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Recent Political Reforms in Japan

March 18, 1996

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1 Development of political reforms in Japan

Japan has experienced the drastic political reforms, "seiji-kaikaku" (政治改革) in Japanese language, recently. These reforms have been causing various effects on the political scenes in Japan.

The argument for the reforms of the old election system as well as the regulations on political contributions began with the "Recruit Scandal", which became a wide-spread political scandal involving several politicians. As the term of "seiji-kaikaku" began to be used around this time, the political reforms came to be one of the most important political issues in Japan, raising heated discussions among political parties, mass media and people.

In response to this argument, Prime Minister Noboru Takeshita organized the Wise Men Committee, which presented the proposal suggesting the necessity of the reforms of political systems including the reform of election system and the reform of
spendings and revenues in political world in April, 1989 *1.

The next year, The Council on the Election System, whose members were appointed from scholars, press and experienced experts in June, 1989, submitted the report on the concrete plan of the possible political reforms to Prime Minister Toshiki Katsuyuki. This plan was composed of the reform of the election system of the Representatives, the reform of the political funding system and the introduction of the public subsidies to political parties *2.

Though, after this report, some attempts to realize the political reforms had ended in vain with the exception of the partial reform of political fund system, the circumstances were changed by the collapse of the long domination of the Liberal Democratic Party after the 1993 election for the House of Representatives. The Hosokawa Administration, supported by the coalition of seven parties, submitted the bills for the political reforms to the Diet in 1993. These bills were passed with some amendment in the House of Representatives, but, on the contrary, the House of Councillors denied the bills from the Lower House. In accordance with the provision of the Constitution Section 3 of Article 59, the Conference between Both Houses was set up to coordinate the different results in the Houses, which seemed to have difficulties in reaching the settlement. In the end, Prime Minister Morihiro Hosokawa and Mr. Yohhei Kohno, the president of Liberal Democratic Party, the biggest opposition party, met together and agreed that they would pass by the bills immediately and they would modify the contents of the reform responding to the requirement of Liberal Democratic Party. Thus, the bills for the political reforms were adopted by the vast majority of the Diet

The new systems created by the reforms were gradually put into effect from 1994 (as for the election system of the Representatives, in December, 1994), taking full effect from January, 1995.

There have been some amendments to the laws relating to the political reforms since then, but the general election of the Representatives has not been carried out under the new system as of today.

The brief chronological development of the Japanese systems of election and political financing is shown in Appendix A.

2 Characteristics of political reforms

The recent political reforms in Japan were characterized in those points as follows.

Firstly, the reforms were carried out thoroughly and widely from the reform of the election systems to the political fund reform as well as the financial support to party. As a series of money scandals in the political process caused the outrage of the people, who called for the thorough reforms abolishing the problems, and as the fundamental problems spread broadly across various aspects, it would not have been enough only with the reform of the election system or the political funds. In fact, the related laws were composed of the amending laws of the Public Offices Election Law.
the amending laws of the Political Fund Control Law, the Political Party Promotion Law and the law authorizing political parties to be incorporated.

Secondly, the reforms promote the people's chances to choose the government through the election of the Representatives. As the Constitution of Japan provides the parliamentary cabinet system for national government, the majority of the lower house is supposed to play the decisive role to choose the prime minister who appoints the cabinet members in charge of each public administration. The new electoral system for the House of Representatives allocates 60% of all seats to single-member constituencies. This significantly large portion of the newly introduced single-member constituency system is regarded as a promoter to form the majority group in the House of Representatives in accordance with the choice of electorates shown in coming election.

Thirdly, the new electoral system pays moderate attention to minorities in the society. The Representatives have been able to be elected from minorities under the previous system, because the former constituencies elected usually 3 to 5 members at once by the vote which each electorate was authorized to cast only one and so, for example, in a five-member constituency, the candidate with more than one sixth of votes cast in the constituency were sure to be elected. The new election system of the Representatives allocates 40% of seats to the proportional representation system, which enables minorities to be represented in the lower house.

Fourthly, the restriction and the disclosure of political donations have been strengthened notably, especially for non-party
political organizations and candidates. Above all, corporations, labor unions and other associations are prohibited from making donations to politicians or political organizations other than certain organizations including parties.

Fifthly, the reforms are designed to promote the activities of political parties and to help them in financing such activities instead of candidates and their organizations. It is said that candidates' nursing their constituencies have been the root of the demand for a large amount of political funds and that this caused financial scandals sometimes in the past *4. In that sense, if political party comes to compete their policies and platforms instead of candidates' "service" competitions for the constituencies, it will be quite effective to get rid of scandals in the political world, because that will discharge candidates from the heavy financial burden and, at the same time, political parties, which are much more disclosed to the public than private organizations of candidates, are to play the main role both in political activities and in financing such activities. Anyway, the "political party", which is authorized to file candidates, to receive political donations from corporations and labor unions, and to get the government subsidy, is to be, in principle, the political organization which has five Diet members or more, or otherwise, has obtained 2% or more of total valid votes in either of recent nationwide national elections. As such party organizations with certain scale are open to the people (subject to direct supervision of party members) compared with candidates' personal organizations, they are relatively reliable in operating political activities as well as administrating political fund.
Lastly, quite strict sanctions are provided in the related laws in order to enforce the various regulations to secure the fair campaigns and the clean up political financing. For example, if the manager or supervisor of an organized election campaign commits an election crime such as vote buying and is given a sentence for that, the election of the candidate for whom they are doing the campaign is to be invalid and that candidate is to be disqualified for the candidacy for certain period.

3 Main reforms in election system

(1) Election system of the Representatives

The traditional multi-member constituency system for the election for the House of Representatives is replaced by the new system which combines the single-member constituency system and the proportional representation system with party lists. The total number of the members of that House was reduced from 511 to 500, and 300 of them are to be elected from 300 constituencies by simple plurality, 200 of them from 11 constituencies in proportion to the votes cast to parties. (Public Offices Election Law (POEL) Section 1 and 2 of Article 13, Appendix 1 and 2)

The methods of Japanese election systems are indicated by comparing with typical election systems in Appendix B *5. The new system for the Representatives are indicated with "R", the old system with "R'".

The period for the election campaign for the election of the
Representatives was shortened from 14 days to 12 days (POEL Section 4 of Article 31, Article 129). Eligible parties can file their candidates for single-member constituencies and the lists for the proportional representation to the election administration committees in charge of them on 12 days before the election day (the first day of campaign period). The candidates who are not affiliated with such parties can also file themselves as a candidate. Any political party that files candidates in single-member constituencies can put any of such candidates on its list for proportional representation election. Though party puts the number according to the preference of being elected into the box of each candidate on the list, it may put the same number among these duplicated candidate for both elections. (POEL Article 86 and 86-2)

Voters cast two votes, one for their single-member constituency, the other for their proportional representation constituency. (POEL Article 36)

In a single-member constituency, the candidate with the most votes gets elected from the constituency, as long as that candidate obtains one sixth of the valid votes. (POEL Article 95)

On the other hand, in a multi-member constituency by the proportional representation system, seats are assigned to political parties in proportion to the votes cast for each party in the constituency. The seats are assigned using the D'Hondt formula allocating each seat for the party according to the quotient (in the order from greater to smaller) obtained by dividing the number of the votes cast to it by integers in order (1, 2, 3, · · · ). For example, the assignment in the case of a seven-member
constituency contested by 3 parties is shown in Appendix C.
Then the candidates on the party list as many as the number of the
seats allocated to that party get elected in order according to the
number of the party's preferences shown on the list. However,
the candidate who succeeded in the election of the single-member
constituency does not get elected at the same time by the party list
and, instead, the next preferred candidate on the list gets elected.
In other words, the candidates who have turned out to be successful
in their single-member constituencies are treated as if their names
were eliminated from the parties' lists, and, on the other hand,
those who have been defeated in their constituencies maintain their
candidacy for the proportional representation election. As for
the latter candidates, if they are filed on the same party's list
with the same preference number and at the same time filed as the
candidates for single-member constituencies in vain, the candidate
with the greater proximity ratio (the ratio of the votes of that
candidate in the single-member constituency to that of the winner in
that constituency) is treated as preferred candidate among such
candidates with double candidacy. The example of the decision of
elected candidate in case of double candidacy is explained in
Appendix D. (POEL Article 95-2)

In Japanese elections, the campaigns are regulated broadly
as to the manner of campaigning and the quantity of it, and, at the
same time, a wide range of public financial support and public
management for campaigns are provided by the Public Offices Election
Law in order to secure the fair and equal election. Under the new
system for the election of the Representatives, in addition to
individual candidates, who have been the main conductors of
campaigns with their supporters, political parties are also
authorized to carry out the various election campaigns partly with
direct management by the government. For example, political
parties can express their political views over television and radio
broadcast as well as in newspapers for election campaigns for the
Representatives to a certain extent at the government's expense
(POEL Article 149 and 150).

(2) Strengthening sanctions against election crimes

Strengthening sanctions against election crimes such as
bribery is one of the key features of the recent reforms and applied
to all candidates including those for prefectural and municipal
offices. Among the revisions of the sanctions, those of
associated sanction are notable. Associated sanction is the
sanction to the candidate due to the election crime of other person
who is related to that candidate and, if this sanction is applied,
the election of the candidate becomes invalid. In the recent
political reforms, the persons whose illegal conduct affects the
validity of the election of the related candidate was expanded to
the secretaries of the candidate, the manager/supervisor of
organized election campaign for the candidate. In addition to
this expansion, the sanction itself was strengthened and, when it
applies to the candidate, that candidate is not only declared not
elected in the previous election but also prevented from being a
candidate in the same constituency for the same office for five
years. (POEL Article 251-2 and 251-3)

4 Main reform of political financing system
(1) Regulations on political fund

Political Fund Control Law was revised primarily to strengthen the restrictions on political donations made by corporations, labor unions and other organizations, to improve the transparency of the sources and uses of the political funds and to reinforce the sanctions against the violation of this law.

Above all, it was prohibited for corporations, labor unions and other organizations (except political organizations) to make any political donations except either to political parties (including political fund organizations which can be designated only one by each political party) and fund management organizations which can be designated only one by each candidate. Appendix E shows the new regulations about the quantity of political donations. (Political Fund Control Law (PFCL) Article from 21 to 22-2)

Moreover, under the revised Law, those who have violated this Law have their civil rights suspended for certain period. This means that, if the elected official violates the Law (for example, having received the prohibited donation), that official comes to be deprived of his office and prevented from being a candidate for any elected office for certain period. (PFCL Article 28)

Naturally, these provisions are applied to all candidates including those for national, prefectural and municipal offices and all political organizations, because, unlike in the United States, where the Federal Government is subject to the federalism in the U.S. Constitution, the national government has the authority to
regulate everything in every way as long as it is not to the contrary to the Japanese Constitution.

(2) Government subsidies to political parties

The system of the public subsidy to political parties was created in order to promote the sound progress of democracy by contributing to the development of political activities of political parties.

The national government extends the subsidies as much as about 30 billion yens (approximately 300 million dollars) to political parties annually. This amount is equivalent to that obtained by multiplying 250 yens (approximately 2.5 dollars) by the population. (Political Party Promotion Law (PPPL) Section 1 of Article 7)

One half of the total subsidies is distributed according to the number of the Diet members of each party, while the other half is distributed according to the number of votes cast to each party in recent elections. The precise formula for this distribution is shown in Appendix F. (PPPL Section 2 of Article 7 and Article 8)

Though political parties can finance any activities by the subsidy it receive from the national government, they have to file the reports about the subsidy and the expenditure financed by it, which are to be disclosed to the public. (PPPL Section 1 of Article 4 and Chapter 4)
The "seiji-kaikaku" was composed of a wide variety of fundamental reforms that the Japanese democracy had never seen, which is about to form the new stage in the Japanese political structures, as is suggested by the creation of the New Frontier Party in December, 1994 and the drastic reform in the Social Democratic Party in January, 1996.

It would be safe to say that there is no absolutely proper system for election system and political financing system. The pursuit for better systems could perhaps be the eternal task for the democracy, as electorates and politicians are aware not only of the merits of their systems but also the harms of their systems. In this sense, the revised Japanese political systems may suggest a set of examples for the possible political systems because these reforms are quite fundamental and wide-ranged as the results of the careful consideration of the merits and the demerits of various political systems, though it is still uncertain what these new systems will bring to the Japanese democracy.

The next general election for the House of Representatives will be the first election under the revised laws. This election has the significant importance to predict the future stream of the Japanese politics as well as to observe how the political reforms of the "Japanese version" works in the social and political context in Japan.

Anyway, these reforms are intended to eliminate the problems in relation to political financing by the strict and ambitious
regulations concerning political funds and election crimes, and to realize the policy-centered and party-centered election of the Representatives enabling the electorates to choose the government comparing the policies and the platforms substantially and at the same time guaranteeing the minorities being represented in the House of Representatives by the combination of the single-member constituency system which is the typical election system in the Anglo-Saxon countries and the proportional representation system with party lists which is used in most of the European Continental countries, and, in this sense, the recent Japanese political reforms can be the references for the legislation regarding elections and political financing *7.

*1 See "提言" (teigen), the Wise Men Committee on the Political Reform, 1989.

*2 Though there are three reports, that in April, 1990 is on the whole structure of reforms.

*3 As a matter of the fact, Liberal Democratic Party was continuously in the power from 1955 to 1993, which caused the argument that the election systems favoring more flexible change of the ruling party should be introduced.

*4 Under the former election system of the Representatives, if a party wanted to take the control in the House of Representatives, it had to endorse more than one candidate in a constituency which elects usually 3 to 5 members while each electorate casted only
one vote for one candidate. This caused the competition among the candidates of the same party, which made such candidates compete their personal services for the electorates because their policies made no differences within the same party.

*5 The category of typical election systems is based upon the chart in "Democracy and elections - Electoral systems and their political consequences", Vernon Bogdanor, Cambridge University Press, 1983, P17.

*6 Election campaign period for every election is strictly limited in order to reduce the expenses for election campaign in Japan. For example, 17 days for the elections of Councillors and governors.

*7 As for further information, refer to the theses in the "Jurist", no. 1045, Yuhhikaku, 1994 including "公職選挙法の一部を改正する法律について" Mitsuru Yasuda, "政治資金規正法の一部を改正する法律及び政党助成法について" Shinji Hirai etc..
Election System and Political Fund System in Japan

1. History

1889 The Representatives Election Law was established.

1925 All adult men were entitled to vote.
The number of representatives which the electorates elected in a constituency was rendered from 3 to 5.
The control on election campaign including the expenditure limitation for it was introduced.

1945 All adult women were entitled to vote.

1948 The Political Fund Control Law was established.

1950 The Public Offices Election Law was established.

1975 The Political Fund Control Law was revised to prohibit the political donation over the certain limitation.

1989 The Wise Men Committee was held on the political reform.

1990 The Council on the Election System submitted the report on the political reform including revision in the election system of the Representatives and political fund system.

1993 The Hosokawa Government came to be in power.

1994 The bills for the political reform were passed by in the Diet.
The bills altering the laws regarding the reform were also passed by.
The bill for districting the single-member constituencies electing the members of the House of Representatives, based upon the recommendation made by the Council on the Constituencies for the Election of the Members of the House of Representatives.

1994-1995 The laws regarding the political reform came into effect.

2. Reform of Political Systems
(according to the reform acts adopted and altered)

(1) Election of the Members of the House of Representatives
300... by single-member constituencies
200... by the proportional representation system
( regional lists / regional allocation / no preference votes )

(2) Political contributions by corporations (e.g. companies, labor unions)
Prohibited other than to political parties and fund management organizations designated by politicians.

(3) Public subsidies to political parties
About 30 billion yen (300 million dollars)
Electoral systems

< Appendix B >

Electoral systems

< Electoral systems >

Japanese systems

R: Member of the House of Representatives
C: Member of the House of Councillors
G: Governor / mayor
P: Member of the prefectural assembly
M: Member of the municipal assembly

Plurality systems

Single-member constituencies

Block vote

Majority systems

Alternative vote

Second ballot

Semi-proportional representation systems

Single non-transferable vote

Limited vote

Proportional representation systems

Party list systems

National list
Regional list
National allocation
Regional allocation
Choice of candidates
Closed list

Single transferable vote
<Appendix C>

Allocation of the seat by proportional representation system
Case: in a seven-member constituency

<table>
<thead>
<tr>
<th></th>
<th>Party A</th>
<th>Party B</th>
<th>Party C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Votes cast</td>
<td>540,000</td>
<td>708,000</td>
<td>280,000</td>
</tr>
<tr>
<td>Dividing by 1</td>
<td>② 540,000</td>
<td>① 708,000</td>
<td>④ 280,000</td>
</tr>
<tr>
<td>2</td>
<td>⑤ 270,000</td>
<td>③ 354,000</td>
<td>⑦ 140,000</td>
</tr>
<tr>
<td>3</td>
<td>⑦ 180,000</td>
<td>⑥ 236,000</td>
<td>⑩ 93,333</td>
</tr>
<tr>
<td>4</td>
<td>⑧ 135,000</td>
<td>⑧ 177,000</td>
<td>⑪ 70,000</td>
</tr>
<tr>
<td>Assigned seats</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

The seats are allocated until the party with the seventh biggest quotients. A and B are allocated three times, though C is allocated once.
Double Candidacy <Case>

Of the candidates filed for the single-member constituency election, three (A, B and C) were also put on a political party's list for the proportional representation election (double candidacy).

In order of precedence of becoming successful candidates in the proportional representation election, X was ranked first, the double candidates A, B and C were all ranked second, and Y was ranked fifth.

In the single-member constituency election, A was elected while B and C were defeated. The ratios of the numbers of votes obtained respectively by B and C to those of votes obtained by the candidates who obtained the most votes (that is, the proximity ratios) in their respective constituencies were 80 percent (for B) and 90 percent (for C).

In the proportional representation election, this political party won two seats.

<table>
<thead>
<tr>
<th>Candidates (Single-Member Constituencies)</th>
<th>Candidates on the List (Proportional Representation Election)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constituency</td>
<td>Candidate</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>... Constituency</td>
<td>A</td>
</tr>
<tr>
<td>... Constituency</td>
<td>B</td>
</tr>
<tr>
<td>... Constituency</td>
<td>C</td>
</tr>
<tr>
<td>... Constituency</td>
<td>*</td>
</tr>
</tbody>
</table>

In this case, this party's successful candidates in the proportional representation election are determined as follows:

1) First, X, who is ranked first in the list becomes a successful candidate.
2) Although A, B and C are all ranked second in the list, A, who was elected in the single-member constituency election, is deemed not to be on the list for the proportional representation election. As a result, those who are ranked second in the list are only B and C.
3) Then, the order of precedence of B's and C's getting elected is determined according to their respective proximity ratios. Since B's proximity ratio is 80 percent and C's is 90 percent, C is ranked second and B third in order of precedence of getting elected.
4) Since this political party has won two seats, C becomes the other successful candidate.
## Quantitative Limitation On Annual Political Contribution

<table>
<thead>
<tr>
<th>Receiver</th>
<th>Contributor</th>
<th>Individual</th>
<th>Corporation, Labor Union, etc.</th>
<th>Political Organization</th>
<th>Political Party</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>total</td>
<td>per each</td>
<td>total</td>
<td>per each</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political Organization</td>
<td>Individual</td>
<td>20 million yen/year</td>
<td>No Limitation</td>
<td>*7.5 ~ 100 million yen/year</td>
<td>No Limitation</td>
</tr>
<tr>
<td>Fund Management Organization</td>
<td>Individual</td>
<td>1.5 million yen/year</td>
<td>*3.75 ~ 50 million yen/year</td>
<td>0.5 million yen/year</td>
<td>Prohibited</td>
</tr>
<tr>
<td>Other Political Organization</td>
<td>Individual</td>
<td>10 million yen/year</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
</tr>
<tr>
<td>Individual Statesman</td>
<td>Individual</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
<td>Prohibited</td>
</tr>
</tbody>
</table>

Notes: The ceiling depends on the amount of capital, the number of the union members, etc.

Donations by cash and money order are prohibited, while they could make donations by cash in regard to the election campaigns.
### Calculation of the Amount of Distribution of the Political Party Subsidy

<table>
<thead>
<tr>
<th>Category</th>
<th>Calculation of Amount of Political Party Subsidy Distributed to a Political Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Based on Number of Diet Members (One half of the total political party subsidy)</td>
<td>( \frac{\text{Amount Based on Numbers of Diet Members}}{2} \times \frac{\text{Number of Diet Members Belonging to the Political Party}}{\text{Total Number of Diet Members Belonging to Political Parties}} )</td>
</tr>
<tr>
<td>Amount Based on Number of Votes Obtained (One half of the total political party subsidy)</td>
<td></td>
</tr>
<tr>
<td>Last General Election of House of Representatives Members</td>
<td>Single-Member Constituency Election</td>
</tr>
<tr>
<td>Proportional Representation Election</td>
<td></td>
</tr>
<tr>
<td>Last Two Regular Election of House of Councillors Members</td>
<td>Single-Member Constituency Election</td>
</tr>
<tr>
<td>Proportional Representation Election</td>
<td></td>
</tr>
<tr>
<td>Total Amount Based on Number of Votes Obtained</td>
<td>Sum Total of a through d</td>
</tr>
<tr>
<td>Amount of Political Party Subsidy Distributed to a Political Party</td>
<td>( 1 + 2 )</td>
</tr>
</tbody>
</table>

*Percentage of Votes Obtained = \( \frac{\text{Number of Votes Obtained by a Political Party}}{\text{Total Number of Votes Obtained by All Political Parties}} \)