

## Party-centered, more volatile

# New ballgame in politics

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The LDP's loss of power was only the most obvious major outcome of the August 30 election. This result constitutes the end of single-party dominance in Japan. But, viewed in combination with the results of the 2005 election in 2005, the outcome demonstrates a significant shift in the nature of elections, i.e., what politicians have to do to win. In the past, elections were dominated by locally-based, individual candidates and their "clientelistic" support organizations. Now, Japan is moving toward a two-party system in which electoral success or failure is due as much to a candidate's party and its policies as his own personal characteristics. It will be a system with a lot more volatility, one in which even a 10% margin of victory does not mean a seat is safe the next time around.

### Overturning the four pillars

Until recently, four features of Japanese politics favored the LDP. First, elections were candidate-centered. Where politicians could attract strong personal followings and develop networks of personal support, they could expect to do very well. Second, politics was highly clientelistic. As the governing party, the LDP was able to use state resources to strike deals with interest groups and local groups that would support it. Its individual Diet members and local assembly members were able to use the government's money to build up their own locally-based, personal clientelistic networks.

Third, rural areas provided a solid base of support for the LDP. The reliance of the rural economy on government protection and subsidies made it critical for those in the countryside to become active parts of LDP

candidates' and the LDP government's clientelistic networks. In addition, tight social networks in rural areas meant that in the countryside it was important to have a personal connection to the candidate. In contrast, personal networks are looser in urban areas, making urban voters less tied into politicians' networks. Fourth, for decades the LDP benefited from its association with Japan's "miracle" economy, making it the default choice of voters who were largely satisfied with the status quo.

Changes in recent years have undermined all four pillars. The weakening economy and massive government debt reduced the LDP's ability to spend state resources to maintain its clientelistic networks, and it became harder for the LDP to maintain support for both halves of Japan's "dual economy." Internationally competitive industries opposed the tax burden and risk of foreign retribution that accompanied protection of the rural sector and weaker industries across Japan. For years, observers had expected the LDP to have to make a break for one side (competitive industries) or the other (weaker, rural groups).

Former Prime Minister Junichiro Koizumi made the most serious effort to institute this break. That, in turn, undercut key pieces of the LDP's clientelistic support base in the weaker sectors. These moves were not made purely for economic reasons. Rather, they were central to Koizumi's effort to "change the LDP, change Japan," that is, to undercut the party's traditional practices.

Most famously, Koizumi sought to privatize the postal savings system. This was crucial because the national postmaster association directed each local postmaster to

recruit members for LDP personal support organizations and to fulfill a quota of votes for LDP candidates. In exchange, LDP candidates would guarantee the regulatory advantages of the postal savings and insurance system versus private banks and insurers, as well as its delivery service vis-à-vis private shippers.

Koizumi's efforts led to a major break in party politics. When his postal reform bills were scuttled by the defection of several "postal rebels" within the LDP in 2005, Koizumi called an election, expelled the rebels from the party, nominated "assassins" to challenge those who ran for re-election anyway, and convinced the public that the election was a referendum on his reform program, and his leadership. The result was a landslide election for the LDP. But it was really a mandate for Koizumi, and for the vague idea of "reform."

### Candidate versus party

The 2005 election was a watershed, and not only in terms of a massive vote for "change." There was also a change in how voters made their decision.

In our statistical examination of the two previous Lower House elections in 2000 and 2003, we found that the best predictor of whether a candidate for the LDP or DPJ won a single-member district (SMD) race was the "quality" of the candidate. SMD incumbents and, among new candidates, former local office holders and bureaucrats were especially likely to win. Once we controlled for candidate "quality," party affiliation had no additional effect, negative or positive. LDP and DPJ candidates were equally likely to win. In 2005, things changed. As Koizumi undercut the clientelistic support structure, the quality of the individual candidate became a less reliable predictor of whether that candidate would win an SMD. By contrast, party affiliation became an excellent predictor. Koizumi's platform of remaking the LDP and reforming Japan proved to be very popular, especially to urban and suburban voters. LDP candidates, because they ran under the Koizumi banner, were very likely to win in 2005 and DPJ candidates were not, whatever their individual quality.

While Koizumi won the 2005 election in a landslide, his efforts dramatically weakened the LDPs' invaluable clientelistic networks. The party's gains in 2005 were principally in the urban areas, while in rural areas LDP candidates lost votes compared

with 2003 (even controlling for the presence of personally popular postal rebels in their districts). This pattern continued in the 2007 Upper House election, in which the LDP (now led by Shinzo Abe) lost more ground in its rural strongholds.

### Switching allegiances

Some longtime supporters and hubs of LDP clientelistic networks saw their agreements with the LDP as having been abrogated by the Koizumi reforms. The party's "organized vote" crumbled. The postmasters actually switched allegiances, rejecting the LDP and mobilizing in favor of the DPJ and PNP who were more sympathetic to the anti-privatization cause. In other words, with their arrangement with the LDP and its individual candidates in tatters, the postmasters became a free agent organization, ready to support whichever party best represented their views. Other organizations were more cautious. Keidanren, the big business federation, eschewed any endorsement. Many prefectural agricultural cooperative associations and construction groups declared a free vote, allowing their members to support anyone they wanted. Prefectural branches of the Japan Medical Association—a traditional important supporter of the LDP because of doctors' prestige among their patients—took positions ranging from support for the DPJ to neutrality, to continued support of the LDP. Clearly, the LDP's organized support base was shakier than ever before.

The LDP was wildly unpopular in 2009, but it had been unpopular before. This time, however, the weakening of the organized vote was exacerbated by the presence, for the first time in more than half a century, of a credible alternative government. Our statistical analysis shows the same (or really, mirror) pattern for 2009 that we saw in 2005: In explaining SMD candidate success in 2009, party affiliation was at least as important as individual candidate quality. Candidates in 2009 won because they were members of the DPJ. When the LDP briefly lost power back in 1993, no single party defeated it (it remained the largest party in the Diet by far). The 2009 LDP defeat was clearly a DPJ victory.

The most dramatic effect of this truly "partisan" swing was that the LDP lost nearly every urban seat that it had first won in 2005 (and then some). But even more interesting was that the LDP's dominance of rural districts simply disappeared. Prior to 2009,

the LDP had never won fewer than 74 out of Japan's 100 most rural districts. But the LDP won only 42 rural districts in 2009, while the DPJ won 49 (its previous high had been 10).

But isn't the fact that the 2009 DPJ landslide followed the 2005 LDP landslide evidence of a dramatic *volte-face* by voters? We think not. We interpret both outcomes as the result of voters looking for "change." Koizumi (and by association, the LDP) won big in 2005 because he convinced voters that he was the most likely agent of change, considering both his aims and his abilities. After Koizumi's successors stalled reforms in favor of "LDP politics as usual," voters turned to the DPJ as the now-more credible agent of change. Voters' goals did not change—just their assessment of who was most likely to deliver change.

### No more one-party dominance

All of these changes in voter behavior mean that elections over the next decade are likely to see real party competition and turnover in power. The LDP's unwavering support in rural areas and by a wide range of organizations has disintegrated. The LDP now must compete on much more even terms with the DPJ. In the future, all interest groups will want to hedge their bets and avoid exclusive commitments to any one party.

Parties will certainly focus more on appealing to a broad mass of voters, but the likely impact of interest groups on policy making remains uncertain. Large groups that can mobilize large numbers of voters may hold great influence as parties compete for their support. On the other hand, some groups such as postmasters and agricultural coops, whose access to pork and patronage had been institutionalized, are now merely ordinary pressure groups. Many such groups are likely to see their influence wane and their memberships dwindle.

The DPJ is likely to receive a relatively long honeymoon, improving its chances of staying in power for more than just a couple years. But the most likely medium-long term outcome of the 2009 election is a competitive two-party system. Japanese politics actually has been moving steadily toward a two-party system for years. The average "effective number of parties," per district (a measure that weights each party by its candidate's vote share) was 2.95 candidates in 1996. This number dropped in each subsequent election: 2.77 in 2000, 2.41 in 2003, 2.40 in 2005 and 2.26 in 2009.

### Will the LDP disappear?

Some observers predict the utter disappearance of the LDP—which would leave Japan without any real opposition at least for a while—but this outcome is relatively unlikely. Many LDP members may now wish to maintain their access to power by joining the DPJ, but Japan's electoral rules make such switches difficult. The DPJ already has candidates in nearly every single-member district in the country, including 221 out of the 300 incumbents, and has 43 additional PR incumbents who ran (but lost) in SMDs, leaving only 36 districts without a DPJ incumbent. Even if the party were interested in accepting LDP defectors, there are very few districts with job openings. Another scenario would have the LDP splitting into two parties—one urban and one rural. But of the LDP's 64 district incumbents, 42 are from very rural areas and only 10 are from the most urban areas of the country. In terms of seat numbers, there simply is no urban LDP at this point.

Nonetheless, Japanese politics is ripe for genuine party competition. With the decline of the organized vote, few safe seats should exist in the future. Large vote swings are more likely than ever in Japan. Prior to 2009, under Japan's current electoral system, the change in the vote percentage from one election to the next never exceeded 4 percentage points for LDP candidates. In 2009, on average, LDP candidates lost 9 percentage points. Average DPJ candidate vote swings were +7.5 percentage points in 2003, -2.6 in 2005, and +13.3 in 2009.

Moreover, there appears to be little chance of candidate-quality differences trumping party preferences any more, since both parties now have very high-quality candidates. In most districts, the next election will pit a DPJ incumbent against an LDP former incumbent. National party swings should play a big part in deciding these races. This is particularly the case given that a substantial number of 2009 DPJ victories were very close by the new standards of volatility; 66 were by ten percentage points or fewer.

If neither party has an advantage in candidates or in organized support, election results will be determined by something else. Hopefully that something else will be genuine policy divisions between the two parties. Unfortunately, the example of Italy indicates that continued volatility and unstable government is also possible.