

## **The 2006 Koizumi Succession in Historical Context**

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Since we have such excellent Nagatachō insiders to give us the latest news from Tokyo about the race between Abe, Fukuda, and others, I am going to use my own comments today to put this most recent LDP leadership race in historical context, focusing on how much the PROCESS HAS CHANGED and what kinds of candidates these changes favor. I hope this analysis will help us a little in handicapping the current race.

I've distributed a handout that captures much of the change in process that I'm going to talk about today. The handout gives you a lot of information about the history of factions within the LDP, from 1959 to today. Using a document of this kind to decipher Japanese politics, I feel a bit like one of those old Sovietologists who carried around photos of the Politburo and made a living predicting who was up and down in Soviet leadership races based on who was standing next to whom. It used to be that if you knew who led the LDP's five factions, how many Diet members backed each one, and what deals they were making with each other, you could predict with a great deal of confidence who was going to be the next leader. While Japanese politics no longer works that way, I think it's interesting to examine the current race from the perspective of factions since it highlights how much the process has changed.

## LDP FACTIONAL HISTORY

(highlighted names became prime minister; number following name indicates order)  
 (names in ( ) did not / have not become actual faction leader)

1959	Ikeda-2	Satō-3	Kishi-1	Miki-5	Kōno	No Faction
1972	Ôhira-7 (Suzuki - 8)	Tanaka-4	Fukuda-6	Kōmoto	Nakasone-9	
1987	Miyazawa-13  89	Takeshita-10  125	Abe  84	34	87 Watanabe (Uno-11)	Very Few!
1993		Obuchi - 15	Mitsuzuka	(Kaifu-12)		
1994		Ozawa, Hata Leave LDP...		Kaifu leaves LDP.....		
1998	85	(Hashimoto-14)  92	87	18	62	20

1999	Kōno Factn 16	Katō 70	Obuchi	Mori Faction	Etō- Kamei	Yama- saki Faction	No Faction	
2005		Horiuchi	Hashimoto	Mori-16 (Koizumi-17)				
2006	(Asō Tarō & Kōno Tarō)	Horiuchi expelled	Hashimoto retires; Watanuki expelled	Nikai Grp	Kōmura Faction	Etō and Kamei expelled		
	11	Niwa- Koga Faction  (NC)	Tsushima Faction  (No Candidate)	(Abe Shinzō & Fukuda Yasuo)  (NC)	(No Candi- date)	Ibuki Faction  (NC)	(Yama- saki Taku)  37	
		48	73	14	87	15	33	72

The chart shows that until 1989, it was safe to focus exclusively on the FACTION LEADERS to figure out who was in the running. With the exception of Suzuki, who became PM in 1980 following the death in office of his mentor, Ohira, every PM from 1959 to 1989 was boss of one of the LDP's five factions. Just about every boss got a turn. Various selection methods were tried, but all came down to factional numbers and deals. Several faction bosses would agree to support one of their number in exchange for a sharing of plum cabinet posts and a promise that a faction boss that pulled out of the race would get the backing of the chosen one next time.

The CLASSIC EXAMPLE of this process took place in 1987, when the LDP had a wide open leadership race like the one going on this year because most of the bosses of the earlier generation had all had their turns as party leader and it was time for the next generation to step forward. The leading contenders were Miyazawa, Takeshita, and Abe (their numbers are shown). In the end, Abe made a deal with Takeshita where he agreed to throw his support behind Takeshita in exchange for the post of Foreign Minister and Takeshita's support the next time the leadership post came open. The two bosses got the Kōmoto Faction to go along with this plan, so the factional math became clear: Takeshita had  $125 + 84 + 34 = 243$ , which was greater than Miyazawa's  $89 + 87 = 176$ . Factional loyalties were so solid that LDP Diet members did not even hold a vote. They simply announced Takeshita as the new leader of the LDP and the new prime minister.

FORMALLY, the LDP developed a system where they would hold a closed-ballot election if there were competing candidates. Any candidate with the support of 20 Diet members was eligible to run. The leader would be selected based on who won the

majority of votes cast by LDP members of the Lower and Upper Houses (typically 380 to 480 votes) and by a single rep of each prefectural party office (a total of 47 votes). They held several leadership elections along these lines in the 1980s and 1990s, but all of them (with the possible exception of the leadership contest that led to the selection of Hashimoto in 1995) were decided by the same factional math summarized above. The winner was the one who was backed by a coalition of factions that had a majority of LDP seats in the Diet.

This leadership selection process clearly favored a particular KIND OF LEADER: one who could build up the size of his faction and make deals with other faction bosses. The leading practitioners of these arts were the politicians of the old Tanaka Faction: Tanaka, Takeshita, Obuchi. They were able to make their faction the largest by recruiting the hottest newcomers and giving them loads of cash. By skillful deal-making, they were also able to make sure that they won the top spot or backed the person who did. Takeshita came out on top in 1987, Hashimoto in 1995, and Obuchi in 1998. In between (with the exception of the period when the LDP was in opposition, 1993-94) their support was indispensable to the man who had the top spot.

As you might guess, the skills required to build faction size and make deals are not the same as those required to get to the top in other systems. This type of leader did not need to have much appeal to the public (many were not good public speakers; Obuchi was teased for having as much personality as “cold pizza”). He didn’t need to look good on TV. He didn’t need to be a good debater. The coalition-building skills did help him get legislation through, but the content was often decided by bureaucrats since this type of leader didn’t need to have many policy ideas of his own.

This system started to come apart in the 1990s when the LDP split and a non-LDP coalition under Hosokawa came in and revised the electoral system. Since the old factional system had been reinforced by an electoral system in which multiple LDP candidates ran against each other in medium-sized districts with the support of rival faction bosses, the switch to a new electoral system where LDP members no longer competed with each other weakened the incentives that bound back-benchers to their bosses. Still, Hashimoto and Obuchi from the old Tanaka faction came out on top in leadership contests in the late 1990s. When Obuchi died in office in 2000, the LDP bosses got together to select colorless Mori as his successor.

As late as APRIL 2001, it looked like Hashimoto was going to be able to make the factional magic work for him one more time. His faction was still the largest, with 101 members, and the Horiuchi Faction, with 44, was leaning toward supporting him, for a TOTAL of 145. He had a chance of winning another 55 votes from the Etō-Kamei faction if Kamei came in third on the first ballot. Finally, the Hashimoto Faction had the support of construction and postal interests that influenced a substantial number of LDP primary voters. Koizumi, with the support of just two small factions, could count on only 98 votes from Diet members. Factions looked likely to carry the day again.

But that is not what happened. Ahead of this leadership race (which was held earlier than planned because Mori was so unpopular), LDP backbenchers conspired to dilute the influence of faction bosses by increasing the number of votes cast by representatives of the local rank-and-file LDP membership. Each prefecture would get THREE votes, instead of one, giving the prefectures 141 votes—more than any faction.

And the prefectural votes would be based on primaries held in the days BEFORE the Diet Members voted.

As you know, this gave Koizumi room to pull off his upset. He won 58 percent of the primary votes, which translated into 90 percent of the prefectural votes because of winner-take-all rules in many prefectures. The factions backing Hashimoto still had enough votes from Diet members to over-ride Koizumi's support from local representatives, but many Diet members supporting rival candidates—worried about the implications of such a move for the upcoming Upper House election—got cold feet about going against the popular support for Koizumi, and he ended up winning 298 out of 484 votes.

Since that time, Koizumi has done a great deal to upend the old faction-based leadership selection process—making this year's contest much different than all of those that took place before 2001. He demonstrated that the LDP can do well in elections by rejecting its pork barrel ways and campaigning for the support of unaffiliated (mostly-urban and suburban) voters. He used the forum provided by televised Diet debates to put on a show that the public loves to watch. Instead of buttering up factional bosses and building coalitions, he wins public popularity by challenging these old guys and doing his own thing. He is known for articulating his own policy positions. Last summer, he used hard ball tactics to corner his opponents, kick them out of the party, win an election, and push through his legislative agenda. By doing all of these UNCONVENTIONAL THINGS, he has been able to maintain popularity ratings ranging from 40 to 80 percent for most of his premiership and propel the LDP back to a position of dominance in the Japanese party system.

Along the way, he has delivered a body blow to the faction bosses who were against him in 2001. Some say he has destroyed the “factional system.” I am not quite ready to say that, but he has certainly devastated the old Hashimoto, Horiuchi, and Etō-Kamei Factions—the big ones that opposed him when he came to office and tried to make his life difficult throughout his premiership. From the start, he disfavored men from these factions when choosing his factions, rejecting the norm of appointing the cabinet so that each faction got a proportionate share of the posts. Then last summer, by cornering his opponents on the postal reform legislation, he was able to expel the top leaders of all three factions from the party!

The Hashimoto Faction, now under Tsushima, is down from 101 seats in 2001 to 73 today. The Etō-Kamei Faction, now under Ibuki, is down from 55 to 33. The Horiuchi Faction, now under Niwa and Koga, has held steady in numbers, but (like both of the others targeted by Koizumi) has been unable to put forward a contender for this current leadership race. Another sign of declining factional influence is the fact that so many new members won last September without the backing of a faction. 72 of them are still unaffiliated, much more than was the case before 1999.

Further contributing to the dilution of factional influence are new rules adopted for this election that increase the share of votes in the leadership contest allocated to representatives of local rank-and-file LDP members. This time they will have 300 votes, with each prefecture getting four to ten representatives depending on the number of LDP primary votes cast (a change from the previous time when each prefecture got exactly three). This change gives the rank-and-file representatives almost as many votes as the LDP members of the Upper and Lower Houses (405 this year). If the LDP allowed

prefectures to allocate votes by winner-take-all rules and announced these results ahead of the Diet Members' vote again as they did in 2001, this boost in rank-and-file representation would virtually guarantee that the candidate who did best in this contest would come away as the new LDP leader. Rather than going this far, however, the party leadership has chosen this time to choose representatives of the rank-and-file voters based on PROPORTIONAL REPRESENTATION and announce the results of the local poll at the same time it announces the results of the Diet members' vote.\* These changes make it more difficult for the LDP candidate with the most local support to overwhelm the Diet membership, as Koizumi did in 2001, but they still give such a candidate a boost over candidates of the Takeshita-type whose source of power lies in their ability to line up large numbers of Diet members through factional deals.

At first glance, therefore, the new process for selecting the LDP leader appears to favor, once again, a candidate like Koizumi that has high levels of popular support. Abe Shinzō has the potential of being this candidate. He's young and telegenic. He takes strong positions on issues like Yasukuni and the North Korean abductees. He has the potential to inherit the anti-faction, new-style leader mantle from Koizumi since he is relatively unpopular with older LDP leaders who worry that he will choose only younger Diet members for his cabinet and that their careers will be over. These qualities helped propel him to the top of public opinion polls earlier this spring. As late as early April, Abe had a 44 to 13 percent lead over Fukuda, with a 60 to 13 percent lead among members of the public who identify with the LDP (Yomiuri Poll). If he is able to

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\* Thanks for Prof. Amakawa Yukiko of the Chiba Institute of Science, a fellow member of the CSIS panel, for these recently-decided details on the LDP leadership selection process.



maintain a lead anywhere near this level going into the LDP primaries in September, he will be very hard to beat.

Does this mean factions will play no role in this race??? I think IT DEPENDS.

If Abe manages to reestablish the popularity advantage he had in April, it won't matter what the faction bosses do. If a few of them conspire to line up behind Fukuda, that is all the better for Abe since it will reinforce his image as the candidate who is against the LDP old guard. Let's say the Niwa-Koga, Tsushima, and Ibuki factions, none of whom is backing a candidate, decide to back Fukuda in order to stop Abe. That would give Fukuda  $48 + 73 + 33 = 154$  (assuming all faction members follow the bosses instructions), plus half the Mori faction for a total close to 200. Still, if the LDP rank and file voters continue to prefer Abe, they could easily offset Fukuda's advantage with Diet members, just like Koizumi did in 2001. If Abe beats Fukuda in the local contest by 65 percent to 20 percent (giving him a 195-60 lead in local representative votes), it will be hard to stop him. If a landslide of this scale is reported by the press based on exit polls (the official vote, remember, won't be announced until after the Diet members vote), Fukuda might even withdraw to avoid splitting the Mori Faction by forcing a vote of Diet members. If Fukuda remains in the race and decides to compete all out for Diet member votes, he may be able to win a majority of the Diet members, but probably not enough to offset Abe's big advantage in the local representative vote.

To win along the lines of this scenario, Abe will still need to make a few deals to maximize his Diet member vote ON THE FIRST BALLOT. That is because if no candidate wins a majority on the first ballot, the selection process reverts to a vote of DIET MEMBERS ONLY on the second ballot, which will be contested by the top two

candidates from the first ballot. Since Abe, in this scenario, will be eager to avoid losing his big advantage in the local representative vote, he may have to cut a number of deals with leaders of smaller factions if he finds that Tsushima, Ibuki, and Koga-Niwa are all backing his rival Fukuda. In exchange for promises of cabinet posts, he is likely to be able to win over Nikai (14) and Yamasaki (37). Together with significant support from the large number of unaffiliated Diet members who will be eager to see the party led by someone popular with unaffiliated voters (perhaps he would get 50 out of 72) and a few break-away (younger) members of the big factions who may get cold feet when asked by their bosses to back Fukuda, I envision Abe winning 195 local votes plus 170 Diet member votes for a total of 365 votes in this scenario, in order to pull out a win on the first ballot.

**Scenario 1 (Abe Wins on First Ballot):**

Abe=195 local + 50 (majMori) + 14 (N) + 37 (Y) + 50 (unaf) + 19 (breakaway) = **365**

Fukuda=60 local + 37 (minMori) + 43 (N-K) + 65 (Tsu) + 27 (I) + 12 (unaf) = **244**

Asō=30 local + 11 (Kōno Faction) + 5 (unaf) = **46**

Tanigaki=15 local + 15 (Tanigaki Faction) + 5 (unaf) = **35**

Unknown=Kōmura's 15

It isn't very hard, however, to imagine a scenario where the math works out the other way. All it will take is a slight drop in Abe's popularity, and it has already been trending downward. The latest Yomiuri Poll (from May) gives Abe a 40-23 edge over Fukuda, with 54 to 23 among LDP voters. Still pretty impressive, but it's possible to image that Abe could continue to drop to the point where he ends up with just a 50 – 35 edge over Fukuda in the primary so that the local vote is distributed 150 - 105 between them, with the remaining votes going to the other two likely candidates. In this scenario, I predict you will get intense jockeying and deal-making among the faction bosses since it will become clear (based on opinion polls or exit polls) that Abe won't have enough to

win on the first ballot, so that the result will come down to a Diet-member only second ballot.

If Fukuda locked up the support of the three factions victimized by Koizumi (with fewer defectors in this scenario so that Fukuda gets 149 of their votes), took half of his own faction's vote and some unaffiliated votes, he would come in ahead of Abe on the first ballot and force a second round. In this second round (see below), Abe's loss of local votes due to the different voting rules would be devastating, leaving him without enough votes to overcome Fukuda's advantage among Diet members, even if he were able to cut a deal with the Kōno, Tanigaki, and Kōmura factions. Fukuda would owe his victory to the bosses of the factions Koizumi persecuted, and he would likely feel obliged to reward these factions with promised cabinet seats.

**Scenario 2 (First Ballot)**

Abe=150 local + 44 (½Mori) + 14 (N) + 37 (Y) + 40 (unaf) + 5 (breakaway) = **290**

Fukuda=105 local + 43 (½Mori) + 47 (N-K) + 70 (Tsu) + 32 (I) + 22 (unaf) = **319**

Asō=30 local + 11 (Kōno Faction) + 5 (unaf) = **46**

Tanigaki=15 local + 15 (Tanigaki Faction) + 5 (unaf) = **35**

Unknown=Kōmura's 15

**Scenario 2 (Second Ballot)**

Abe=44 (½Mori) + 14 (N) + 37 (Y) + 45 (unaf) = **140**

Fukuda=43 (½Mori) + 48 (N-K) + 73 (Tsu) + 33 (I) + 27 (unaf) = **224**

Unknown= 11 (Kōno Faction), 15 (Tanigaki Faction) and 15 (Kōmura Faction)

Right now, I see things trending toward the second scenario, which suggests that LDP factions may not be so dead after all. Nevertheless, what we have is a very different and more public-opinion driven process than we had before. Even if Fukuda wins, he will owe it to his ability to erode Abe's public opinion advantage, by playing up his experience, his ability to handle relations with China and the Koreas more smoothly than Abe, and perhaps his willingness to slow down economic reforms in order to protect

the “little guy.” If Fukuda wins, the faction bosses will attempt to claim credit and insist on the repayment of promises, but they will have difficulty threatening to engineer the selection of a new LDP leader since they will be operating in a post-Koizumi world where public expectations about what a Japanese leader should act like have changed. Fukuda will not be able to give them everything they want without risking the loss of the unaffiliated vote at the next election.