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The Future of Coalition Governments in Japan



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Summary

If Japan's Liberal Democratic Party (LDP) does well in the general election on 6 July, it will be able to end its three-year coalition with the tiny centrist New Liberal Club (NLC). The coalition, the first at a national level since the LDP was formed in 1955, has not led to any alteration in the pro-US or pro-business thrust of Japanese policies during the postwar era. Although the very junior status of the NLC is one factor in the limited impact it has had on Japanese Government policies, the fact that the two parties essentially share political values is the primary reason the coalition has not affected policy continuity. A community of views on domestic and foreign issues also is evident between the LDP and the other small centrist parties that have become more popular with Japanese voters during the last decade. The pattern suggests that even if

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[REDACTED]

the LDP fares poorly in this or subsequent elections--as seems likely given long-term trends--and once again enters into a coalition, there is little likelihood of significant shifts on policies important to the United States. [REDACTED]

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### Development of Centrist Parties

Between 1955 and 1975, the conservative LDP so thoroughly dominated the Japanese political scene with its perennially large majority in the politically preeminent lower house of the Diet that there was no need to include other parties in the government. Until the mid-1960s, moreover, the ideologically Marxist and assertively anti-US Japan Socialist Party (JSP) dominated the opposition scene with about half as many Diet seats as the LDP. Parties holding views between these two political poles began to appear in the 1960s but were dwarfed--both individually and collectively--by the LDP and JSP. Each of the centrist parties is still relatively small, but together they hold over 20 percent of the Diet seats (see figure 1). [REDACTED]

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Although centrists have taken some support from the left, their growing appeal has hurt the LDP the most and discussions about coalitions are no longer moot. Indeed, a parliamentary coalition has existed in Japan since 1983, when the Liberal Democrats asked the tiny New Liberal Club--an LDP offshoot with only eight of 511 lower house seats--to join the government. The LDP move followed a poor showing in Diet elections, when it fell six seats short of a majority in the lower house. [REDACTED]

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Leaders of Japan's Liberal Democratic Party hope the general election scheduled for 6 July will allow the party to regain enough Diet seats to dispense with the current coalition. Even if the LDP accomplishes this goal, long-term political trends suggest that any return to LDP majority rule may be only temporary. In three of the last four general elections--1976, 1979, and 1983--the LDP was unable to secure a majority in the lower house (see figure 2). Although the addition of the roughly 10 "independents" that normally join the LDP following an election have in all these cases pushed the party over the majority mark, it still did not have enough seats to control all the key Diet committees. Court-mandated redistricting to correct overrepresentation of rural districts also promises to make it increasingly difficult for the LDP to convert a popular vote share of less than 50 percent into a majority of lower house seats (see figure 3). [REDACTED]

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### Centrist Parties: Key to Future Coalitions

If rough parity between opposition parties and the LDP has indeed become the norm, coalitions will probably not be as rare in Japan in the future as they have been during the past three

## Japan: The Growing Appeal of Center Parties

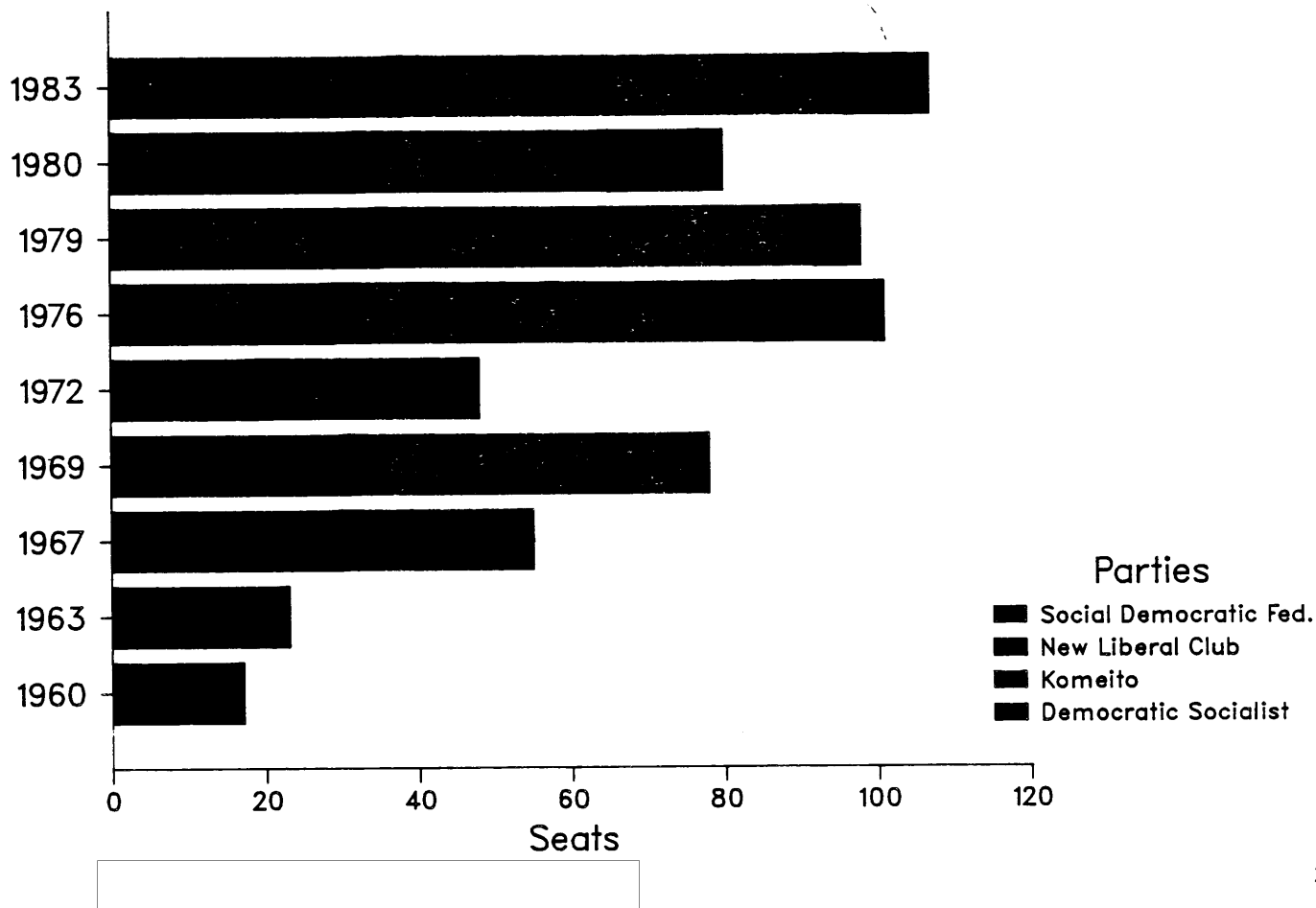
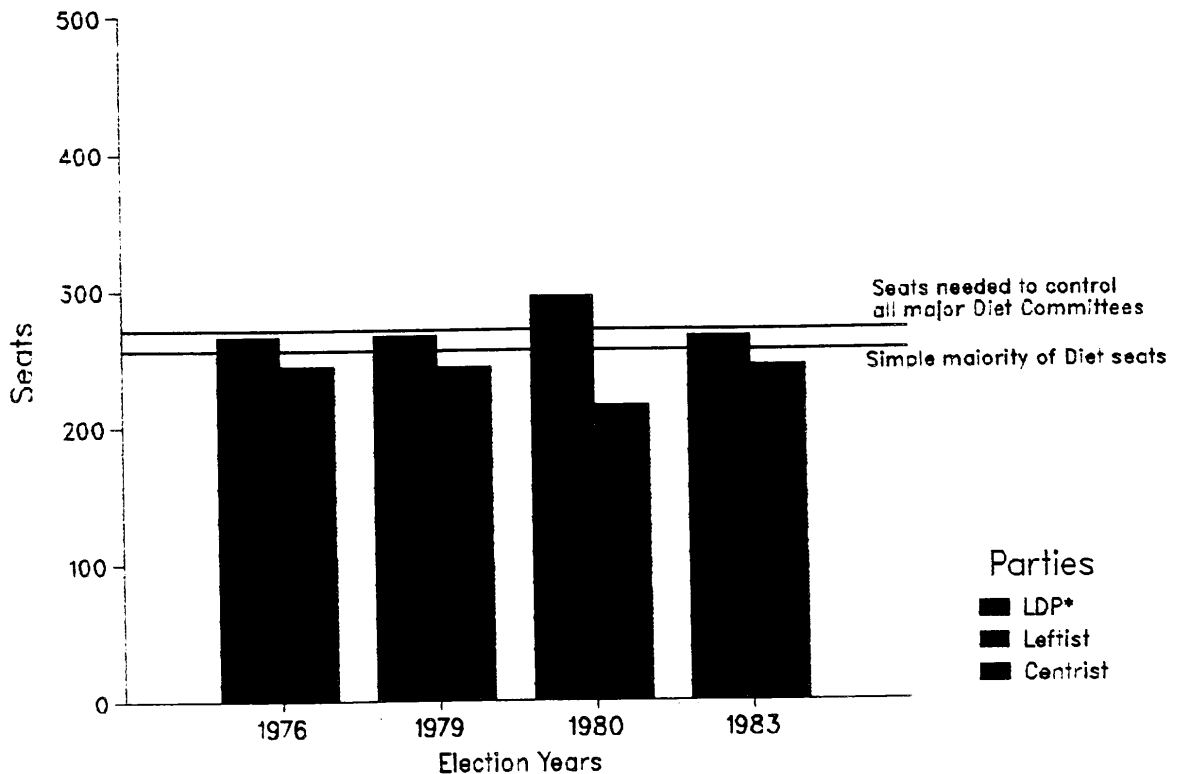


Figure 2

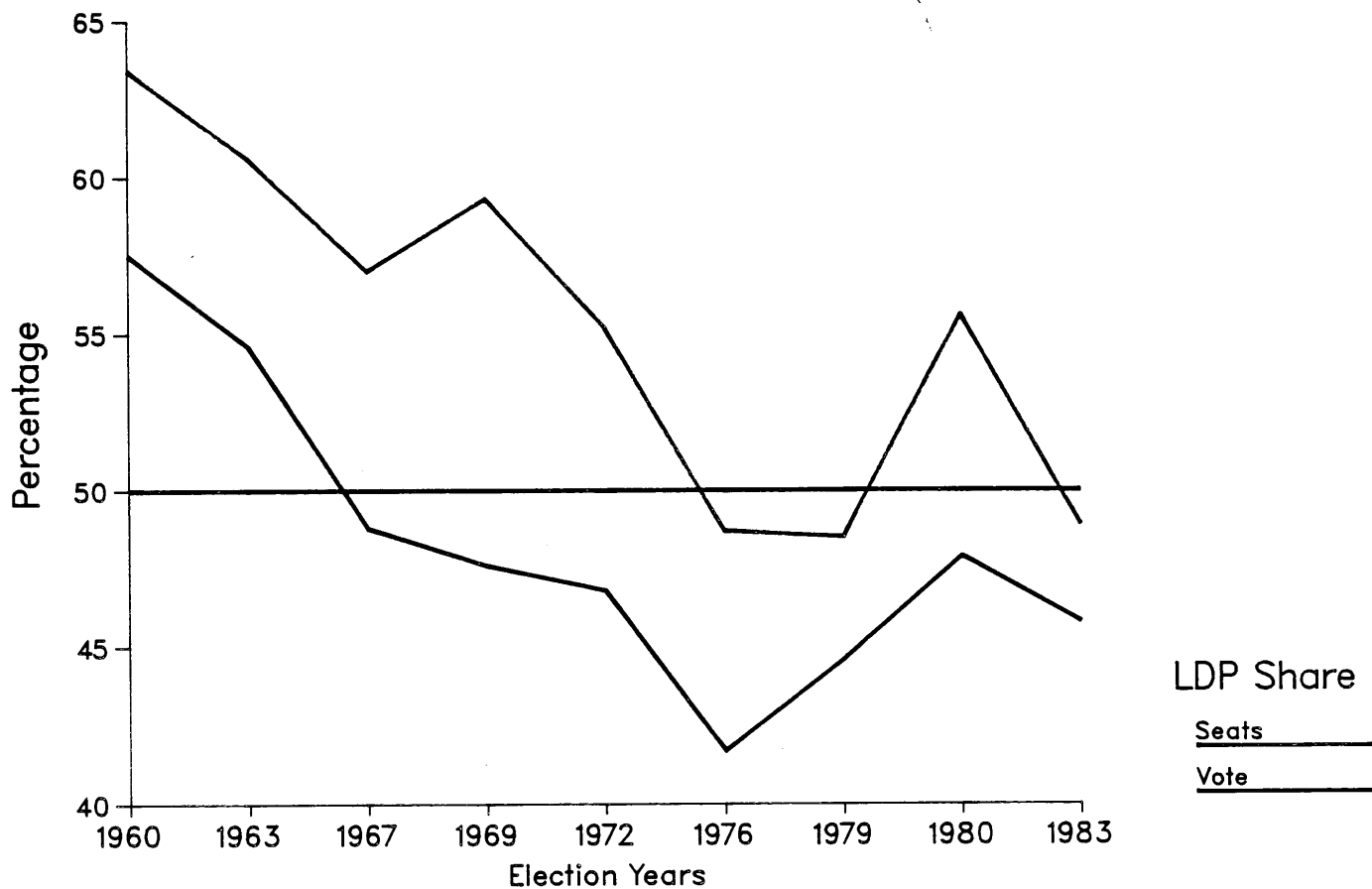
### Japan: Growing Parity Between LDP and Opposition Parties



\*Includes independents who joined the LDP after the elections were held.

Figure 3

# Japan's LDP: Benefiting From Rural Overrepresentation



decades. Although coalition arrangements other than an LDP-centrist party one are theoretically possible, we consider most alternatives implausible under current circumstances. For example, a coalition government including all of the opposition parties appears out of the question. The two largest centrist parties, the Komeito and the Democratic Socialist Party (DSP), adamantly refuse to consider any coalition with the Japanese Communist Party (JCP), which is now isolated on the extreme left of the political spectrum and rarely cooperates with other political parties. [redacted]

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Barring a dramatic change in Japanese politics, it also appears unlikely that non-Communist opposition parties will be able to capture enough lower house seats to rule by themselves. In 1976, when they had their best performance to date, these parties fell 32 seats short of the majority mark. Moreover, the Komeito and DSP are reluctant to do more than give lipservice to a coalition with the JSP--which remains the largest opposition party with 110 seats. Although the JSP's chairman has pushed the party to adopt more pragmatic stands on a variety of issues, the party's small but vocal left wing continues to insist that any coalition be based on Marxist-Leninist principles. This attitude led Komeito Chairman Takeiri to state in February 1985, "a coalition centered around JSP forces may be difficult to realize in the extremely near future." [redacted]

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Theoretically plausible, but in fact extremely unlikely, is a coalition among several centrist parties and a part of the LDP. The existence of intraparty factions in the LDP--with those factions supporting the Prime Minister considered the mainstream and the others labeled as antimainstream--raises the specter of a split within the LDP, an obvious prerequisite for this coalition scenario (see table 1). Enmity between faction leaders, particularly former Prime Ministers Tanaka and Fukuda, dating from the early 1970s, pushed the party toward a split on several occasions. In May 1980, for example, LDP factions hostile to Prime Minister Ohira permitted an opposition-sponsored no-confidence motion to pass by absenting themselves from the Diet. And in October 1984, DSP and Komeito leaders banded together with the Tanaka faction's acting head, Susumu Nikaido, in an abortive attempt to replace Prime Minister Nakasone. [redacted]

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Notwithstanding the danger represented by past sparring, outright confrontation within the LDP has been the exception. Most threats and counterthreats have involved tactical maneuvering by faction leaders and were carefully orchestrated to avoid a rupture. And even if a faction leader bolted the party--an unlikely event--a decision on the part of the followers to go along would be difficult. The perceived costs of leaving the LDP--inability to influence the selection of the Prime Minister and Cabinet members--make it quite unattractive to LDP Dietmen.

Table 1

## Intra-LDP Factional Coalitions

<u>Prime Minister</u>	<u>Mainstream</u>	<u>Antimainstream</u>
Fukuda (1976-1978)	Fukuda, Ohira, Tanaka, Nakasone	Miki
Ohira (1978-1980)	Tanaka, Ohira, Nakasone	Fukuda, Miki
Suzuki (1980-1982)	Tanaka, Suzuki*, Nakasone	Fukuda, Komoto
Nakasone (1982-Present)	Tanaka, Nakasone	Fukuda, Komoto, Suzuki (after 1984)

\* Suzuki assumed leadership of the faction following Ohira's death in 1980.

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History suggests that Liberal Democratic Party politicians see it to their advantage to stay with the party, both to maintain their share of spoils and in the hope of improving their position in the future. [redacted]

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### Centrist Parties: Willing Junior Partners

If and when the LDP again needs a coalition partner, it is nearly certain to tap one of the centrist parties (see appendix). Most are eager to play such a role.

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- NLC Diet members are generally positive about their three-year stint as a minor coalition partner. [redacted]

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[redacted] Moreover, three NLC members--Seiichi Tagawa, Toshio Yamaguchi, and Yohei Kono--have each gotten the opportunity to serve one year as a cabinet minister. Nonetheless, NLC leaders reportedly are worried the electorate will not view the party's participation in the coalition positively, and that it will do poorly in the next general elections. And, unless it is needed for coalition purposes, the NLC is likely to disband and most of its members return to the LDP after the elections, according to Embassy Tokyo.

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- Komeito has decided it wants to be a governing party at the national level as it has been at the prefectural and city levels for years. At the party convention in December 1985, the party's chairman called upon the LDP to form a policy coalition with the Komeito that would involve close consultations on key issues and thus pave the way for an eventual parliamentary coalition.

- The 1985 "action policy" of the Democratic Socialist Party indicated a strong desire to join the LDP in a coalition as soon as possible. One reason for this haste is the advancing age of many senior DSP party leaders, such as Ikko Kasuga and Ryosaku Sasaki, who would like to be cabinet members before they retire. This sense of urgency has, however, been criticized by other party members--including Vice Chairman Nagasue. Moreover, some DSP Dietmen may still be upset with the LDP's lukewarm reaction to the party's 1984 offer to set up a policy consultation body. [redacted]

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### Policy Congruence: A Sine Qua Non

In our view, the basis for coalition cabinets in contemporary Japan must be a substantial policy congruence between the partners. Most centrist parties meet this criterion. Their policy differences with the LDP have



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historically been in the defense and foreign policy areas. In the last decade, many of these differences have disappeared as centrist parties have adopted increasingly conservative stances on defense issues. [redacted]

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Further narrowing policy disagreements, the LDP has moved closer over the last decade to centrist policy positions on many domestic social issues, such as education and the environment. Although domestic agenda items usually are not a source of contention, the center parties--especially those, such as the DSP, that have strong links to organized labor--have frequently been at odds with the LDP over tax policy. In particular, centrist parties have been strong advocates of income tax cuts that many LDP members believe would endanger the government's budget-balancing efforts. [redacted]

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The NLC's attractiveness in 1983 as a partner for the LDP, in fact, stemmed from its de facto agreement with the ruling party on almost every major issue except defense spending. An indication of their accord was the policy agreement written when the coalition was formed. It was fairly innocuous, calling only for the government to:

- Take steps to improve political ethics.
- Reform the education system.
- Carry out administrative reform by, among other things, transferring the national railroads to private control.
- Uphold the three nonnuclear principles--not possessing, not manufacturing, and not introducing nuclear weapons into Japan--promulgated by the government in 1967. [redacted]

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In terms of policy congruence, the DSP looks as acceptable as the NLC. Despite its socialist name, the DSP is in many ways as conservative as the LDP or the NLC. DSP Vice-Chairman Nagasue has noted that 25 years ago there were many differences between the LDP and DSP, but today there are almost none. The party has modified its defense position in recent years to such an extent that breaking the cap of 1 percent of GNP on defense expenditures appears to be more of a problem for the LDP than for the DSP. The DSP fully supports the US-Japan Mutual Security Treaty and the continuation of US bases in Japan, and in general agrees with Tokyo's commitment to defend sealanes 1,000 miles from the Japanese coast. On domestic matters, the picture is similar. Particularly in the areas of administrative reform and education reform, the DSP supports the policies of the LDP. Small disagreements still exist, however, in the areas of nuclear power and tax policy. [redacted]

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The policy congruence between the Komeito and LDP is certainly less close than that between the LDP and DSP, making Komeito a less attractive coalition partner.<sup>1</sup> Although Komeito's security and foreign policies have been moving toward the positions held by the LDP, there are still major differences. For example, the Komeito publicly insists the Self-Defense Forces should have no overseas role in sealane defense and opposes big increases in defense spending. Komeito leaders argue the party's domestic policy stands are almost identical to those of the LDP, but many in Japan perceive that the Komeito wants more sweeping reforms of basic institutions--such as the education system--than does the LDP. [redacted]

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The Social Democratic Federation (SDF) has no illusions about being invited to join a coalition because of many policy differences with the LDP. The party is much more pacifist than any of the other center parties. It supports the existence of the Self-Defense Forces but wants no expansion of its role or of defense spending. The party also opposes the 1,000-mile sealane defense policy, because it believes such defense would require offensive weapons. In most policies, both domestic and foreign, the SDF position is closer to that of the Komeito than those of the DSP or LDP. [redacted]

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#### SDI Participation: A Litmus Test?

One issue of high current interest where the LDP and centrist parties hold similar views is Japanese participation in Strategic Defense Initiative (SDI) research. Like LDP elders, the leaders of key centrist parties are generally positive about the idea but are wary of having the Japanese Government play a large role in the program. Moreover, some of the opposition parties feel it is inadvisable--given the fact that nearly half of all Japanese oppose participation--to stress publicly their basic agreement with the LDP on this issue:

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<sup>1</sup> The unpopularity of the Soka Gakkai, a lay organization associated with a Buddhist sect and the Komeito, is another factor arguing against a future LDP-Komeito coalition government. The Soka Gakkai receives bad press for the aggressive recruitment tactics and because of its founder's involvement in numerous scandals. [redacted]

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- [redacted]
- In a meeting with US officials in April 1986, Komeito Chairman Takeiri explained that he supports unrestricted participation in SDI research by Japan's private sector but opposes official government participation.
  - The DSP's public position is that Japan should study SDI carefully until it can be confirmed that it is a purely defensive weapons system. [redacted]

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[redacted] Embassy Tokyo reporting indicates that defense contractors employ numerous members of the Domei Confederation of Labor, which is the party's main support organization. [redacted]

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#### Numbers and Personal Ties: Among the Deciding Factors

The LDP's decision about a coalition partner obviously will be made, in the first instance, on the basis of numbers--the seats each party holds in the lower house. The LDP is likely to approach the party (or parties) with the minimum number of seats necessary for a workable coalition. If the LDP invited a party with more than the minimum to join a coalition, the LDP leadership might have to promise more than one highly sought-after Cabinet post, a move that would clearly antagonize LDP Dietmen. [redacted]

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Personal ties would also be considered in such a decision. In Japan, perhaps more than in other Westernized democracies, friendships count in politics. Thus, the coalition partner selected by the LDP will be influenced heavily by who is Prime Minister when the need to form a coalition develops. Close ties between Nakasone and NLC member Toshio Yamaguchi made the coalition decision in 1983 easier. Less probable as long as Nakasone remains Prime Minister is a coalition with Komeito, because many Dietmen from this party consider Nakasone's defense and foreign policies hawkish.<sup>2</sup> On the other hand, if a Tanaka faction prime minister is chosen by the LDP, the likelihood of a coalition with the Komeito would increase given the personal ties between the two groups. Fukuda faction leaders would tend to

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<sup>2</sup> On a personal basis, however, ties between Nakasone and the Komeito leadership appear relatively good. Nakasone's good offices were reportedly used to get a job for the son of Komeito Secretary General Yano, and Komeito is supporting the upper house candidacy of Hirofumi Nakasone, the Prime Minister's son. [redacted]

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prefer working with the DSP for similar reasons. [redacted]

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### Coalition Governments: Little Danger to Stability

Stability has long been a hallmark of Japanese governments and is widely credited with much of Japan's postwar economic success. Continuity in macroeconomic policies--as well as the conservative bias of these policies--during 31 years of unbroken LDP rule has provided businessmen with enough certainty to encourage robust plant and equipment investment, a key ingredient in Japan's manufacturing competitiveness. Japan's ability to be a supportive ally for the United States has also generally been aided by this stability, although at times security policy issues have been manipulated at the margins by LDP faction leaders maneuvering for political advantage. [redacted]

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The LDP-NLC coalition experience to date suggests that coalitions with center parties pose little danger to Japanese policy stability. In its three years as a coalition partner, the NLC has never tried to force the LDP to reverse its stand on a key policy issue. Admittedly, the NLC is a very junior coalition partner and the situation might be different if a more powerful party had to be courted. But it is doubtful. Reflecting public opinion, the policies of the Japanese Government are likely for the indefinite future to retain their distinctly probusiness, pro-US thrust regardless of the nature of coalition arrangements. [redacted]

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Indeed, as long as centrist parties continue to vie for a spot in a coalition government, the ability of LDP prime ministers to govern effectively is likely to be enhanced. We believe that a desire to gain acceptability as a coalition partner is one of many factors that has prompted the smaller parties to adopt increasingly conservative defense and foreign policy stands. This new moderation is a big plus for the stability of Japanese policies. [redacted]

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Negative voter reaction among the traditional constituencies of the centrist parties poses a potential--but probably remote--threat to this new moderation. If loyalists from the smaller parties begin to feel that their groups have become indistinguishable from, or have "sold out" to, the LDP, the centrist parties' appeal might fade. Under such circumstances, leaders of these parties might be tempted to distance themselves from the LDP, particularly on bread-and-butter issues important to their supporters. But other forces would probably counteract the willingness of centrist parties--especially those in a coalition with the LDP--to use obstructionist tactics to thwart LDP policies and to create a more distinctive image for

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themselves. In particular, such behavior might alienate voters, who could construe these actions as indications that the parties were not "responsible." [redacted]

## APPENDIX

## A Thumbnail Sketch of Centrist Parties in Japan

Komeito: What is now Japan's second-largest opposition party began as the political wing of Soka Gakkai, the lay organization of a Buddhist sect. In 1964, Komeito became a full-fledged political party. The party's official policy plank is "humanitarian socialism," which calls for maintenance of the free enterprise system but with greater corporate social responsibility and a more even wealth distribution. [ ]

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Democratic Socialist Party: Formed in 1960 as a splinter group from the Japan Socialist Party. Ideological differences over defense and foreign policy issues and a lack of opportunity for advancement within the JSP were the primary reasons for the split. With a support base among the conservative elements of the labor movement and in small business, the DSP advocates welfare state policies. At the same time, the DSP is very conservative on defense issues. [ ]

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New Liberal Club: Founded in June 1976 by six Dietmen, who left the LDP in the wake of revelations about the Lockheed kickback scandal. As a result, the party has always emphasized political ethics issues. Political scientists view the NLC--with its stress on individualism and the quality of life--as typifying Japan's new right. [ ]

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Social Democratic Federation: The newest and smallest centrist party, the SDF was formed in 1978 by a group of pragmatic right-wing Socialists who bolted from the JSP. It advocates citizen participation in politics, worker self-management, and other forms of decentralized authority. [ ]

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