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ESTABLISHING A TWO-PARTY SYSTEM IN JAPAN

ICHIRO OZAWA AND HIS DREAM OF 'NORMAL NATION'

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In the 1990s, since the Liberal Democratic Party (LDP) has dominated Japanese politics for nearly forty years, making Japanese politics more democratic became a hot issue. Many politicians and political organizations in Japan had joined the debate. A bestseller book, *Blueprint For A New Japan*, written by Ichiro Ozawa, arguing that establishing a two-party system is the best way to make Japan more democratic. The two-party system is the key factor of being a 'normal nation' that Ozawa has dreamed of. In 2009, the LDP was finally replaced by the Democratic Party of Japan (DPJ). The two-party system was thus established. Ozawa, currently the Secretary-general of the DPJ, has contributed the most to the DPJ victory. This article explains that how Ozawa has contributed to the establishment of the two-party system. I argue that Ozawa uses three strategies to establish the two-party system: the single member district, party realignment, and Ozawa's electoral successes. It is significant to see how Japanese democratization has developed in the last two decades through tracing Ozawa's endeavors.

TABLE OF CONTENTS

Acknowledgements

I. Introduction

Research Aims and Question

Research Methods

Theoretical Framework and Literature Review

Ethical Considerations

Disposition

Background

The 1955 Political System

Ichiro Ozawa

II. Single Member Districts

Single Member Districts Leads to Two-party System

Ozawa Implemented the Electoral Reform

I. The Origins of Single Member Districts and Two-party System

II. 1994 Electoral Reform

III. Party Realignment

Disintegrating the LDP from Inside

I. First Try: 1993 Political Earthquake

II. Second Try: LDP-LP Coalition

Emergence of 'Conservative-Conservative Alliance'

LDP-LP Coalition

Forming Grand Opposition Party

I. Strategic Shift: From Opposition Coalition to New Party

II. The NFP: the First 'Grand Party' Try

III. Merger into the DPJ: the Second 'Grand Party' Try

Hatoyama's Failed Invitation

LP Merged into the DPJ

IV. Leading the DPJ

Becoming Leader of the DPJ

Ozawa Was not Intended to Be 'Shadow Shogun'

IV. Electoral Success

More Elections, More Opportunities

Electoral Success

I. Candidates Raising

II. Campaign Skills

Conclusion

Appendices

I. Major Japanese Parties in the 1990s and 2000s

II. Japanese Prime Ministers and Ruling Parties between 1989 and 2010

III. Biography of Ichiro Ozawa

References

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I. INTRODUCTION

It is very confusing that the most democratic Asian country, that is, Japan, had been dominated by one party until 2009, except a ten-month short break. Though strong oppositions, the government had been firmly controlled by the Liberal Democratic Party (LDP) for more than fifty years. A 1955 political system which had built up an iron triangle consisting of politicians, bureaucrats, and businessmen is viewed as a guarantee of the one-party dominance in Japan.

However, as the economic recession hit Japan in the early 1990s, the iron triangle could no longer drive the economic growth, and the support rates of the LDP kept declining. In order to win more support from the public, some LDP politicians changed their strategies and tried to improve Japanese political system by introducing a two-party system into Japan. Ichiro Ozawa, a very young and promising leader of the LDP, left the LDP and began his experiments in the early 1990s. In sixteen years, he and his comrades finally replaced the LDP with a new party and established a two-party system in Japan. This article traces the history of Ozawa's endeavor in establishing the two-party system in Japan, demonstrating the democratic development in Japan in the latest twenty years.

Research Aims and Question

This research explains that how Ichiro Ozawa, a Japanese politician, establishes the two-party system in Japan. Making Japanese politics more competitive and more democratic has been a hot issue since the 1950s. Many politicians and scholars were involved in the debate but yet any consensus had been reached until the late 1980s. Shin Kanemaru, a kingpin in the LDP at that time, supported to establish the two-party system through an electoral reform by introducing the single member districts into Japan. However, Kanemaru did not make any effort to implement the

electoral reform.

After the two decades, in 2009, the Democratic Party of Japan (DPJ) won three-fifth seats of the Lower House and overthrew the five-decade ruling party, the LDP, in Japan. In all, the DPJ and the LDP has shared 89% of the total votes. The two-party system was thus established.¹ Many factors have contributed to this historic change, but I argue that Ozawa, currently the Secretary-general of the DPJ, has contributed the most to the establishment of the two-party system. This article argues that Ozawa has used three major strategies to establish the two-party system in Japan, namely the single member districts, the party realignment and the electoral success.

This research traces the development of the two-party system in Japan, and explains how the two-party system has been realized. With the case of Ozawa, this article also confirms that a strong political leader could influence and reshape the politics. For example, the LDP might not split and lose the government if Ozawa remained in the LDP in 1993, and the DPJ might not be possible to defeat the LDP in elections in 2007 and 2009 if Ozawa did not join the DPJ. In addition, the career of Ozawa also reflects the changes of Japanese politics. It is significant to see how Japanese democratization has developed in the last two decades.

Research Methods

This research is designed as a case study of Ozawa. To highlight Ozawa's contribution to the establishment of the two-party system, relevant data have been collected, and I categorize his methods into three major ways, namely electoral reform, party realignment and electoral success. Ozawa uses these three methods to boost the establishment and development of the two-party system.

Electoral reform refers to bringing the single member districts electoral system

¹ Reed (2007) sets up four criteria to testify if Japan has established a two-party system. He argues that since 2003 the two-party system has established in Japan.

into Japan. Though not his invention, Ozawa is the first Japanese politician who made efforts to introduce the single member districts into Japanese electoral system. Party realignment refers to two methods that Ozawa uses to reorganize the parties to establish the two-party system, namely splitting the LDP from inside and uniting the opposition parties into a grand party. Electoral success refers to Ozawa's electoral skills and campaign strategies to win elections. Though Ozawa has contributed to the establishment of the two-party system in many aspects, these three categories to the largest extent boost the establishment of the two-party system.

This research mainly depends on documentary data. The documentary data can be divided into two categories. The first are primary data, consisting of newspapers, journals and magazines. The *Asahi Shimbun*, the *Japan Times*, the *Kyodo news*, the *Economist*, the *New York Times* and the BBC news are frequently quoted in this article. The second refers to findings from previous studies in the field of Japanese politics. Studies of Ray Christensen (2000), Gerald L. Curtis (1999), Alisa Gaunder (2007), Steven R. Reed (2003, 2007, 2009) and Ethan Scheiner (2006) have supplied this article with important theories and analytical angles. In addition to the documentary data, three interviews with professors in political science and a politician are conducted in Japan. The interviewees offered me very precious data and viewpoints.

Theoretical Framework and Literature Review

This article uses three theories to explain how Ozawa establishes the two-party system. First, I use the strongman theory and pays attention to political leadership. The strongman theory refers that strong leaders influence politics, and politics was reshaped by powerful politicians. Alisa Gaunder (2007) uses the strongman theory and explains that failures made by Ozawa's predecessors were due to a lack of one or several of four necessary attributes for a leader, namely risk-taking ability,

vision, commitment to reforms, and political resources. By contrast, Ozawa has all of the four fundamental attributes that a reformist politician needs to make political changes, so that he has successfully overthrew the nearly four-decade ruling party LDP and implemented the electoral reform.

Second, this article uses the theory of the Duverger's law. The Duverger's law argues that the electoral system of the single member districts would lead to a two-party system. Steven R. Reed (2008) explains that why the single member districts leads to a two-party system in Japan, and confirms that though the LDP has tried to obstruct the coming of the two-party system, according to the Duverger's law, the DPJ would become a serious alternative to the LDP and the two-party system would emerge in Japan anyway.

Third, I agree on the finding of Ethan Scheiner (2006), arguing that the failure of opposition parties was not due to a public opinion that voters trust the LDP more than oppositions because the former has much more ruling experience. He points out that since 1963 there have been more voters trusting oppositions rather than the LDP. Scheiner explains why the oppositions failed to transfer the non-LDP votes into a non-LDP government. He argues that opposition parties have difficulty in finding sufficient experienced candidates. Furthermore, opposition parties do not have attractive and clear images for voters. His explanation successfully answers the question that why Ozawa could lead the DPJ to win the 2007 and 2009 elections over the LDP through raising candidates.

Ethical Considerations

During this research I have done four interviews, three with professors in political science in Japanese universities, one with a politician in Tokyo Metropolis Assembly. I have done these four interviews properly according to the ethical guidelines issued by the Swedish Research Council. First, the interviewees are guaranteed anonymity. Second, the data of interviews are treated confidentially

and stored safely. Third, the data of interviews are only used for the Master thesis.

Disposition

This thesis consists of three sections, according to the three major methods that Ozawa uses to establish the two-party system. The first section quotes Steven Reed's theory that single member districts leads to two-party system, and explains that Ozawa is the politician who made efforts to implement the electoral reform. The second section is broken according to two different methods that Ozawa uses to realign parties, namely splitting the LDP from inside and forming grand parties. The third section is divided into three parts to demonstrate how Ozawa achieves the electoral success, namely calling for more election, raising more candidates and exercising better electoral skills.

BACKGROUND

The 1955 Political System

Until 2009, Japanese politics had been dominated by the LDP for 54 years, except a ten-month break between 1993 and 1994. In spite of being the most democratic nation in Asia, Japanese political system, in other words the so-called 1955 political system, had been heavily criticized by scholars for a lack of competition and alternation between the ruling and opposition parties (Curtis 1999, Scheiner 2006). The 1955 political system is characterized by four factors: a GDPism goal, close linkages between interest groups and parties, a bureaucracy with immense prestige and power, and a system of one-party dominance (Curtis, 1999). This 1955 political system had built an iron triangle consisting of politicians, bureaucrats, and businessmen. They had close links with each other, sharing interest in between, supporting and influencing mutually.

The 1955 political system had served Japan with stable politics and sensible

policies during the postwar period (Johnson, 1995). The cooperation among the iron triangle had facilitated the GDP growth of Japan (Curtis, 1999). However, since the late 1980s, the political system had begun to show its incompetence in policy-making and business administrations. Since the burst of the bubble economy in Japan, Japan has been in a financial crisis for nearly two decades. There was growing voice for political reforms in the 1990s because the public was likely to see the economy to grow up again (Curtis, 1999: 37). Therefore, the public requirement for political reforms became the main theme in the 1990s and 2000s. Since the early 1990s, the voting turnout rate has declined steadily, and in 1995 more than 55% of voters said they supported no party (Curtis, 1999: 34). Low voting turnout rates have been always a problem to Japanese politics because a large amount of independent voters have often wavered their choices between the DPJ and the LDP, making the elections very much unpredictable (Scheiner 2006).

Though in the 1955 political system the LDP and the Japan Socialist Party (JSP) had occupied the largest two parties for nearly four decades, the 1955 political system could not be viewed as a two-party system because the government never alternated from the LDP to the JSP (*Japan Times* 2005). In addition, since the LDP received less than a half of the total votes in the late 1980s, it was the first time that the LDP might lose control of the Lower House if all oppositions unite. Therefore, since the beginning of the 1990s, the oppositions might be possible to challenge the LDP through elections and party realignment.

Therefore, the government had been required by opposition parties and reformers to implement political reforms of political system in order to make Japanese politics more democratic and competitive. Prime Minister Kiichi Miyazawa had promised a reform package but failed to implement. He was thus casted non-confidence vote and left the government. In order to split the LDP and make the LDP minority in the Lower House, Ozawa and his followers left the LDP and started contacting opposition to make a non-LDP coalition. In August 1993, Ozawa and his comrades were facing a couple of serious challenges. First, in the upcoming Lower House election, could Ozawa make the LDP minority? Second, if

he really would achieve that, how to do the next to establish the two-party system in Japan? Ozawa made his choices, and he finally established the two-party system in twenty years.

Ichiro Ozawa

Ozawa is currently the Secretary-general of the ruling DPJ. The Secretary-general is nominally the number two leader following the president in a party. However, Ozawa is viewed as a '*shadow shogun*' in modern Japan since he has controlled the largest amount of the DPJ members comparing to other leaders (AERA: October 25, 2009).

Ozawa was a protégé of three political powers, Kakuei Tanaka, Noboru Takeshita and Shin Kanemaru. Ozawa was elected in the Lower House in 1969 when he was 27 years old.² He became the Minister of Home Affairs in the Nakasone Administration between 1985 and 1986. When he was 47 years old, Ozawa became the youngest LDP Secretary-general ever. He served this position between 1989 and 1991. In the Takeshita faction within the LDP, Ozawa was chosen by the most powerful two leaders, Takeshita's and Kanemaru's pick to take over the faction. He was responsible for distributing election money to many new faction members. He was also involved in the selection of new LDP candidates, who viewed him as their patron. His influential status in the Takeshita faction enabled him to create many loyal supporters in the LDP (Gauder, 2007: 87). In November 1991 when Prime Minister Toshiki Kaifu resigned, Kanemaru, the power standing behind the throne,³ asked Ozawa to assume the post of Prime Minister. However, Ozawa declined (Shinoda, 2004).

In August 1993, Ozawa lost a intra-faction battle. Ozawa chose to leave the Takeshita faction and further the LDP. His pull out immediately gave the LDP

² He inherited this seat in his father's constituency in Iwate Prefecture when his father died.

³ Kanemaru became the most powerful politician in Takeshita faction since Prime Minister Takeshita resigned in 1989, but he did not take the Prime Ministership. Since Toshiki Kaifu took the Prime Ministership, Kanemaru became the kingmaker behind.

minority and Ozawa faced an opportunity to make a non-LDP government. If he takes control of the government, he could implement the electoral reform, which enabled him to establish the two-party system.

Why has Ozawa brought up an idea of introducing the two-party system into Japan? Ozawa demonstrated the reasons in his bestseller book *Blueprint for a New Japan: The Rethinking of a Nation* (1994). He explained that he had been enraged by Japanese government's inefficiency in responding to the Gulf War. To make Japanese politics more efficient and democratic, Ozawa called for a establishment of a real government leadership and responsibility in the formulation of policy decisions. He argues that politicians, instead of bureaucrats who should take responsibility of the government's disastrous performance in the Gulf War, should be entitled stronger power. In his plan, 'New Japan' is a 'normal nation' with the two-party system and powerful politicians. He wrote that, in order to achieve the establishment of the two-party system, he would implement an electoral reform by introducing the single member districts into Japan.

II. SINGLE MEMBER DISTRICTS

The correlation between single member districts and two-party system has been often discussed by scholars and politicians before the 1990s. However, no Japanese politician from the ruling party has interest in this issue. Ichiro Ozawa is the first person who has made efforts to implement the electoral reform of transferring multi-member districts to single member districts for an establishment of the two-party system in Japan. In 2009, the DPJ has won the Lower House election and become ruling party, which suggests that the two-party system has established in Japan.

Single Member Districts Leads to Two-party System

Steven R. Reed (2007) sets up a set of variables to testify whether the single member districts led to the two-party system. He sets up four degrees. First, at a single member districts level, he tested if voters make choices between only two parties or two serious candidates. Second, he tested that among the two candidates, whether one is from the ruling party and the other is from the largest opposition. Third, he analyzed if there is any alternative to the largest opposition. In the case of Japan, does *Komeito*, the third largest party, balance the power between the LDP and the DPJ? Fourth, he analyzed that could power alternate between the ruling party and the opposition.

Reed (2007) argues that since 2003 the two-party system has established in Japan, and the 1994 electoral reform which transferred multi-member districts into single member districts led the establishment of the two-party system.⁴ First, at the district level most competitions are between only two parties and two candidates. Second, bipolar competition is normally a choice between one

⁴ Another professor also confirms that the 1994 electoral reform is the most important factor for the establishment of the two-party system (personal interview with a political science professor, February 18, 2010).

candidate from the LDP and one from the DPJ. Third, the DPJ is the only alternative to the LDP. *Komeito* has become a permanent ally of the LDP and thus does not violate the two-party format. Fourth, the alternation of power had not achieved yet in 2007, but the alternation of power would be inevitable in Reed's opinion. In another paper, Reed and Shimizu (2009) argue that since the three stratagems, including voting for candidate in single member districts and voting for the LDP in proportional representation, allying with *Komeito* and using Prime Minister Junichiro Koizumi's popularity, have reached the limits. If no new stratagem, the LDP would lose the next election. Reed's prediction has been proven. The LDP for the first time has been defeated by another single party in its history in 2009. The DPJ became the ruling party and the two-party system thus established.

Ozawa's Implementation of the Electoral Reform

I. The Origins of Single Member Districts and Two-party System

Theoretically speaking, electoral reform had nothing to do with two-party system at the very beginning. An original intention of several Japanese leaders to change the electoral system by introducing the single member districts was not for a two-party system, but for helping the LDP to win more seats without increasing its share of the votes. For example, in 1956, Prime Minister Ichiro Hatoyama from the newly formed LDP introduced such a proposal to bring in the single member districts (Christensen 2000). With its consistent share of more than a half the votes, the LDP could take a far larger share of seats under single member districts than under the existing, semi-proportional electoral system. However, this proposal was rejected by opposition parties. Similar proposals were brought into debate in 1965 and 1973, again. They were refused by oppositions as well (Christensen, 2000).

The idea of two-party system was originally proposed by the opposition reformists who aimed to make Japanese politics more democratic and competitive. However, the LDP had little interest in this idea until the 'clean' Prime Minister

Takeo Miki stated it in 1974 after Kakuei Tanaka, a former Prime Minister, was involved in a political scandal. In the late 1980s, Shin Kanemaru became a vocal proponent of the two-party system (Christensen, 2000: 153).

When the LDP lost majority for the first time in the Upper House in 1989, the single member districts and two-party system became correlated. According to the Duverger's Law, if a party cannot not take a majority in elections and has to compete with many oppositions, the single member districts would gradually build up a strong opposition party other than the ruling party. The opposition party would become alternate power to the ruling party when a stable two-party system establishes.

II. 1994 Electoral Reform

Ozawa is not the first person who brought up a proposal of fostering a two-party system through electoral reform. However, I argue that he is the first politician who did make efforts to bring single member districts for two-party system. Ozawa first pushed the proposal of electoral reform with Prime Minister Kaifu in the early 1990s but failed (Christensen 2000). Politicians, in particular from the LDP, were the major stumbling stones of the electoral reform, because the single member districts, which would favor parties rather than individual politicians, might undermine interest of politicians particularly the conservatives (Christensen, 2000: 23-24). Thereafter, Ozawa left the cabinet and demonstrated his ideas about electoral reform in his bestseller, *Blueprint for a New Japan*.

Blueprint for a New Japan was published in May 1993, a few months before the Hosokawa government was formed. More than 710 thousand copies had been sold until 1998.⁵ In this book, Ozawa argued that Japan needs reforms in order to have a strong leadership, policy-making coherence, and competition. Among all four reforms including reforms of electoral system, the political contributions system,

⁵ Asahi.com: "Ozawa's *Blueprint for a New Japan* Republishes". Link: <http://book.asahi.com/news/TKY200604180374.html>

the political corruption prevention system and election campaign system, the electoral reform was the most fundamental. 'The present medium-sized constituency is the institution most responsible for sustaining and encouraging the comfortable, mutual dependence between the ruling and opposition parties' (Ozawa, 1994: 63). In addition, Ozawa was not satisfied with an overemphasis on proportional representation in the electoral system which contributed to the lack of competition of Japanese politics. He argued that single member districts electoral system 'is the most efficient and direct way of recovering majority rule'. The single member districts would lead 'the emergence of two dominant parties that share similar fundamental goals for Japan's future' and would 'make transfer of power easier' (Ozawa, 1994: 66).

Soon Ozawa and Hata split the LDP and formed an eight-party coalition government which gave Ozawa an opportunity to realize his reform ideas. Though the Prime Minister Morihiro Hosokawa focused on decentralization and deregulation (Gauder, 2007: 85), he had to represent Ozawa, who held the real power, to negotiate with oppositions on the issue of electoral reform (*New York Times*, July 14, 1992.). After a long and difficult negotiation with the LDP, the electoral reform bill passed, though Ozawa and Hosokawa paid a concession.⁶ The new electoral system contained 300 single member districts and 200 (180 after 1999) proportional representation seats.⁷

⁶ The negotiation was very difficult as below: the Hosokawa government firstly pursued the electoral reform in negotiations with LDP president Yohei Kono, but the two sides failed to agree on the details. Hosokawa then pushed for passage of the reform proposal based on the coalition's parliamentary majority, but in an Upper House vote, significant defections from the JSP led to the defeat of the reform package. In a last-minute, tiring long negotiation again with the LDP in January 1994, Ozawa and Hosokawa conceded some of the details of the reform proposal, and the modified proposal passed with the overwhelming support of both the LDP and the members of the coalition (Christensen, 2000: 15).

⁷ Actually the passed reform package consisted of a new electoral system, stronger political funding regulations, government funded party subsidies and reapportionment (Gauder, 2007: 84). All items had been strongly promoted by Ozawa, rather than Prime Minister Hosokawa.

III. PARTY REALIGNMENT

Disintegrating the LDP from Inside

The LDP kingpin Kanemaru, Secretary-general in the early 1990s, was a steadfast supporter of the two-party system. Shortly after the 1990 elections, Kanemaru met secretly with a Japanese Trade Union Confederation leader, Akira Yamagishi, and Socialist Party leader, Makoto Tanabe, and said a new party was needed to compete with the LDP in the two-party system. The new party could be made up with centrists of the LDP and some Socialists. Therefore, the LDP needed to split. However, Kanemaru said he would not exercise this by himself. His protégé Ozawa would make efforts on this (Christensen, 2000: 152).

Splitting the LDP from inside is the straightest way to reach two-party system. However, it is not as easy as it seems. It happened only one time before Ozawa left the LDP. In 1976, Yohei Kono and other four incumbent parliamentarians left the LDP and formed the New Liberal Club. However, the New Liberal Club soon languished and rejoined the LDP in 1986. Kono recalled that it was very difficult to raise money and to recruit candidates or to articulate a policy program appealing to a large number of voters (Curtis, 1999: 66).

To other LDP mavericks, Kono's lesson was viewed as a cautionary tale of the perils of moving out from under the LDP umbrella. It is risky for politicians to leave the LDP because they might lose all political resources. However, to Ozawa, this is not the case. Splitting the LDP from inside has been always an effective method to establish the two-party system. Ozawa successfully split the LDP in 1993 but failed to establish the two-party system. In 1998 since he found the NFP was too broad to control, he tried again to split the LDP by allying with the LDP conservatives.

I. First Try: 1993 Political Earthquake

Ozawa was viewed as an ideal successor of his mentors, Kakuei Tanaka, Noboru Takeshita and Shin Kanemaru, until he broke up with his own faction, Takeshita faction, within the LDP. Since the Prime Minister Miyazawa had lost the public support and Kanemaru was involved in a serious of financial scandals in 1992, Ozawa tried to take control of the Takeshita faction but was defeated by Keizo Obuchi, another protégé of Takeshita. Thereafter, Ozawa and Tsutomu Hata, another top lieutenant, launched a new group called 'Reform Forum 21' within the Takeshita's faction. They soon formed a separate faction, and finally left the LDP in June 1993. Ozawa and Hata launched a new party called Japan Renewal Party (JRP), with 44 former LDP parliamentarians.⁸ Though Hata became the president, Ozawa, the Secretary-general, was given the real power. The reason that Ozawa put forward Hata as a surrogate was because Hata was well-known for his mild-mannered, but Ozawa was regarded as a dictator even in the Takeshita faction in contrast (*New York Times*, October 24, 1992). In addition, Ozawa's image as a reformer had been stained because of his close relationship to his three powerful mentors, Tanaka, Takeshita and Kanemaru, none of whom was away from notorious scandals.⁹

In the Lower House election in July 1993, because of the defection of Ozawa and other LDP members, the LDP lost 52 seats compared with the results of the 1990 Lower House election. The LDP occupied 223 seats of the 512 in total, which failed to keep a majority and gave the oppositions a chance to change the LDP in the government. Though none of oppositions won more than 70 seats, Ozawa communicated with each opposition except the Communist Party and finally made a unprecedented eight-party coalition including the Japan Socialist Party (JSP) (70 seats), the JRP (55 seats), the *Komeito* (51 seats), the Japan New Party (JNP) (35 seats), the Democratic Socialist Party (DSP) (15 seats), the New Party *Sakigake* (13 seats), the United Socialist Democratic Party (4 seats), and the Democratic Reform

⁸ According to Gaunder's (2007, 98) interview with a journalist, the journalist said the LDP did not do anything to keep Ozawa in the party because they thought he could not leave precisely because it would be his political death.

⁹ Kakuei Tanaka was involved in the Lockheed scandal in 1976. He was found guilty and sentenced to 4 years in jail in 1983. Noboru Takeshita was forced to resign because of the Recruit scandal. Shin Kanemaru was indicted in the Sagawa Kyubin corruption scandal in 1992. He was arrested in 1993. Ozawa was involved in this case as well.

League (former Japanese Trade Union Confederation, renamed in 1993 and joined with no seat).

There are many discussions about this historical change. Many scholars agree that this change could not occur but in 1993. Many factors, such as the end of the Cold War, Japanese economic recession, political scandals, ambitions and commitment of certain politicians, and the urbanization, contribute to the downfall of the LDP and the rise of the oppositions (Curtis 1999, Christensen 2000, Scheiner 2006, and Gaunder 2007).

However, I argue that all the factors had prepared for a favorable environment, but a strong leadership was a key to initiate this political earthquake. Ozawa was undoubtedly the key actor. First, voters did not make the LDP lost, the splitting of the LDP did. In the 1993 Lower House election, most of the incumbents kept their seats. It meant that voters still voted for incumbents rather than reformers (Curtis, 1999). Suppose the LDP did not split, incumbents would remain and the LDP would not lose a majority.

Second, Ozawa's pull out was decisive. The 1993 political earthquake depended on two factors. On the one hand, the LDP needed to fail to take a majority. On the other hand, the LDP needed to fail to ally with any opposition and make a coalition. Both did happen because of Ozawa. First of all, Ozawa made the LDP minority. Ozawa's JRP took 44 LDP Lower House incumbents away from the LDP and directly made the LDP lost the majority. If Ozawa did not choose to defect, the LDP would have remained in majority.¹⁰ In addition, once the LDP lost a majority in the Lower House, it began to search for a partner to form a coalition in order to stay in the government. But Ozawa successfully convinced the oppositions not to ally with the LDP (Curtis, 1999). Next, Ozawa convinced other oppositions to form a coalition government. He had close connections to the oppositions.¹¹ Ozawa

¹⁰ Another defected party, the New Party *Sakigake*, formed on June 22, one day before the JRP. The New Party *Sakigake* took only approximately ten Diet incumbents from the LDP, which could not bring the LDP any change of its majority position in the Lower House.

¹¹ Ozawa established strong ties with the opposition parties when he was in the Nakasone administration. His success in persuading opposition parties to pass difficult consumption tax legislation suggests that he had good relationship with some opposition leaders. In 1990 he successfully formed a three party alliance with the *Komeito* and the DSP. The progressive DSP, presenting very different ideologies to the LDP, was viewed impossible to

contacted opposition parties and formed a five-party coalition including the Japan Renewal Party (JRP), the JSP, the Democratic Socialist Party (DSP), *Komeito* and the United Socialist Democratic Party right after the election. But the coalition did not make a majority. Ozawa thus promised Hosokawa, a leader of the Japan New Party (JNP), the Prime Ministership. The JNP and the New Party *Sakigake* thus joined and an eight-party coalition was formed. He displayed his impressive skills in negotiations.¹²

During the coalition government period Ozawa did not stop further splitting the LDP. In 1994 when the JSP and the New Party *Sakigake* pulled out, the six-party coalition became minority. Ozawa, again, tried to split the LDP between reformers and non-reformers. He first encouraged many incumbents to leave the LDP, following former Prime Minister Kaifu. However, not many politicians took the risk. Then he tempted Michio Watanabe, a leader of the former Nakasone faction in LDP, to leave the LDP. He promised Watanabe the Prime Ministership, but Watanabe could not persuade enough faction members to follow him. Watanabe remained in the LDP and the Hata government collapsed.

II. Second Try: LDP-LP Coalition

Between 1994 and late 1997, Ozawa's main strategy was making a grand opposition party to compete with the LDP through elections. However, I argue that there was a shift of Ozawa's fundamental strategy in 1998 since the New Frontier Party (NFP) lost a series of elections. Instead of competing against the LDP in single member districts, Ozawa decided to take a 'conservative-conservative alliance' plan. This plan contains three steps: first, to ally with conservatives of the LDP; second, to make a coalition government; third, to split the LDP and make a new party combining with his own party and conservatives from the LDP. This

cooperate with the LDP in the past (Shinoda, 2004).

¹² For example, Ozawa promised the JSP certain seats in the coalition cabinet, on the one hand; and gambled that the JSP would never ally with its traditional foe the LDP. The JSP was successfully convinced because it had to avoid becoming an irrelevant party.

strategy tries to repeat the 1993 political earthquake and to split the LDP from inside again, though Ozawa failed to convince many conservatives to follow him.

Emergence of 'Conservative-Conservative Alliance'

There was hearsay that even as early as 1996 the NFP president Ozawa had contacts with some LDP conservatives about forming a coalition government.¹³ When the LDP, again, got a majority in the Lower House, the NFP divided between a pro-Ozawa and an anti-Ozawa camp. Ozawa realized that the NFP was ideologically too much broad to be controlled.

The LDP Chief Cabinet Secretary Seiroku Kajiyama and Minister of Construction Shizuka Kamei called for a 'conservative-conservative alliance' proposal in the LDP (*New York Times*: November 19, 1998). This proposal came out when the LDP's two partners, the Social Democratic Party (SDP) and the New Party *Sakigake*, won a mere 17 seats in all in the 1996 Lower House election. Though the SDP became trivial, it kept its progressive stance on policy-making, which annoyed many LDP conservatives.¹⁴ The 'conservative-conservative alliance' supporters realized that the NFP was about to dissolve, claiming that Ozawa and his followers could easily guarantee the LDP an overwhelming majority in the Lower House.

However, it met with strong opposition within the LDP. Hiromu Nonaka, Koichi Kato and Taku Yamasaki denounced that Ozawa could never come back to the LDP anyway. Prime Minister Hashimoto rejected this proposal, either. This proposal did not move on since the NFP, the main rival of the LDP, began to disintegrate. It was believed that the LDP-dominated era had come back since the largest opposition vanished and the second largest, namely the DPJ, was still too tiny to be

¹³ There was hearsay in even 1996 that Ozawa, leader of the NFP, met and discussed with Noboru Takeshita, former Prime Minister, Ozawa's old mentor and a very important LDP senior, in Beijing when both of them were in political trips. At the same time, former Prime Minister Yasuhiro Nakasone acknowledged that he hoped to see a merger of the LDP and the NFP. The media explained that this proposal was possible because on the one hand, some LDP seniors, such as Nakasone, would like to see the LDP split with their old foe the SDP and work with the conservative NFP. On the other hand, the NFP was even easier to disband because the former *Komeito* members, supported by a Buddhist religious group *Soka Gakkai*, were disliked by most of the NFP members (*New York Times*: May 23, 1996).

¹⁴ An interview with a political science professor, February 24, 2010.

concerned.

LDP-LP Coalition

However, the LDP witnessed an unforeseen defeat in the 1998 Upper House election. The LDP won only 44 of 126 seats, far less than 61 seats that the LDP held before the election. Hashimoto thus took responsibility and resigned. Keizo Obuchi became the new Prime Minister. He had to find an ally to maintain a majority in the Upper House to keep the power of legislation. Ozawa's Liberal Party (LP) had begun a serious negotiation with the LDP.

Ozawa's decision confused many opposition leaders. First, Ozawa's dramatic change from forming grand opposition to allying with the LDP was not understandable. Naoto Kan, President of the DPJ, commented that he felt 'regrettable' for Ozawa 'who had been the most active in pursuing a change of administrations' (Kyodo: November 19, 1998). Second, it was unbelievable that the LDP and the LP were possible to cooperate. Tetsuzo Fuyushiba, Secretary-general of the *Komeito*, viewed this cooperation as unaccountable because these two parties had 'policies as different as water and oil' (Kyodo: January 13, 1999). Ozawa's decision immediately drove his party away from the opposition camp. An important backup, the Japanese Trade Union Confederation announced to stop supporting the LP, and *Komeito* began distancing itself from Ozawa (Reed, 2003: 47).

Obuchi's decision also confused many LDP leaders. First of all, what the LDP would win from the coalition is not obvious. Though the LP would offer the help, the LDP-LP coalition would be still short of taking a majority in the Upper House. Next, the LDP was split into two camps according to the attitude toward the coalition proposal. Ozawa was welcomed by the conservatives, the 'non-mainstream' wing of the LDP including former Chief Cabinet Secretary Seiroku Kajiyama, former Construction Minister Shizuka Kamei, former Foreign Minister Kabun Muto, and former Deputy Prime Minister Yohei Kono. But Ozawa

was strongly opposed by the powerful 'mainstream' YKK group including the former Secretary-general Koichi Kato, former chairman of the party's Policy Research Council Taku Yamasaki, former Minister for Health and Welfare Junichiro Koizumi.

The cooperation was not accountable to the media and the public, either. *The Asahi Shimbun* said this cooperation was against the popular will. It was afraid that Ozawa could no longer keep his image as a reformer. *The Mainichi Shimbun* could not understand how the LDP would ally with the LP since the latter advocated all that that the former refused (Kyodo: November 20, 1998). In addition, only 16% of the respondents in a *Mainichi Shimbun* survey supported this proposed coalition in December 1998.

I argue that the aim that Ozawa chose to ally with Obuchi was to split the LDP. Though in a coalition government, Ozawa did not ally with the whole LDP, not only the conservatives, such as the 'conservative-conservative alliance' supporters Kajiyama, Kamei, Muto and Kono. To the conservatives, by allying with Ozawa, they could strengthen and overpower the YKK group, namely Kato, Koizumi and Yamasaki. To Ozawa, by allying with the conservatives, he could divide the LDP into two camps and take control of one of them (*Yomiuri Shimbun*, April 16, 1999).

However, in a year Obuchi brought *Komeito*, who could solely guarantee the LDP a majority in the Upper House, into the coalition government and Ozawa's LP immediately became unnecessary. Ozawa could no longer split the LDP and his own party split. On 1 March, 2000 Obuchi formally kicked the LP out of the coalition. Reed (2003: 49) argued that Ozawa met a fiasco:

When the Jiji coalition¹⁵ was formed, the dominant impression in the mass media was that poor Obuchi had been outsmarted by the slick Ozawa. Suddenly it seemed as if that original impression had been completely mistaken and that Ozawa had actually been outfoxed by Obuchi.

¹⁵ *Jiji* coalition refers to *Jiminto-Jiyuto* coalition, meaning LDP-LP coalition.

Since Ozawa left the government, there was not any evidence that he has tried to split the LDP any more. However, even in May 2000, Ozawa still declared that the LDP would split up, a party realignment would take place and the two-party system would establish afterward (Kyodo News: May 19, 2000). After this defeat, Ozawa realized that splitting the LDP from inside was not a reliable method to establish a two-party system. In contrast, he changed his main strategy from splitting the LDP to forming grand opposition party in order to establish the two-party system.

Forming Grand Opposition Party

When Ozawa was in the 1993 coalition government, he planned to transfer the eight-party coalition to a grand party in order to compete with the LDP in single member districts. However, the JSP pulled out and the coalition government collapsed. Ozawa did not change his strategy and formed the NFP which united most of the opposition parties. The NFP did not win the 1996 election and many party members were angry about Ozawa's dictatorship. The NFP disbanded in late 1997 and afterward Ozawa tried to ally with the LDP. The defeat of this coalition government suggested that the strategy of splitting the LDP from inside did not work, and Ozawa changed back to the strategy of forming a grand opposition party to establish the two-party system. In 2003 Ozawa joined the DPJ, in 2006 he took the presidency, in 2007 he led the DPJ to win the Upper House election, and in 2009 the DPJ won the Lower House election. This strategy of forming a grand opposition party finally won over the LDP and established the two-party system.

I. Strategic Shift: From Coalition to New Party

Once the eight-party coalition formed, Ozawa took control of the government and

began to transfer the eight-party coalition into a grand party. According to Ozawa's long-term plan, founding a multi-party government was not the final aim. Ozawa's final aim was to establish a two-party system in Japan, so he wanted to create a party which could compete with the LDP in the single member districts. Therefore, Ozawa decided to transfer the eight-party coalition into a grand party immediately when he took over the leadership of the coalition.

However, the transformation did not go along with every party within the coalition. Ozawa intended to keep close with the *Komeito* and alienated the JSP. A so-called 'ichi-ichi line' that was made by 'Ichi'ro Ozawa and 'Ichi'kawa, leader of the *Komeito*, became the main strategy of the coalition government, which very much enraged the JSP and many oppositions.¹⁶ In Ozawa's plan, the JSP needed to be disintegrated into two parts, and Ozawa wanted only the centrists of the JSP, and the progressives were not necessary to him. In addition, Ozawa hardly fulfilled any cabinet seats that he promised to the JSP. Ozawa's autocratic leadership drove the coalition detached. Hosokawa resigned in April 1994. Hata succeeded the Prime Ministership but could not change the defection of the JSP. After two months the JSP and New Party *Sakigake* pulled out, throwing the coalition into a minority position in the Lower House.

I argue that Ozawa had made a serious strategic mistake. Ozawa was overambitious and overhasty to transfer the eight-party coalition into a new party. Since the electoral reform had already passed, his next task was to form a party made of all anti-LDP powers which could compete with the LDP in the new single member districts. He witnessed that the JSP had already split between a fairly radical leftist wing and a growing number of centrists. Ozawa thus kept pressuring the JSP and expected to win the centrists over to his side (*New York Times*: July 1, 1994).

¹⁶ 'As of the end of 1993, Ozawa's chief source of funds was also an embarrassment to him, He is allied with *Komeito*, which is controlled by the militant, rich, and sometimes unscrupulous religious leader Ikeda Daisaku, head of the fundamentalist sect *Soka Gakkai*. The press refers to this alliance as the "ichi-ichi line", after the given names of Ozawa Ichiro and Ichikawa Yuichi, the leader of *Komeito*. Many Liberals find this alliance deeply disturbing, and even faction leaders and power brokers within the LDP, some of whom might themselves want to ally with Ozawa, hold back from doing so because of this connection (Johnson, 1995: 238).

In addition, Ozawa had very much pressured the JSP because he betted that the JSP would not leave the coalition. He knew it was too tempting for the JSP to resist joining the government for the first time since the 1950s (Gauder, 2007: 95). Ozawa supposed that the JSP would by no means ally with the LDP, the party which had fought for nearly four decades. In his opinion, even the JSP chose to pull out, it would not give the LDP any chance. However, since the LDP promised Tomiichi Murayama, leader of the JSP, the Prime Ministership, the JSP announced coalition with the LDP and the LDP became majority again in the Lower House. The LDP-JSP coalition thus formed, and Hata administration fell down. Ozawa and Hata's JRP again became opposition.

II. The NFP: the First 'Grand Party' Try

Though the short-lived non-LDP government fell down in 1994, Ozawa did not change his strategy. He continued his 'grand party' strategy by uniting most of the non-LDP conservatives and centrist to be a new party. Ozawa and his JRP merged into Kaifu's New Frontier Party (NFP) in late 1994. A year later, he became the president.¹⁷

Ozawa's task was driving the NFP to make a victory in the upcoming Lower House election. This task was urgent because the NFP faced possible defections. If there was one reason that Ozawa could be optimistic, it was that the upcoming Lower House election would be the first one under a new electoral system which was designed and implemented by Ozawa himself. Ozawa believed that this electoral system would bring Japan a two-party system.

However, the Lower House election in October 1996 did not bring the NFP any success.¹⁸ Unsurprisingly, the NFP further lost 4 seats. On the contrary, due to

¹⁷ In late 1995, Hata publicly opposed Ozawa. Though reluctant, Ozawa was forced to join the election because he did not want to be driven out of the leadership. He won Hata easily in the intra-NFP election for presidency. However, the NFP divided (Reed, 1999: 192).

¹⁸ Naoto Kan and Yukio Hatoyama and their followers pulled out and formed the Democratic Party of Japan (DPJ) right before the election. Some NFP incumbents went back to the LDP. After a record-low turnout (59.6 percent),

Prime Minister Ryutaro Hashimoto's radical reform agenda prior to the election, the LDP won 28 more seats. Though the Social Democratic Party (SDP, former the JSP), an important ally of the LDP, further shrunk and had just 15 seats remained, it did not matter the LDP's control over the Lower House.

The 1996 Lower House election proved that the new electoral system was creating a two-party system for Japan, on the one side, because smaller parties were being swept away and the two largest parties, namely the LDP and the NFP, all together had occupied 79 percent of the total 500 seats in the Lower House. On the other hand, however, the NFP, which won 83 less seats than the LDP did, still had a long way to go. Unfortunately, right after the election, Hata, former Prime Minister and Ozawa's loyal comrade, left the NFP with 12 parliamentarians and formed his own Sun Party. Hosokawa, another former Prime Minister, did the same soon later, saying he 'found Ozawa's leadership style difficult to accept' (Stockwin, 2003: 101).

The NFP became less attractive to voters. A poll conducted in late 1997 showed that the NFP had only 5 percent support, less than even the Communists received, while the support for the Prime Minister Hashimoto was about 35 percent. Intra-party dissatisfaction grew up as well. Several prominent party members had called for Ozawa to stand down, accusing him of leading the party to a succession of defeats and mistakes (BBC: December 18, 1997).¹⁹ Ozawa was reelected head of the party in the late 1997. Soon after this, he decided to disband it, arguing that the party was too broad to be coherent. In Ozawa's view, internal bickering was the main reason forcing him to give up his first 'grand opposition party' try. He announced that he would create a new opposition party that would be smaller but shorn of factions. However, with only 55 lawmakers, nobody could expect his new party to make any efforts.

the final results gave the LDP 239 seats in the 500-member Lower House of Parliament. The NFP dropped to 156 seats from the 160 it had before.

¹⁹ For example, in the confusing Miyagi gubernatorial election in 1997, Ozawa chose to support a LDP candidate instead of an independent reformer, which was viewed as 'clearly irrational' and 'hurt the party's image nation-wide'. Reed explains that Ozawa did this 'because he did not expect the party to exist for much longer' (2003: 42-43).

There are many debates on why the coalition government and the NFP defeated. Some media went along with politicians that the Ozawa should have taken the responsibility. His autocratic leadership destroyed the endeavors of oppositions. However, Ozawa disagreed. He argued that a lack of clear ideological stance was lethal. Therefore, Ozawa decided to form a new party with clear and coherent ideological stance.

This was the case. Throughout half a decade of dogfights, except the Communist Party, all oppositions had changed their names, allies, ideological stances, and so on. A large amount of politicians had changed their parties. For example, though *Komeito* merged into the NFP, its local branches and Upper House parliamentarians remained intact (Stockwin, 2003: 26). Another case was that when the JSP members heard that their party would make a coalition with their four decades foe, namely the LDP, in 1994, few expressed acceptance. Gaunder (2007: 85) argues that the parties all supported some version of political reform, therefore, voters had a hard time distinguishing among parties in the elections. For example, before the 1996 election Hashimoto's reform agenda This political chaos very much confused the public. Many scholars agree that the reason that the election turnouts had decreased steadily was that the voters were interested in neither the LDP nor the oppositions. The voters knew little about most of the oppositions, they could trust neither politicians nor their promises.²⁰

III. Merger into the DPJ: the Second 'Grand Party' Try

Hatoyama's Failed Invitation

Seven by-elections for both the Lower and Upper Houses were held on October 2002. To the surprise of the DPJ, the largest opposition at that time, it won only

²⁰ Some commenters blamed the voters. Christopher Redl, a political analyst, said that Japanese voters, with an opportunity to give power to political parties that favored far-reaching deregulation and sweeping economic and political changes, instead gave the edge to the party that symbolizes the status quo (*New York Times*: October 21, 1996).

one. The party had vowed to win at least three seats in the polls. Yukio Hatoyama, president of the DPJ, was required to take responsibility and resign by many seniors. In order to make up his failure in by-elections, Hatoyama tried to form a parliamentary alliance with the LP, the second largest opposition, and the SDP. Ozawa soon expressed his interest in this alliance (Kyodo: December 10, 2002).

However, this proposal did not come at the right time. Since the anti-Hatoyama powers in the DPJ were growing strong, Hatoyama was blamed that he brought up this proposal without consulting with most seniors (Kyodo: November 30, 2002). Though he immediately cancelled a meeting with Ozawa (Kyodo: December 8, 2002), Hatoyama was still replaced by Kan through an intra-party election. Some of Hatoyama's followers complained that a majority within the party had dragged him down without a convincing explanation (Kyodo: December 3, 2002).

The DPJ came from a collection of many small opposition parties. Kan and Hatoyama, pulled out the NFP before it dissolved, were close comrades and formed the DPJ in 1998. However, they soon estranged because of ideological and power dispute. Hatoyama, a LDP defector in 1993, was conservative but Kan was more progressive. Since the new electoral system was sweeping small parties out, many small parties merged into the DPJ and made the DPJ very complicated. Lack of coherence became the most serious problem of the DPJ. Neither Hatoyama nor Kan could unite the party into one.

LP Merged into the DPJ

Since 2001, the most serious problem to the DPJ was that the Prime Minister Koizumi was so popular among the voters that the DPJ became less attractive. The DPJ was losing the credit of the public. Katsuya Okada said that 'public trust in the DPJ has been completely damaged' (Kyodo: December 7, 2002), so some LDP lawmakers no longer took the DPJ as a serious competitor (Kyodo: December 10, 2002). The DPJ had a mere 114 seats in the Lower House, far less than the 247 seats that the LDP had controlled. It seemed hopeless for the DPJ to win any battle

without reinforcements. Therefore, right after Kan became the DPJ president, he arranged a meeting with Ozawa and Takako Doi, leader of the SDP, about forming an alliance.

After losing half of members in 2000, it was impossible for Ozawa to challenge the LDP in either way. To survive, again, became the top issue of Ozawa. He thus changed his strategy from forming 'conservative-conservative alliance' back to 'grand opposition party'. In July 2003, Ozawa and Kan reached an agreement that the LP would merge into the DPJ by September. However, this plan was strongly opposed by some LP leaders. Takeo Nishioka, leader of the LP Upper House caucus, complained that these two parties did not cooperate on an equal basis, and the LP was absorbed without any discussion of policy platforms in advance (Kyodo: July 24, 2003). In September after the LP formally merged into the DPJ, Ozawa was given no post in the new party (Kyodo: September 26, 2003).

Many politicians, again, were confused by Ozawa's new decision. Ozawa's ideological stance could not be consonant with either the LDP or the DPJ. The Justice Minister Mayumi Moriyama said that the two parties had extremely different viewpoints (Kyodo: July 25, 2003). The LDP Vice President Taku Yamasaki said the new comers of the DPJ and the rest would have problems with their basic policies (Kyodo: September 24, 2003). However, voters responded positively to the 2003 merger. According to a survey, 25.7% of respondents said they would vote for candidates of the new DPJ, while 18.8% said they would not support either the old DPJ or the LP (Kyodo: July 27, 2003).

Despite of strong criticism from his own followers, Ozawa agreed to be absorbed and he was not given any post in the new party. Why this time Ozawa behaved so humbly when joining the DPJ? I argue that in Ozawa's long-term plan, forming two-party system was the most important than any other issues. There were two methods to form two-party system, realigning all oppositions into one party to balance the LDP, and splitting the LDP into two. Ozawa had tried the first between 1993 and 1997, and the second between 1998 and 2000, but neither succeeded. His main strategy shifted again to form two-party system through realigning

oppositions altogether to be one party to challenge the LDP. Through the 2003 merger Ozawa helped the DPJ to become a strong and catch-all opposition party, as the BBC (November 6, 2003) commented, the DPJ finally presented as a serious rival to the LDP.

IV. Leading the DPJ

Ozawa has shown his amazing ability of seizing power and uniting an incoherent party into a solid one. He merged into the DPJ with a mere 22 parliamentarians in 2003, but controlled the largest group in the government six years later. This section briefly explains how Ozawa has seized power in the DPJ, and I argue that it is not true that Ozawa chose to be a 'shadow shogun' by himself.

Becoming Leader of the DPJ

Ozawa was not given any post when he and his LP merged into the DPJ. Three months later, Ozawa became Acting President under Kan. In May 2004, Kan was involved in a scandal and chose to resign. Ozawa tried to compete for the presidency with the DPJ Secretary-general Okada. Though he was favored by Kan, Ozawa was strongly opposed by many DPJ seniors including Diet affairs head Yoshihiko Noda, policy chief Yukio Edano, some young DPJ lawmakers, and some of Kan's supporters, refusing to give him a two-year presidential tenure (Kyodo: May 13, 2004). Ozawa finally gave up.

Okada thus became president. However, the LDP had a landslide victory over the DPJ in the 2005 Lower House election, picking up 60 more seats while the DPJ lost 64. Okada resigned and Seiji Maehara succeeded. However, in only half a year Maehara resigned for a scandal in which his party falsely accused a son of an LDP member. Ozawa thus got a second chance to pursue the presidency. This time his competitor was Kan. Hata and Yukio Hatoyama supported Ozawa (Kyodo: April 3, 2006). Among the 47 prefectural chapters, 21 said they wanted Ozawa to head the

party while only 6 said they favored Kan (Kyodo: April 3, 2006). As a result, Ozawa received 119 votes from the party's 192 lawmakers, compared to Kan's 72 votes.

The reasons that Ozawa won the election were complicated. First, Hatoyama, Kan, Okada and Maehara were proved less effective in battling against Koizumi. It is not surprising that the DPJ chose a new leader to try. Second, Ozawa had been viewed the only reformer as steadfast and active as Koizumi. Since the Koizumi's reform agenda went against the LDP itself, the oppositions including the DPJ lost their ideological stance and thus became less attractive to the public. Ozawa, author of several famous reformist books and the architect of the current political transformation, was viewed as the savior of the DPJ. Third, Ozawa was considered as a strong leader. Lack of coherence and rich in intra-party infightings were two serious problems of the DPJ. In 2006, 28 out of 47 local DPJ executives said the most essential qualification for the next DPJ leader was 'leadership' and 11 answered 'experiences and achievements'. Many said that they wanted the next leader could forge party unity and clearly differentiate the party's policies from those of the LDP. Most of them chose Ozawa (Kyodo: April 3, 2006). Ozawa was famous for his heavy-handed leadership.

Ozawa's power had developed very much during the 2009 election. Prior to the 2009 Lower House election, there were approximately six big groups in the DPJ. In terms of Lower House parliamentarians, Ozawa's group had about 50 members, Seiji Maehara and Yoshihiko Noda's group, the largest anti-Ozawa group, had about 40, Hatoyama's group had about 30, Tatsuo Kawabata's group had about 25, Naoto Kan's group and Takahiro Yokomichi's group had about 20, respectively (*Asahi Shimbun*: May 16, 2009). Due to Ozawa's largest contribution to the election victory, and his 'reward-support' connections to many party members,²¹ his group in the Lower House had developed the most. In addition, the DPJ had been briefly divided into three main camps: pro-Ozawa, anti-Ozawa and centralist camps.

²¹ Why many members chose to follow Ozawa rather than Kan or Hatoyama? Different from both Kan and Hatoyama who get along with people embracing similar viewpoints, Ozawa always directly rewards people who support him. Therefore, Ozawa soon has taken a large amount of followers (Interview with a DPJ politician, February 26, 2010).

Ozawa controls the largest group including 100 to 150 Lower House lawmakers. Hatoyama, Hata and Azuma Koshiishi's groups were close to Ozawa, having 85 to 100 Lower House lawmakers in total. On the opposite side there were Okada, Maehara and Noda's groups, 60 to 100 Lower House politicians were included. Kan and Kawabata's groups were in the middle (AERA: October 25, 2009).

Ozawa absolutely shares the strongest power within the DPJ but he was not in the Hatoyama cabinet. He keeps his influence over the government through his control of the DPJ. For example, in December 2009 Ozawa led a visit of 645 people, including 143 DPJ members of parliament, to China. A day later, the emperor was forced by Ozawa to grant an exceptional audience to China's vice president (*Economist*: December 19, 2009). He is undoubtedly viewed as the 'shadow shogun' behind Hatoyama.

Ozawa Was not Intended to Be 'Shadow Shogun'

'Shadow shogun' and dual power system are not new phenomena in Japan. Ozawa's three mentors, Tanaka, Takeshita and Kanemaru all had been viewed as 'shadow shoguns'. Ozawa has been viewed by the media as a new 'shadow shoguns' because though there were many times he could pursue a Prime Ministership, and for most of the cases he was the most powerful person in front of the throne, he never became the officially number one politician. For some cases he refused the nomination. In 1991 and 1993, he many times refused to be the Prime Minister. In 1991 when Prime Minister Toshiki Kaifu resigned, Kanamaru asked Ozawa to succeed but Ozawa declined (Shinoda, 2004). Thereafter Ozawa supported Hosokawa in 1993 and Hata in 1994 to be Prime Minister, though both were less powerful in the government.

However, it does not mean Ozawa has no intention to pursue the Prime Ministership. On the one hand, Ozawa refused the Prime Ministership mainly due to strategic reasons. In 1993, he supported Hosokawa to be the Prime Minister because he had to win the support from the JNP. Thereafter he chose to stand

behind Hata because he was infamous for a series of scandals. On the other hand, since Ozawa joined the NFP in 1994, he began to take over the party by himself. In late 1995 he beat Hata and became the president of the NFP. He had been the president of the LP as well. When merged into the DPJ in 2003, he pursued the presidency twice and took it in 2006. He firmly occupied this post until his top aide was involved in a scandal and he was forced to resign in May 2009, otherwise he would definitely become the Prime Minister of the new government. Evidences suggest that Ozawa never stops pursuing the Prime Ministership.

V. ELECTORAL SUCCESS

The More Elections, the More Opportunities

Ozawa has tried every chance to pressure the LDP to call for early elections. In Ozawa's view the more elections his party joins, the more chance his party might win the elections. He has pressured most of the LDP Prime Ministers. He successfully pressured Hashimoto to call for an election. It is said that the reason that Abe and Fukuda resigned was because of his pressure as well.

In January 1996, when Hashimoto succeeded the Prime Ministership from the JSP's Murayama, Ozawa, leader of the largest opposition NFP, kept blasting the coalition government for transferring power from Murayama to Hashimoto without holding an election. Hashimoto was the fifth Prime Minister in three years and the fourth since the last Lower House election in 1993. In addition, Ozawa blamed that most of the LDP politicians were not exactly chosen by voters, 48 percent of the LDP parliamentarians were second-, third-, or even fourth-generation legislators (*New York Times*: January 13, 1996). Under this pressure, Hashimoto finally dissolved the Lower House and called for an election one year earlier than it should be.

When Ozawa was elected the president of the DPJ in 2006, he soon raised a clear and long-term plan to challenge the LDP. Ozawa planned to spur internal policy debate and to present a new vision of reformist DPJ to the public. Then he would pressure the government to call an early Lower House election (Kyodo: April 7, 2006).

In 2007, Ozawa successfully took a majority in the Upper House. He formulated his plans into three ways. First, Ozawa attacked policies of the LDP. He blamed that the LDP had caused social disparity and distortion between the rich and poor. He also opposed the gasoline tax, and blocked the elite former bureaucrat nominees for the central bank's top post. Second, Ozawa kept pressuring Prime Minister Abe. For example, he hit out at Abe's decision to stay, saying Abe's decision was

'senseless' after his party lost the majority in the Upper House (BBC: August 1, 2007). He also refused to negotiate with Abe anyway (Abe's Resignation Speech, September 12, 2007). It is said that the reason that Abe resigned was due to Ozawa's heavy pressure, rather than his ailment. Third, with control of the Upper House in hand, the DPJ could check, delay and block Prime Minister's legislative agenda. Though the government could pass it by a two-third vote in the Lower House, the check from the Upper House would slow down and frustrate the ruling party's legislative agenda (*New York Times*: July 30, 2007).

When Yasuo Fukuda took over the Prime Ministership, his situation had barely improved. For instance, in October 2007 Ozawa refused Fukuda's proposal of supporting a naval mission backing forces in Afghanistan. Though Fukuda strongly approved the bill to be passed, Ozawa was the person who could check and delay the legislation.²² Ozawa was using this tactic to frustrate Fukuda and to pressure him to call for an early Lower House election. Prime Minister Fukuda, again, could not stand the pressure and resigned in 2008 (Vaughan, 2008).

Electoral Success

Ozawa was well-known as an excellent electoral strategist. His rivals expressed concern when he was elected to be the DPJ president in 2006. For example, Toranosuke Katayama, Secretary-general of the LDP's caucus of the Upper House, labeled Ozawa as a 'formidable' rival in the next Upper House election. Fumio Kyuma, head of the LDP's General Council, was afraid that the DPJ might take a stronger stand and more confident policies against the LDP under the leadership of Ozawa (Kyodo: April 7, 2006).

The DPJ was humbled in the Lower House election in 2005 when Koizumi won a landslide victory and the DPJ was almost ignored by both media and the public.

²² If Ozawa kept refusing this bill, Fukuda could not make it passed until 15 January, 2008. Although after that date the Prime Minister could ignore the Upper House's rejection and get the bill passed by an agreement of a majority vote in the Lower House, this bill had been suspended for too long time.

However, since Ozawa became president of the DPJ, the support rate of the DPJ rebounded. According to some polls, Ozawa was perceived more popular than Abe (BBC: July 28, 2007). Prior to the Upper House election Ozawa appealed to voters to support reforms. At the same time, Abe was suffering a disastrous distrust as a result of a series of political scandals.²³

I. Candidates Raising

I argue that there were two main methods guaranteed Ozawa in winning elections. The first one was raising more and better candidates. Candidates raising had been often neglected in previous studies on opposition failures. Many scholars argued that the reasons that strong oppositions, such as the NFP between 1995 and 1997, the DPJ since 2003, could not challenge the LDP were due to their lack of coherence, confusing brand and 'immature' image. However, Ethan Scheiner (2006) offers a new and convincing explanation. He argues that the opposition failures before 2009 were due to lack of resource of oppositions, in particular quality candidates. Since 1996 election on, the oppositions always won in proportional representation but lost in single member districts because oppositions did not have enough candidates to run for districts. For example, the NFP had representatives in only 27 out of 47 prefectural assemblies and it received a mere 4.8% (141/2927) votes from all prefectural assembly members. The DPJ did not have candidates to run 58 out of 130 districts in 2000. In 2003, there were still 33 districts that the DPJ did not have candidates. (Scheiner, 2006: 59). In Scheiner's massive interviews with politicians, journalists and voters, they responded that lack of attractive candidates was the most serious problem of the opposition (Scheiner, 2006: 60-63).

²³ Abe went into his premiership with solid popular support and soon orchestrated high-level reconciliation with China. But his administration has been severely dented by a series of ministerial gaffes and scandals. First, two of his ministers have been forced to resign and one committed suicide. Second, the most notorious event has been a nationwide pensions debacle, with a government agency admitting it has lost records relating to millions of payments.

Ozawa clearly realized this problem. In Ozawa and Hata's Japan Renewal Party (JRP) in 1993, Ozawa was responsible for recruiting new candidates. He even skipped the foundation ceremony of the JRP and Hata explained that 'Ozawa was busy interviewing the people who want to run for the Diet under the new party banner' (*New York Times*: June 23, 1993). The JRP won an extra 11 seats in the July Lower House election and became the third largest party following the LDP and the JSP.

In 2006, since he became the president of the DPJ he began to raise and train a large number of candidates. After a dramatic development, prior to the 2009 election the DPJ had raised 330 candidates for the Lower House election, even 4 more than the LDP did. As a result, the DPJ won a landslide victory with 308 seats and the LDP won only 119. The DPJ got 195 more seats, while the LDP lost 177. It is noteworthy that among all 308 Lower House lawmakers, 142 are elected for the first term and mostly were handpicked by Ozawa (Kyodo: August 31, 2008). Almost all of them had been trained by Ozawa in person²⁴. Their excellent performance relied on Ozawa's direction very much.

II. Campaign Skills

The second method was Ozawa's excellent campaign skills. Since he took over the leadership of the DPJ, he immediately tried to gain support from where the LDP had lost, that is, rural areas. Rural areas were traditionally viewed as the LDP support base. Before the election, Ozawa traveled throughout Japan and shrewdly courted the support of those, such as farmers and struggling wage earners, who were experiencing falling incomes after Koizumi's economic reforms (Arase, 2009: 114). In the 2007 Upper House election the DPJ won overwhelmingly in rural Japan, capturing 23 of 29 districts contested, under the leadership of Ozawa.

Though Ozawa resigned the DPJ presidentship in 2009, he was assigned by

²⁴ Personal interview with a DPJ politician, February 26, 2010.

Hatoyama as the chief director for the Lower House election. Opinion polls gave the DPJ a two-to-one margin over the LDP because even doctors and construction workers, who were viewed as rigid supporters of the LDP, became the DPJ's followers (*Economist*: August 22, 2009).

The *Asahi Shimbun Weekly* (August 17, 2009) summarized eight secrets that Ozawa taught candidates in campaign. These pointers were:

1. *Small speeches in the countryside are more effective than large ones in the city.*
2. *Give small speeches at least 50 times a day.*
3. *These small speeches should be done in 1 to 5 minute stretches around local vicinities.*
4. *Longer (10 to 15 minute) speeches should include two personal failure stories.*
5. *When you bow, you should do so properly by keeping your legs straight.*
6. *When you receive a business card, examine it carefully (don't simply stick it in your pocket).*
7. *When you visit houses, you should always go in pairs (to avoid becoming lazy) and target 200 households per day.*
8. *If support is strong in a town, you should campaign hard there. If the support is weak, you should campaign less hard (as it warrants).*

Since Ozawa was involved in the scandal in January 2010, there was strong appeal in the public that Ozawa should resign as either politician or Secretary-general. However, a survey suggests that of 47 local branches of the DPJ, 38 answered that Ozawa is 'necessary' for the DPJ for the upcoming Upper House election, only one answered that he is not necessary (*Asahi Shimbun*: February 6, 2010). Ozawa still means electoral victory to the DPJ.

CONCLUSION

This article illustrates what Ozawa, currently the Secretary-general of the DPJ, has done to establish the two-party system in Japan. Reed (2007) argues that the two-party system has been established since 2003 when Ozawa led his LP to merge into the DPJ and made the DPJ a serious alternative to the LDP. The DPJ's victory in the 2009 Lower House election signifies that the two-party system has established in Japan. Though this victory is based on many factors, this article argues that Ozawa has contributed to the success of the DPJ the most because he is the person who introduced the single member districts into Japan, and he has boosted the development of the two-party system by realigning parties and winning elections for oppositions.

However, the two-party system in Japan has not been very much stable because the ruling party DPJ is full of power struggles currently. Since the DPJ has taken the government and Hatoyama became Prime Minister, a problem became obvious within the ruling party that Ozawa, the most important contributor to a series of electoral victories of the DPJ,²⁵ controls a much larger group of party members than Prime Minister Hatoyama does. Because of a scandal, Ozawa is forced to resign and became the '*shadow shogun*'. He does not have any government post, therefore, Ozawa affects the policy-making through intra-party policy-making system. His powerful leadership over the Prime Minister has enraged many seniors. His reputation has been heavily stained by the new scandal in January 2010, and he has been bitterly hated by many DPJ politicians.

The DPJ is facing new challenges currently. First, the DPJ might face a splitting between the anti-Ozawa group and the pro-Ozawa group. Second, since a series of unsuccessful policies, the DPJ does not perform better than the LDP did, and very much behind what the public expected. It is not easy to predict who would win the next Upper House election. Can the DPJ remain the majority in the Lower House?

²⁵ Personal interview with a professor of Political Science, February 25, 2010.

Can the DPJ win the next election over the LDP? Will the DPJ split into many small parties and the LDP become dominant again in Japan? Though according to the Duverger's law the single member districts would keep the two-party system and alternate the power between the two largest parties, nothing could be guaranteed currently.

APPENDICES

I. Major Japanese Parties in the 1990s and 2000s

Party Name	Time of Existence	Ideological Stance
Democratic Party of Japan (DPJ)	1996-	Broad beliefs
Liberal Democratic Party (LDP)	1955-	Center-right
<i>Komeito</i>	1955-	Center-left in the 1990s, center-right in the 2000s
Japanese Communist Party (JCP)	1922-	Communist
Social Democratic Party (SDP)	1996-	Left, former Japan Socialist Party
Japan Socialist Party (JSP)	1945-1996	Left, latter Social Democratic Party
Conservative Party of Japan	2000–2002	Conservative
Liberal Party (LP)	1998–2003	Liberal
Sun Party	1996–1998	Liberal
New Party <i>Sakigake</i>	1993–1998	Centrist
New Frontier Party (NFP)	1994–1997	Broad beliefs
Japan New Party (JNP)	1993–1996	Liberal
Japan Renewal Party (JRP)	1993–1994	Conservative
Democratic Socialist Party (DSP)	1960–1994	Left, broke off from Japan Socialist Party

II. Japanese Prime Ministers and Ruling Parties between 1989 and 2010

Name	Took Office	Left Office	Party
Sosuke Uno	3 June 1989	10 August 1989	Liberal Democratic
Toshiki Kaifu	10 August 1989	5 November 1991	Liberal Democratic
Kiichi Miyazawa	5 November 1991	9 August 1993	Liberal Democratic

Morihiro Hosokawa	9 August 1993	28 April 1994	Japan New
Tsutomu Hata	28 April 1994	30 June 1994	Renewal
Tomiichi Murayama	30 June 1994	11 January 1996	Socialist
Ryutaro Hashimoto	11 January 1996	30 July 1998	Liberal Democratic
Keizo Obuchi	30 July 1998	5 April 2000	Liberal Democratic
Yoshiro Mori	5 April 2000	26 April 2001	Liberal Democratic
Junichiro Koizumi	26 April 2001	26 September 2006	Liberal Democratic
Shinzo Abe	26 September 2006	26 September 2007	Liberal Democratic
Yasuo Fukuda	26 September 2007	24 September 2008	Liberal Democratic
Taro Aso	24 September 2008	16 September 2009	Liberal Democratic
Yukio Hatoyama	16 September 2009	Incumbent	Democratic

III. Biography of Ichiro Ozawa

Date of Birth: May 24, 1942

Place of Birth: Iwate Prefecture

1969: Elected to the Lower House in Iwate Prefecture

1985-1986: Minister of Home Affairs, Chairman of National Safety Commission

1987-1989: Deputy Chief Cabinet Secretary

1989-1991: Secretary-general, LDP

1993: Eight-party coalition government formed; *Blueprint for a New Japan* published.

1993-1994: Secretary-general, JRP

1994: Coalition government fell down; the NFP formed.

1994-1995: Secretary-general, NFP

1995-1997: President, NFP

1997: The NFP fell down; the LP formed.

1998: The LP allied with the LDP.

2000: The LP pulled out of the government.

1998-2003: President, LP

2003: LP merged into DPJ

2003-2004: Acting President, DPJ

2004-2005: Vice President, DPJ

2006-2009: President, DPJ

2009: Resigned president; Acting President, DPJ

2009-current: Secretary-general, DPJ

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