because of pro-reform public opinion.

In the next section, I review prior conditions shared by the three countries. Next, I examine factors that varied among the countries and suggest that the differences could have put Japan's reform at a relative disadvantage and made its outcome depart from Italy's and New Zealand's. Then, I tease out specific factors that nevertheless made Japan's reform legislation possible.

Common Factors

Japan, Italy and New Zealand showed similar symptoms of the failure of their political systems prior to the reform movements, including political corruption scandals (not in New Zealand) and high levels of public dissatisfaction with politicians and doubt about the accountability, efficacy and legitimacy of the political systems (Bull and Newell, 1993; Oshita, 1994; Dunleavy and Margetts, 1995; Donovan, 1995; Vowles, 1995). These symptoms were commonly attributed to the electoral systems. Apart from the question as to whether these prior conditions were sufficient to produce the reform outcomes, it seems reasonable to believe that they at least engendered

and led the three reform movements, as perceived symptoms of system failures have often generated reform debates and movements in other countries (Shugart, 1992; Lehoucq, 1995; Norris, 1995b).

In Japan, a series of corruption scandals beginning in 1988 (the Recruit, Kyowa and Sagawa scandals) exacerbated public anger against politicians and distrust in government.³ Criticism was levelled against politicians' dubious fundraising activities and money politics. There was also a problem of accountability; politicians had long failed to take adequate measures to rectify historically rampant corruption and money politics. Along with the absence of alternation of parties in government, these problems were perceived to be symptoms of the failure of the governing system and gave an initial impetus to the reform movement.

Reform-minded politicians and observers attributed prevalent corruption to Japan's MMD system with the single non-transferable vote (SNTV), claiming that it entailed candidate-centred elections, immense campaign spending and particularistic politics. Under this system, two to six representatives were elected from a district, and candidates of the same party (mostly the ruling Liberal Democratic Party, the LDP) competed against each other in the same districts. Their need to run successful campaigns against party colleagues (as well as candidates of opponent parties) propelled constituency services and the large campaign spending to manage their personal vote-mobilization machines (Hirose, 1989; Ishikawa and Hirose, 1989: ch. 3), because competition based on policy issues was an ineffective strategy for those who stood on the same party platforms where party discipline was strong.

The conclusion of LDP reformers was to replace the MMD system with an SMD-based system. They contended that SMDs would encourage party- and policy-centred elections and facilitate alternation in government, thereby mitigating corruption and money politics. Behind their support for SMDs was also the electoral advantages SMDs would give the LDP as a whole.⁴ The opposition parties, in contrast, opposed the replacement of MMDs with SMDs on the grounds that SMDs would strengthen the LDP's dominance at their expense and could aggravate money politics, until they finally accepted a mixed SMD-PR system proposed by the Japan New Party (JNP) and New Party Harbinger (Shinto Sakigake) as a condition for the formation of an anti-LDP coalition in mid-1993.

The LDP attempted to create a mixed SMD-PR system in 1991 (the Kaifu administration) and a simple SMD system in 1993 (the Miyazawa administration), but both proposals were defeated by ruling- and opposition-party politicians opposed to reform. Eventually, in 1994, Prime Minister Hosokawa's anti-LDP coalition government enacted a mixed system very similar to that in Kaifu's proposal. (Thus, policy substance is not a good explanation for the outcomes of Hosokawa's and Kaifu's reform attempts; the explanation needs to be sought elsewhere, as is considered later in the paper.)

Like Japan, the Italian political system was plagued with corruption scandals, which were likewise attributed to the electoral system (Bull and Newell, 1993; Pasquino, 1993; Donovan, 1995). Italy's preferential-voting provision in its list PR system allowed the voter to write in the names of particular candidates, and it encouraged politicians to compete with candidates of the same party by amassing constituency services. It also left room for abuse; because only a minority of voters used this write-in option and the percentage of voters exercising the option varied across regions and parties, small numbers of voters could affect the candidate ordering on PR lists (Dunleavy and Margetts, 1995).

Italy's PR system was also viewed as the reason for short-lived governments and lack of alternation of governing parties in power – the Christian Democratic Party (DC) and Socialist Party (PSI). The country's economic downturns since the late 1980s and the government's inability to undertake effective economic management also called into question the viability of the governing system (Bull and Newell, 1993; Donovan, 1995). Reformers considered that electoral reform would encourage the evolution of a two-party system and alternation in government and would be a solution to the problems arising from the malfunction of the political system. Not surprisingly, the governing parties' entrenched interests in the current electoral system prevented them from embarking on serious reform.

Electoral trends in the early 1990s made the DC still more unenthusiastic about electoral reform. A new party – the Lombard League – began to capture the dissatisfied public in regional elections and then national elections by its anti-establishment posture against the governing parties (Sani, 1993; Donovan, 1995). This was accompanied by the decline of the DC's and PSI's electoral strength. While these electoral results turned the League in support of reform, they moved the DC away from reform, as they raised serious doubts about the party's electoral future in a new system.

In New Zealand, the two major parties – Labor and National – had undergone a steady decline in votes since the 1950s, while electoral support for minor parties had risen, reaching 30 percent in 1993 (Vowles, 1995). At the same time, voters had become increasingly volatile, changing their vote from one election to another. As such dealignment in the party system progressed, the simple plurality electoral system produced great disproportionality between the percentages of votes and seats won by parties; landslide victories became more common and the winning party gained increasingly more seats than its vote share. Twice, in 1978 and 1981, for instance, the National Party won a majority of seats with fewer votes than the Labor Party. The rise of minor parties further enlarged the degree of disproportionality.

New Zealand's strong governments with smaller popular support had carried out economic policies they had not promised in their party platforms since 1984, including radical market liberalization, deregulation and privatization (Nagel, 1994; Vowles, 1995). As a result, the public felt the absence of accountability, blaming it on the plurality electoral system. Public trust

in politicians dropped significantly; by the late 1980s, half the public preferred PR as an alternative to simple plurality.

In Japan and Italy, change in international politics was also a force behind the reform movements. The collapse of communism in the Soviet bloc beginning in 1989 diminished the legitimacy of Japan's LDP and Italy's governing parties, which had traditionally served as bulwarks of liberal democracy and the market economy against communism in domestic politics. Since voters no longer had to worry about the communist threat, they could now consider electoral reform that could weaken the corrupt anti-communist parties. (In Italy, the transformation of the Communists (PCI) into a non-communist leftist party (PDS) further eroded the justification for keeping the DC in power.)

Thus, similar symptoms of system failure were commonly behind the reform movements in the three countries. It seems reasonable to acknowledge their role in giving rise to those movements. Considering that the movements resulted in similar outcomes (reform legislation, though not identical new systems), the general explanation, at a glance, appears intuitively correct. But closer inquiry into the politics of reform in the three countries reveals the existence of some particular factors which raise some questions about the general explanation. Those factors differed across the three countries and pose the question: why did the reform movements still result in similar outcomes? The differences in the particular factors could have been significant enough to have led the three reform movements to different outcomes. It is possible that the reform movements produced similar outcomes because of the dissimilarities in particular factors and that the country-specific factors are imperative in explaining the three reforms.

Particular Factors

We identify three factors that raise questions about the general explanation: the constitutional availability of the popular referendum as a means of imposing electoral reform on reluctant politicians; fragmentation of the dominant party system; and the degree to which reform coincided with the interests of dominant parties. The differences in these factors between Japan, Italy and New Zealand suggest that Japanese politicians on the whole may have been less averse to reform, and/or that the political situation in Japan may have been more conducive to the enactment of reform so that Japanese politicians did not need to be forced into action, as were their counterparts in Italy and New Zealand.

The Referendum

In Italy and New Zealand, the popular referendum was the decisive factor in the reformers' success in pre-empting and overriding politicians' vested

interests in preserving the existing electoral systems and their reluctance to carry out reform (Donovan, 1995; Vowles, 1995). In Italy, the referendum is available on popular demand. Although Italy's referendum is abrogative and needs to be followed by legislation, it steered the final form of the legislation. The Constitutional Court endorsed the view that the abrogative referendum could provide a propositive indication of what it demanded or a 'quasi-legislative proposal' (Donovan, 1995: 57). In the course of 1990–3, political and cultural groups outside the dominant parties launched campaigns to put referendums on electoral reform to a vote. The success of the referendums imposed reform legislation upon the dominant parties.

In New Zealand, the majority of politicians of both major parties opposed electoral reform. But after several unfulfilled pledges by both parties to hold a referendum on the issue, strong public demands and campaigns by reform supporters finally forced the National Party to hold a referendum (unlike in Italy, the government initiates and controls referendums in New Zealand). Politicians 'hoped to blunt the edge of change with a referendum [that] they were confident would confirm the status quo, given their control of its process of definition' (Vowles, 1995: 113). But the referendum results appalled them. The first referendum (1992) bound the second referendum to be held (1993) to let the public choose between the current plurality system and the additional member system. The public voted for the latter, despite politicians' efforts to preserve the status quo by manipulating the referendum questions and the format of the alternative electoral system to show reform in an unfavourable light, and despite anti-reformers' media campaigns.

Thus, in Italy and New Zealand, reform was imposed upon reluctant politicians, the public and reformers virtually setting the terms for it. In Japan, however, there was no constitutional provision for the referendum, except for ratification of amendments to the constitution initiated by the Diet (under Article 96 of the Japanese Constitution). That means that Japanese politicians themselves had to act to change the status quo. It follows that forces other than the referendum moved politicians to enact reform in Japan. Those forces also had to be sufficiently potent, considering that, as in Italy and New Zealand, many politicians opposed reform.

One might argue that potent public opinion pushed Japanese politicians into action in the same manner that the referendum imposed reform upon Italy's and New Zealand's politicians. But evidence for this explanation does not appear strong. First, although public opinion might explain *some* reform in Japan, it does not explain why it had to be *electoral* reform. That is, although Japanese voters demanded 'political reform' to alleviate corruption (the Japanese used the phrase 'political reform' to refer to anti-corruption measures⁵), very few thought that electoral reform was important in achieving that goal. In a poll, although 80 percent of respondents answered that politicians needed to implement political reform, only 16 percent

thought electoral reform was a priority (*Asahi Shimbun*, 3 May 1993). Another poll similarly showed that the largest 41 percent thought anti-corruption measures were the most important, while only 11 percent demanded electoral reform and 32 percent called for both (*Mainichi Shimbun*, 15 July 1993). As late as September, over a month after both ruling and opposition parties had announced support for a mixed SMD-PR system, only 34 percent supported the system, 53 percent did not know, and 10 percent opposed it (*Mainichi Shimbun*, 12 Sept. 1993; see also *Yomiuri Shimbun*, 30 June, 8 Aug. and 5 Oct. 1993). From the perspective of public opinion, there was thus little reason for Japan's reform to take the form of electoral reform.

Second, although it is true that public criticism led many Japanese politicians to feel that some form of reform was unavoidable, Italy's and New Zealand's politicians who felt similar electoral pressures were unable to enact reform until the public imposed it through the referendum. In Italy, especially, the dominant parties remained static on the reform issue, despite actual election results showing their electoral decline to be partly due to their inaction. In Japan, too, public opinion calling for anti-corruption measures (for which, politicians claimed, electoral reform was necessary) had long been strong, but politicians had failed to enact reform until 1994. The Kaifu and Miyazawa administrations' reform attempts in 1991 and 1993 were, indeed, cases of politicians' failure to carry out reform despite public demands. Thus, politicians' fear of electoral retribution alone does not necessarily induce action.

Third, public opinion demanding reform in Japan may not have actually been as strong as politicians might have feared. Rather, the electoral punishment LDP politicians received in the 1993 general election for the latest scandals and their inaction was less strong than one would have expected. The election came immediately after LDP anti-reformers had forced the party leadership to abandon reform. There was good reason to expect the LDP's loss. But although the party fell from power, its loss of a majority was due to 46 lower-house members' defection from the party before the election, rather than the party's poor electoral performance. (The LDP had 222 seats after its split and won 223 seats in the election.) The LDP also scored even better in districts with no new party candidates than in the previous 1990 general election (Kabashima, 1994; Reed, 1996).

In sum, we simply do not know whether Japanese politicians' fear of electoral retribution was actually stronger when they enacted reform than when they failed at it, nor whether it was strong enough to bring about reform in 1994. We have no data on the strength of public opinion required to induce reform in Japan or elsewhere. Further, we do not know whether Japanese politicians had good grounds for fearing (if they ever did) electoral retribution in the light of the fact that there had been many corruption scandals in the post-war period, yet most corruption-tainted politicians had continued to be re-elected.

The Increasing Fragmentation of the Dominant Party System

Norris (1995a) cites the fragmentation of the party system as one of the critical conditions in her summary of electoral reform in countries including Japan, Italy and New Zealand. Fragmentation was certainly under way in all three countries, and served as a background for the reform movements. But the nature and degree of fragmentation varied, contributing to the reform processes and outcomes in different ways and to varying extents.

In New Zealand, an increasing level of fragmentation of party support among the electorate became a cause of the reform movement because it worsened disproportionality between the actual popular votes and the number of seats the parties won; this fuelled public demands for reform (Vowles, 1995).

In Japan, although reform had previously represented a strategy for bolstering the LDP's electoral power (in 1956 and 1973), the decline of its electoral strength was largely arrested in the late 1980s and early 1990s (except in the 1989 upper house election), in the sense that the electoral trend did not make the party feel an imminent threat to its rule (Ishikawa and Hirose, 1989).⁶ It was the common perception in the party that MMDs were the most advantageous to the party for the time being, especially after the party won the 1990 lower house election.⁷

The sense of electoral security made the LDP leadership unenthusiastic about reform during the Kaifu and Miyazawa administrations, and this was one factor in the failure of their 1991 and 1993 reform attempts. In announcing the shelving of Miyazawa's proposal, for instance, LDP Secretary General Seiroku Kajiyama stated that the party would carry out reform after it had won the next (1995) upper house election. In other words, the LDP leadership expected neither electoral damage nor a loss of power because of its failure to enact reform (Asahi Shimbun Seijibu, 1993: 28, 31–2). While the leadership knew the electoral merits of enacting reform much desired by the public, it did not foresee the high costs of postponing it until after Miyazawa's failure. Thus, the LDP's reform attempts were not its response to party system fragmentation. However, after Kaifu's and Miyazawa's failed attempts, the LDP's split in 1993 did cause party system fragmentation when LDP members left the party. This event served as an immediate catalyst to the enactment of the 1994 reform, as we will see later.

In Italy, party system fragmentation and the reform movement proceeded simultaneously, reinforcing each other. Fragmentation was partly a result of the reform movement, since the dominant parties' electoral decline was also precipitated by public frustration with their unwillingness and inability to enact reform, and by early reform measures. But at the same time, the dominant parties' fragmentation, loss of legitimacy in the face of massive corruption scandals, and resulting disarray paralysed them on the reform issue and contributed to the success of the reform movement (Donovan, 1995).

Thus, while fragmentation contributed to the three reforms, its effects

varied, and it alone is not a strong explanation for all the reform movements and outcomes. In Japan, particularly, it was a cause of reform enactment, but not of the initiation of the reform movement by the dominant LDP.

*Coincidence of Electoral Reform with the Interests of
Dominant Parties*

Japan's reform also differed from Italy's and New Zealand's in the degree to which the reform coincided with the interests of the dominant parties. In Italy and New Zealand, the dominant parties' preferences were for preserving the status quo over the mixed SMD-PR systems they ended up legislating (Donovan, 1995; Vowles, 1995).⁸ But in Japan, the mixed system was not inconsistent with the interests of the LDP as a whole. After all, the LDP had attempted to create an SMD-based system twice (1956, 1973) before its recent attempts, as SMDs would have given electoral advantages to the largest LDP. (It must be remembered that at the individual level, there were many strong opponents with particular electoral needs, and each attempt faced their opposition.) For instance, one simulation showed that, under the enacted SMD-PR system, the LDP would win 324 of the 500 seats if all the nine major parties campaigned independently (*Yomiuri Shimbun*, 5 March 1994). If electoral cooperation took place among the eight non-LDP parties and an election was fought between four blocs, the LDP's seats would still reach the 220s. And the new system did actually benefit the LDP in the 1996 election because of the decreased district magnitude. (The LDP won 48 percent (239) of the seats with 35.7 percent of the overall SMD-PR votes; Gallagher, 1998.) The differences between the three countries in the electoral interests of the dominant parties suggest that a substantial portion of Japanese politicians may have been more supportive of reform than their counterparts in Italy and New Zealand, and that this is a factor for Japan's reform without the imposition of the popular referendum.

In sum, despite the existence of general factors that commonly gave an impetus to the three reform movements, the differences in the particular factors mentioned above require that the explanation of Japan's reform be supplemented with additional information.

Japan's Reform⁹

This section discusses why the enactment of Japan's reform was possible indirectly by comparing the 1994 reform with the previous attempts in Japan and with the Italian and New Zealand cases. Two factors stand out. First, a series of political events in Japan in mid-1993 changed the context of party competition and electoral reform in favour of its enactment. The change removed the two obstacles to reform in the previous attempts – opposition to reform among the opposition parties and within the dominant

LDP. The second factor becomes clear when we look for reasons that may have made many Japanese politicians somewhat more supportive of reform than those in Italy and New Zealand. That is, electoral reform coincided with the interests of two particular groups of politicians: the LDP's junior politicians who had longer time horizons than senior politicians and for whom the costs of system failures became large; and a group of influential politicians such as former LDP Secretary General Ichiro Ozawa and his followers, who wanted to transform Japan's political system to achieve their ideals. Although the transaction/transition costs of electoral reform still did not make it easy for the two groups to change the electoral system, their support for reform worked favourably for its enactment.

Change in the Context of Electoral Reform

The previous reform attempts by the LDP (1956, 1973, 1991 and 1993) had all failed due to intense opposition to the introduction of SMDs both from the opposition parties and within the LDP. The 1991 and 1993 attempts were hampered further by factional struggles in the LDP (on top of the opposition to SMDs), when reform was used, to its detriment, as a tool in the struggles. In Kaifu's attempt (1991), competition for the LDP presidency gave rise to an inter-factional alliance against him and his patron Takeshita's faction, and the alliance sought to eliminate the possibility of Kaifu's reelection as party president by thwarting his reform. The 1993 attempt was hampered by a power conflict between the former Takeshita faction and a group led by Ichiro Ozawa that had broken away from the Takeshita faction.¹⁰ The anti-Ozawa faction tried to foil Miyazawa's reform, as the faction construed Ozawa's support for reform as his means to instigate the LDP's disintegration and party realignment.¹¹

The reform attempt of 1993/4 was distinguished from the previous ones in that opposition to an SMD-based system among the opposition parties and within the LDP was significantly reduced. The LDP's split and the subsequent formation of two new parties by LDP defectors in mid-1993 – the Sakigake and the Renewal Party (Shinseito) – served to mitigate the opposition by giving both the initially anti-reform opposition parties and the LDP the incentives to support reform.

When the prospects for the legislation of Miyazawa's reform turned dim and the opposition parties prepared a no-confidence motion against Miyazawa, the Ozawa group (still in the LDP) plotted to vote for the motion and remove Miyazawa from office.¹² When the motion was approved by a majority vote of the opposition parties and the Ozawa group in June 1993, Miyazawa dissolved the lower house. Then, 54 LDP members left the party and formed the Sakigake and Shinseito (the Ozawa group).

In the lower house election in July, the LDP lost its house majority, winning only 233 of the total 511 seats, including 10 independents who were admitted into the party after the election. Five opposition parties,

which had agreed to form a non-LDP coalition (the Social Democratic Party (SDPJ), Shinseitō, Clean Government Party, Democratic Socialist Party, and Socialist Democratic League), won 215 seats. As a result, the JNP and Sakigake – which won 48 seats – gained a casting vote on the formation of a coalition government with either the LDP or the non-LDP parties.

The JNP and Sakigake then proposed a mixed SMD-PR system as a coalition condition, and both the opposition parties and the LDP accepted it immediately. (Note that the opposition parties had consistently opposed the LDP's previous proposals for SMD-based systems, and also that the LDP had insisted on a simple SMD system and opposed a mixed system during Miyazawa's attempt.¹³) The JNP and Sakigake chose the opposition parties for partners, resulting in the LDP's fall from power and the birth of an anti-LDP eight-party coalition government led by Prime Minister Morihiro Hosokawa. All the parties, including the LDP, were virtually bound to institute a mixed system by this time, since they had all announced support for it. Reform was enacted early the following year, after much negotiation between the parties over the particulars of the new system.

Why did all those parties agree to a mixed system that they had previously opposed?¹⁴ First, the LDP's split and loss of its house majority prior to the inauguration of the Hosokawa coalition opened up the possibility of the opposition parties achieving their long-standing goal of bringing down LDP rule and gaining power. They could gain control of government, as long as they accepted the mixed system.

The loss of its majority also changed incentives for the LDP and forced its anti-reformers to drop their opposition to reform, now that preserving the party's power was at stake. That is, since the party failed to win a majority in the election, the only way it could remain in power would be to accept a mixed system and form a coalition with the JNP and Sakigake. The anti-reformers – who depended on the party for political resources, including the benefits from its control of government – had difficulty acting against the interests of the party as a whole. This stands in contrast to the attempts by Kaifu and Miyazawa, where control of government was not at stake and the internal politics of the LDP surfaced to sabotage the attempts.

Second, the LDP's split and its loss of the majority assuaged the foremost source of the opposition parties' objection to an SMD-based system – the perpetuation of LDP rule anticipated under an SMD system. The split gave rise to the prospect of the opposition parties forming a viable, alternative political force with the LDP defectors. The opposition parties would not have to fear the LDP's predominance under a new system as much as before its split, now that its electoral power had already been reduced by the split.

All those parties' acceptance of a mixed system did not mean that opposition from individual politicians had ceased to exist; many LDP and SDPJ members still opposed reform. But they were forced to follow their parties' decisions, as the survival of their parties was at stake. The leadership of both the LDP and the SDPJ also had no choice but to support reform to avoid

the disintegration of the parties, since their pro-reform members threatened to leave if the parties did not support it.¹⁵

Thus, the LDP's split and the consequent change in the political parties' incentive structures served as an immediate catalyst to reform enactment.¹⁶ The decisiveness of this situational factor is palpable also from the fact that the mixed SMD-PR system enacted in 1994 was almost identical to that proposed by the Kaifu administration in 1991; both proposals had 300 SMDs, and the only difference was that the former had 200 PR seats and 11 regional PR districts, whereas the latter had 171 PR seats and one national PR district. (Considering district magnitude in PR, the former would have been slightly more favourable to the LDP and unfavourable to the anti-LDP parties than the latter, since a smaller district size generally benefits a bigger party. Thus, the anti-LDP parties ended up legislating for a system less attractive to themselves, facing a decision between reform or no reform.) Therefore, policy substance does not explain the success and failure of these two attempts; the explanation needs to be sought in change either in the situation or in politicians' calculations, or both.¹⁷

Politicians' Support for Reform

Despite the opposition of many established politicians, Japan's reform was at the same time actively supported by a number of politicians within the LDP (see e.g. Asahi Shimbun Seijibu, 1992, 1993, 1994; Oshita, 1994; Otake, 1995). This stands in contrast with the New Zealand and Italian reforms. New Zealand's National and Labor politicians were predominantly against reform (Vowles, 1995), as were Italy's governing parties. Part of Italy's DC was, at first, somewhat more supportive of reform (while substantial parts were opposed), speculating that an SMD-based system would give the party electoral advantages and make it a centre-right party in a two-bloc party system to be created by the new electoral system. But as the Lombard League's electoral strides threatened the DC's survival in the new electoral system, the DC became paralysed on the reform issue (Donovan, 1995).¹⁸ The League hit the PSI hard, and the situation was similar for the PSI.

In Japan, reform conformed, to an important extent, to the interests of two groups of LDP pro-reformers with different motives – junior politicians and the Ozawa group. The existence of these reformers within the dominant party itself was not, however, sufficiently compelling to bring Japan's reform to fruition, as was demonstrated by the previous abortive attempts (1991, 1993). Nevertheless, their role was critical to reform enactment, because the change in the parties' incentive structures discussed earlier was instigated by their defection from the LDP. The favourable change in the context of reform – the LDP's loss of its majority – would not have occurred without their defection and support for reform.

First, junior LDP politicians (who tended to have less electoral security, less political influence, and longer time horizons, and who were constrained by

the seniority system in the party), had more to lose from the failures of the political system than senior politicians, and sought to redress the problems that were not in their interest. It was also easier for them to advocate reform because they had invested less in the current electoral system than senior politicians, whose electoral bases were more firmly established. The sources of their grievances included: large sums of campaign money required of candidates and the difficulties of fundraising; the predominance of intra-party factions and behind-the-scenes politics in decision-making inside and outside the party; and the resulting lack of institutional opportunities for them to exercise influence on policy and party affairs. They attributed these disadvantages to the MMD system and initiated the reform movement in mid-1988.

The junior politicians believed that MMDs multiplied their campaign efforts and impelled them to constituency services and distributive politics. Despite the need to secure large sums of money, their fundraising abilities were constrained by the exhaustion of the financial sources by party leaders and senior politicians. The revelations of the most recent money scandals and an economic recession further restricted their fundraising activities. They felt that they would not survive MMDs financially.¹⁹ These campaign efforts also consumed time they could otherwise spend on studying and proposing policy.

The junior politicians also believed that the MMD system caused the LDP's factionalism, which produced undesirable consequences. LDP politicians relied on their factions for candidate nominations, position assignments, management of distributive politics and political funds (Fukui, 1978; Iseri, 1988). Factions inevitably exerted control over their members' actions in decision-making. The junior politicians resented the fact that party and faction leaders made policy decisions among themselves and conducted behind-the-scenes negotiations with the opposition parties over the terms of compromise. As a result, they felt not only that they were deprived of policy influence, but that Japan's policy-making had become immobile and inadequate, since little substantive policy deliberation took place. But despite poor policy performance, senior politicians continued to be re-elected because, under the MMD system, multiple representatives were elected from a district with far fewer votes than under simple plurality.

These junior politicians became a driving force behind the reform movement in the LDP. A dozen of them formed the 'Utopia Political Study Group' in mid-1988 and proposed a mixed SMD-PR system and state subsidies to political parties, both of which were ultimately adopted in the 1994 reform.²⁰ (State subsidies were appealing to the junior politicians, who had limited fundraising capabilities.)

The other group of LDP reformers was Ichiro Ozawa and his followers. Ozawa believed that Japan should assume a political role in the maintenance of the international order in proportion to its economic power, but that Japan's political-economic system was outdated and would endanger its survival in the post-cold-war era. He wished to transform Japan's system by

instituting an SMD system and thereby creating a two-party system, which would facilitate alternation in government and political competition based on policy issues, instead of factional manoeuvring and interest group politics (Ozawa, 1993).²¹ The Ozawa group vigorously promoted electoral reform, first within the LDP and later in the Shinseito after it left the party. His Shinseito became a driving force behind the formation of the pro-reform Hosokawa coalition. In sum, these LDP reformers' break-up converted the LDP from a dominant party into a large minority party that was no longer sure of dominance and could now be out-maneuvred by a coalition of the other parties.

Japan's reform may well be explained as a confluence of (1) change in the context of party competition and reform, facilitated by the presence of reformers within the dominant party and by the relative coincidence between reform and the dominant party's interests, and (2) the general symptoms of failures of the political system that were common to Japan, Italy and New Zealand.

Conclusion

Seen in comparative perspective, Japan's reform is illuminating, in that drastic reform was enacted without the imposition of the popular referendum, as occurred in Italy and New Zealand. Reform was made possible, instead, by change in the nature of party competition that altered parties' incentives favourably for reform. The change was brought about by the presence of pro-reformers in the dominant party whose self-interest coincided with reform, and by the internal politics of the party.

In all three countries, politicians lost control of the reform processes and were forced to legislate. In Italy, dominant-party politicians originally had the chance of deciding the shape of reform and avoiding the referendum, but their dependence on their old electoral bases, together with shifting electoral trends and resulting uncertainty about electoral interests and strategies, paralysed them and they let the reform process get out of their control (Donovan, 1995). In New Zealand, in the hope of assuaging demands for reform, politicians held a referendum in the belief that it would deny reform, but their hands were tied by its unexpected result. Even in Japan's politician-induced reform, the change in parties' incentive structures made the non-LDP parties support the mixed system they had previously opposed and that could undermine their long-term electoral strength. The change also made the LDP accept, for the purpose of retaining power, the reform it had not previously been ready to accept (except the LDP reformers), but the party lost power anyway.

This study finds rational choice theory of only limited help in understanding the three reform processes and outcomes, though the account presented here may not necessarily be inconsistent with it. The politicians in the three countries were certainly concerned about their careers and

control of government and may have acted to promote their interests at each stage of the processes. But the three examples show that these were cases in which conflicting interests, the complexity of the situation, rapidly developing events and actors' limited cognitive capabilities made it difficult for politicians to assess the situation accurately, determine their interests, and choose the best course of action based on those interests. Their career and power concerns also manifested themselves in different degrees and at different times, leaving us with no clue as to whether the career-protection or legislative-maximization assumptions give us analytical guidance. I find that the investigation of the situation carries greater weight in analysing these three cases than speculating about politicians' goals.

The experiences of Japan, Italy and New Zealand show that general conditions of system failures, such as rampant corruption, a lack of accountability and efficacy in government, and a perceived absence of popular control of politicians, have the potential to push electoral reform onto the legislative agenda. But they also demonstrate that these conditions were not compelling enough to push incumbent politicians into enacting reform, and that reform processes and outcomes are subject to the influence of particular factors in each country.

Such country-specific factors included institutions – such as constitutional provisions (the popular referendum in the Italian and New Zealand cases) and the electoral system and the political conditions that it generates, the configuration of party competition, intra-party politics and particular circumstances. While general conditions of system failures were important in setting the reform movements in motion and keeping them potent, country-specific factors were essential for successful reform legislation. Particular factors were needed to force reluctant politicians to take action, or particular events needed to take place to create a situation in which reform became an acceptable or desirable option for incumbent politicians. This study suggests at this moment the limits of a general explanation for electoral reform legislation and the need to look into country-specific factors in analysing the fate of a particular country's reform.

Also, the cases of Japan, Italy and New Zealand seem to vindicate, not refute, the difficulties of reform. They show that the entry of reform onto the agenda required strong prior conditions and symptoms of the failure of the political system that were crystallized by such events as corruption scandals, economic difficulties, and electoral results not compatible with a popular will. These conditions needed further to be successfully connected to the reform movements, and reform enactment needed to be assisted by other restrictive conditions – the popular referendum and the ruling party's break-up. It often seems difficult to obtain these potent conditions to make reform a real possibility.

Lastly, suggestions for future research are made. The findings of this study are circumscribed by the small number of observed cases and their selection based on the dependent variable; it treated only three cases and included

only those of successful reform. We still know little about the causes of electoral reform. In order to gain more valid and generalizable inferences, we need to study cases in which the dependent variable takes different values – where debates about reform or reform movements did not lead to the legislation of reform or led to more modest reform, or where electoral reform is not even on the agenda, despite the presence of symptoms of system failure that have led to reform movements in other countries. We also need a systematic analysis of more countries that have variations in explanatory variables so that we can see the effects of those variables more clearly and eliminate alternative explanatory variables. Accumulation of empirical data will help us gain greater insights into the causes of electoral reform and the behaviour of politicians and parties.

Notes

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- 1 For an incisive theoretical treatment of the difficulties of implementing electoral reform, see Dunleavy and Margetts (1995). They attribute the difficulties, among others, to the existence of competing criteria for evaluating electoral systems.
- 2 Italy's system (with a two-ballot system in which each voter casts one vote for an SMD candidate and another for a party in PR lists) is correctional in that if party *X* wins in SMD district *A*, *X*'s PR regional votes are reduced by the number of a runner-up party candidate's votes in district *A* before allocating PR seats, to correct for the bias of SMDs (Dunleavy and Margetts, 1995). New Zealand's is a German-type additional member system (with two ballots), in which the number of seats a party obtains in SMDs is subtracted from the number of its PR allocations to make overall seat allocations proportional to party votes. In contrast, in Japan's combinational system, SMD and PR seat allocations stand independent of each other.
- 3 Politicians were accused of receiving money from private corporations either illegally or unethically. A poll showed that 80% of respondents thought the political parties needed to implement political reform to eliminate corruption. *Asahi Shimbun*, 3 May 1993.
- 4 Because of the advantages, the LDP had sought to create SMD-based systems twice before the reform movement in the 1990s: an SMD system with 455 single-member and 21 two-member districts in 1956 (the Hatoyama administration) and a mixed system combining 310 SMDs and 210 PR seats in 1973 (the Tanaka administration). Although both proposals obtained party approval and the first one was submitted to the Diet, they were scrapped due to opposition from inside and outside the party. See Ishikawa (1995: 79–80, 132).
- 5 The entire political reform package included restrictions on political funds and campaign activities, and state subsidies to parties along with electoral reform.
- 6 In the upper house election, the LDP lost its majority in the house for the first

- time in its history. It won only 36 seats out of 126 up for election (a 50% drop from the previous election). Its total seats (including those not up for election) only reached 109 (43.3%) of the house. Studies showed that the new consumption tax introduced earlier that year had the paramount influence on the outcome (Kabashima, 1992; Miyake, 1992). As with other issues in general, the electoral influence of the tax issue was temporary, and the setback did not represent part of a long-term electoral decline for the party. As evidence, the LDP recovered its electoral strength in the 1990 lower house and 1992 upper house elections.
- 7 Interview with a senior LDP politician (former director general of defence), 22 Feb. 1994.
 - 8 But Mario Segni, one of Italy's most prominent reformers, was a DC politician.
 - 9 The factual description of the reform processes is derived from *Asahi Shimbun* and *Yomiuri Shimbun* during these periods and *Asahi Shimbun Seijibu* (1992, 1993, 1994). For concise narrations, see also Christensen (1994), Shiratori (1995) and Otake (1995).
 - 10 The Ozawa group left the Takeshita faction and formed the Hata faction, when the anti-Ozawa group in the Takeshita faction won factional leadership in December 1992. See *Yomiuri Shimbun*, 25 Oct. and 19 Dec. 1992.
 - 11 LDP Secretary General Kajiyama, who represented the anti-Ozawa group and anti-reformers in the party, took the strategy of driving the Ozawa group into a corner by scrapping the reform. See *Asahi Shimbun Seijibu* (1993: 31–4).
 - 12 Ozawa's aim was to achieve reform by propping up another pro-reform LDP politician, Masaharu Gotoda, as new premier.
 - 13 Behind the SDPJ's acceptance of a mixed system was its desire to make the terms of reform as favourable to the party as possible, if reform was unavoidable. The party was also under pressure from labour unions. The unions, whose political power was declining, supported reform and party realignment, believing that they could maintain political influence only by the SDPJ's alliance with the other non-LDP parties. See *Asahi Shimbun Seijibu* (1993: 26, 45–6, 79–81).
 - 14 Only the Communist Party remained opposed to a mixed system.
 - 15 Prior to the agreement between the coalition and the LDP, both the LDP and SDPJ leadership struggled to forestall the disintegration of their parties and to minimize their anti-reform members' grievances by winning favourable terms of reform in the negotiations.
 - 16 Thus, the origin of the change in the context of reform was largely the internal politics of the LDP.
 - 17 There is the possibility that Japanese politicians would have enacted reform, even if it had not been for the LDP's break-up and the contextual change. But without these changes, reform would have been more difficult.
 - 18 As Italy's governing parties realized that they could not arrest the referendum movement and the enactment of reform, they switched to supporting reform right before the referendum.
 - 19 Interview with a junior LDP politician, 17 Feb. 1994.
 - 20 There were also junior politicians who promoted reform from within the LDP. They played a key role in pushing the party leadership toward compromise with the Hosokawa coalition on reform.
 - 21 Leaders of Japan's peak business associations shared Ozawa's view, demanding electoral reform and tighter restrictions on the use of political money. They hoped that reform would create pressure for effective policy-making and ease the

obstacles imposed by the current system to economic deregulation and liberalization they wished to achieve. See *Asahi Shimbun Seijibu* (1993: 72–6).

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