

MALCOLM COOK  
Program Director  
Asia and the Pacific  
Tel: +61 2 9358 7126  
mcook@lowyinstitute.org

# ELECTION WATCH: JAPAN JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM

## EXECUTIVE SUMMARY

*Changes in Japan's party system offer new hope for Japan's long-delayed economic reform as the axis of voting power accelerated its shift to the urban areas. The upcoming Upper House<sup>1</sup> elections will provide another opportunity to see how far these changes have come and how permanent they are. The Liberal Democratic Party (LDP) has dominated post-war Japanese politics due to the party's overwhelming support in Japan's declining rural areas. The LDP's iron grip on the rural vote has created and been maintained by a nexus of interests between LDP politicians, favoured construction companies and rural voters. This rural public works "glue" has been one of the main reasons the Japanese government has been unable to address its drastically declining fiscal position. The political power of Japan's small farming sector also explains why Japan's bilateral and multilateral free trade diplomacy has not progressed. The November 9 Lower House election results and the rise of a real alternative to the LDP promise to help Prime Minister Koizumi's three-year fight to "modernise" the LDP and make it more appealing to urban and younger voters. November 9's results also suggest that if Koizumi loses this intra-LDP battle, then in the next Lower House elections the LDP will lose. So whether Koizumi is successful or not, economic reform chances in Japan have been boosted. Australia's largest trading partner is better placed for free trade talks bilaterally and globally and to address its worrying fiscal situation, the largest threat looming over Japan's future prosperity.*

LOWY INSTITUTE FOR  
INTERNATIONAL POLICY  
100 William Street  
East Sydney NSW 2011  
Tel: +61 2 9358 7126  
Fax: +61 2 9358 7034  
mcook@lowyinstitute.org

---

<sup>1</sup> Japan is a bicameral system with different politicians elected to a Lower House (Diet) and an Upper House (House of Councillors) in separate elections. The Lower House is the key law-making body, but legislation must be passed by both houses.

## JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM

### *Reform Paralysis:*

Sparked by the crash of Japan's "bubble economy" in the early 1990s and its subsequent economic stagnation, the feeling in Japan and beyond is that the country has stalled. The government's inability to push through structural reforms or wean itself off protectionism and public works pork-barrelling are behind this sense of malaise. Unfortunately, the costs of paralysis are escalating. Some estimate that over the last decade, the Japanese economy has suffered the single largest loss of wealth in history. Japan now has the highest public debt level in the OECD, surpassing 150% of GDP (up 50% in five years), while the national government's annual budget deficit is stubbornly stuck at over 7% of GDP. Even more worrying is that with Japan's rapidly aging population, the forecast pension shortfall is already enormous. In 2000, the Economic Intelligence Unit estimated the gap to be 450 trillion yen<sup>2</sup>, roughly 90% of GDP.

The Japanese government has responded to its economic slide by using fiscal policy, despite rising deficits, to try to restart the economy. Unlike America's supply-side Republicans, the LDP-led Japan has focussed on Keynesian demand stimulation by ramping up public works projects targeted at the rural hinterland, despite the fact that their social and economic returns are minimal or negative.<sup>3</sup> In the last decade, the Japanese government has announced thirteen supplementary fiscal stimulus packages totalling an estimated 140 trillion yen (over twice Australia's nominal GDP). 44% of this impressive total has been allocated directly to "social infrastructure investment," while only 12% has come as tax cuts.<sup>4</sup> Public works largesse is the lifeline for Japan's heavily indebted construction sector and is the LDP's rural constituency's largest source of non-farm employment. The Japanese budget has been used to maintain the LDP-construction

<sup>2</sup> The Australian dollar-yen rate was 1:83.88 on February 17, 2004.

<sup>3</sup> Kerr (2001), Calder (1990)

<sup>4</sup> Derived from Table 11 OECD (2003).

company-rural vote nexus. This was supportable during the boom years but now seriously aggravates budget deficits in an era of declining tax revenues.

### **Free trade diplomacy**

Japan's unwillingness to lower agricultural tariffs substantially has caused it to fall well behind its trading rivals in the pursuit of regional and bilateral free trade deals. So far, Japan has only managed to sign a limited free trade agreement with Singapore which, of course, has no agricultural sector. Japan's talks with the world's keenest signer of free trade agreements, Mexico, have been stalled because of agriculture. Talks with Australia, South Korea, Indonesia, Thailand, Malaysia, and the Philippines are also showing few signs of life. In contrast, in June 2003, China and Thailand signed a limited free trade agreement focussing on agricultural goods. The LDP's inability to tackle its powerful agricultural lobby threatens Japan's regional leadership role and the WTO's struggling Doha Round.

In 2002, agriculture made up only 1.3% of Japan's GDP and the farming population fell 1.8% to 3.75 million out of a total population of 127 million. Yet agricultural producers' concerns still dominate trade policy. In 2000, the effective rate of protection for Japan's staple food, unprocessed rice, came in at 626.1% and ballooned to 993.3% for processed rice.<sup>5</sup> Gross government support for farmers in 2001 equalled 59% of total agricultural production and was much higher than either the United States or Europe on this percentage basis. In contrast, overall, Japan's average peak tariff in 1999 only reached

<sup>5</sup> Elbehri (2002) During the Uruguay Round of WTO talks, Japan committed itself to gradually open up its rice market; quite slowly if one looks at these 2002 tariffs. Japan also re-exports much of this imported rice with around one-quarter of it re-exported as food aid. In 2002, Japan was the 9<sup>th</sup> largest gross importer of rice but only the 51<sup>st</sup> largest net importer. (OECD 2003) Rice prices in Japan still average four times the world price giving a proxy measure of how price-uncompetitive local production is.

## JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM

27.8%, while those of the EU and the USA were 40.3% and 20.8% respectively.<sup>6</sup>

The cause of the government's inability to address these two crucial areas of policy reform is the voting power of the electorally favoured rural districts that have continually returned the LDP to power (apart from a brief Lower House interregnum in 1993-94). The lack of a serious electoral challenge to the LDP and its steadfast rural vote has meant that farming interests have remained sacrosanct. The most important political battles have been among the LDP's factions whose leaders' power bases are inevitably rural. Before the 1993-1994 electoral reforms - put in place when voter fatigue with LDP scandals forced the party from power - the electoral system weighted rural votes up to three times more than urban votes.<sup>7</sup> Even after these reforms, electoral districting still favours rural voters by an average 2:1 ratio over urban votes. Japan's population is close to 80% urban.<sup>8</sup> Japanese rural voters have supplemented this institutional bias by turning out more reliably at elections. Japanese electoral turnout rates are also positively correlated with age.

### *Axis Shift:*

Three outcomes from the November 9 elections show that voting patterns are eroding the electoral basis of this nexus by both strengthening Koizumi's push to modernise the LDP and by offering up a serious "alternative ruling party." The November 9 results re-affirm that the voting power in Japan is finally moving away from its declining but coddled rural areas to the much larger urban vote. The first sign of this ongoing axis shift was the opposition election win in the 1993 Lower House elections, the only

time the LDP has been out of power since its formation in 1955.

Junichiro Koizumi's election as party president and Prime Minister in April 2001, despite his lack of strong factional backing or a rural bailiwick (Koizumi represents the city of Yokusuka) was the second. Since coming to power in 2001, Koizumi has presented himself as a maverick within the LDP fighting the status quo "resistance forces" made up of the LDP's largest factions led by the so-called "shadow shoguns." Koizumi's personal popularity has remained much higher than the party's declining popularity. His re-election as party president in September 2003 over leading figures from the "resistance forces" that hold a majority in the LDP starkly reflects how the LDP's success relies on a candidate attacking the heart of the party. Koizumi's free trade push and his attack on rural public works underline the growing battle within the LDP between satisfying its shrinking core constituency and reaching out to growing but alienated ones.

The rise of a serious opposition party, the entrenchment of a swing party status and the weakening of the LDP old guard have put strong pressure on the LDP to reform itself and its approach to economic policy, or face defeat. They have tilted the intra-party battle in favour of Koizumi. These three electoral forces provide the strongest test of whether Koizumi's professed commitment to structural reform is real. They also provide voters a real chance to replace the LDP if Koizumi's rhetoric continues to fail to deliver results.

### **The new alternative**

The November 9 elections' most significant signal that the axis shift in voting power is gaining an institutional foothold in the Japanese party system was the success of the Democratic Party of Japan (DPJ). The DPJ's electoral fortunes were greatly boosted just before the election by its absorption of the Liberal Party and its 22 seats. The Liberal Party led by Ichiro Ozawa itself came from an early 1990s' spin-off from the LDP of young reformers fed up

<sup>6</sup> OECD (2003)

<sup>7</sup> Schlesinger (1993)

<sup>8</sup> In 2001, 95 rural districts had a ratio of 2.5:1 or more. French (2002)

**JAPAN’S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM**

with the party.<sup>9</sup> The more robust DPJ won 177 out of 480 seats, the most ever by an opposition party. The DPJ increased its total seats by 39, while the LDP lost 10 to sit at 237. The other opposition parties saw their seat tally plummet from 59 to 32. Like the short-lived opposition coalition of 1993, organised by Ozawa, the DPJ was able to concentrate the anti-LDP vote and challenge for power.

**Seats in the Lower House**

Party	June 26, 2000 election	Seats on Nov 8, 2003	November 9, 2003 election
LDP	233	247	237
DPJ	127	138	177
New Komeito	31	31	34 (allied with LDP)
JCP*	20	20	9
Liberal Party	22	Joined DPJ	--
New Conservative	7	7	4 (then joined LDP)
SDP	19	18	6
Others	21	14	13
<b>Total</b>	<b>480</b>	<b>475</b>	<b>480</b>

Source: <http://ipcentral.virginia.edu/Elections.htm>, visited on January 8, 2004.

\* Japanese Communist Party

Japan now has an opposition party led by a popular leader, Naoto Kan, who poses a real threat to the LDP. In total, the LDP attracted 43.6% of the total vote cast on November 9, while the DPJ attracted 36.7%. The low voter turnout of 59.86% - 3% lower than the 2000 Lower House elections – hurt the DPJ most as it is much more

popular among Japan’s 35 million plus unaffiliated voters. Before the election, the DPJ predicted victory if the voter turnout were to exceed 65%. If November 9 had not been a distractingly sunny day, the DPJ would have fared better. The DPJ did best among the young urban voters and worst among rural ones.

The DPJ ran a similar campaign to Koizumi’s personal one, presenting itself as the party of youth and reform. Now voters have a choice to support Koizumi’s push for reform in the LDP or to support the DPJ’s efforts to deliver reform by replacing the LDP. Until the early 1990s, the LDP’s principal competition came from the Social Democrats (the SDP) who only offered voters a radical alternative, including not recognising the constitutionality of Japan’s military. From the early 1990s, the LDP benefited from a fractured opposition that split the anti-LDP vote or, as in 1993-94 fell apart soon after forming an electoral coalition. The DPJ instead offers a permanent institutional base for the urban and youth vote. It also offers reform-minded members of the LDP - present-day Ozawas – an alternative to which they can switch.

**The swing party**

November 9 entrenched the LDP’s coalition partner, the New Komeito (Clean Government) Party, as a swing party.<sup>10</sup> This means that if New Komeito chose to switch allegiances the LDP would be in trouble. In 1999, the LDP, concerned with its shrinking rural base and fearing a loss in the 2000 Lower House elections, forged a coalition with New Komeito. New Komeito is a unique political party in Japan as its major support base is the Soka Gakkai lay-Buddhist association with over 8 million voters out of an electorate of 102 million. New Komeito’s ability to

<sup>10</sup> A swing party is a minor party unable to rule itself but able to play a strong role in deciding which major party will rule by choosing which one to ally with. Swing parties are most frequent in party systems featuring two major parties and a few smaller ones with solid voting constituencies.

<sup>9</sup> See Ozawa (1994) for his manifesto on how to reform Japan and the central role political reform aimed against the LDP old guard plays in Ozawa’s views.

## JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM

bring out the Soka Gakkai vote is very impressive, and yet this very affiliation means that it has little appeal beyond its "congregation". It is a very useful ally as it brings with it a guaranteed constituency but no power to overtake any large party. In total, Komeito won 14.8% of the vote on November 9 (roughly 9% of the total electorate) and saw its total seats rise from 31 to 34. The DPJ and New Komeito were the only parties to gain seats on November 9.

But the LDP's ability to cobble together a majority after the election by absorbing the New Conservative Party and six independents has weakened support for the controversial alliance from within the LDP. For the next four years, the LDP can rule without New Komeito, assuming it loses no young, impatient reformers. As a result, the LDP's willingness to support New Komeito in the coming Upper House elections has weakened.<sup>11</sup> A working group within the LDP has already been launched to minimise the party's dependence on New Komeito and its push for more cabinet seats and policy influence. Yet if the LDP's support wanes too much, New Komeito may "swing away" from its coalition with Japan's most hated party. Historically, New Komeito's policy positions have been closer to those being pushed by the DPJ.<sup>12</sup> In 1993-1994, Komeito (as it was then known) participated in the coalition of small parties that toppled the LDP from power for nine months. Finally, New Komeito has also prided itself as a clean party, a claim that has been undermined by its opportunistic coalition with the scandal-ridden LDP. For both parties, the coalition is one of electoral convenience undermined by ideological differences and is thus vulnerable.

### Intra-LDP balance

Finally, the November 9 elections weakened the LDP's "resistance forces", as Koizumi has labelled the LDP old guard. Archival Ryutaro Hashimoto still leads the LDP's

largest faction and the "resistance forces" still control the majority of LDP seats. However, pro-Koizumi forces within the LDP like the faction led by his predecessor Mori gained up to 20% more seats, while the old guard suffered losses. Koizumi is using his personal popularity to push change in the party. The electoral rewards he is reaping in return are his shield against being replaced. Since 2001, Koizumi has been busy using his popularity to institute a retirement age of 73 for losing candidates and to overthrow the party's seniority system for cabinet appointments in favour of younger technocratic candidates. The divergent fortunes of the pro- and anti-Koizumi forces strengthen Koizumi's position and provide him more ballast to push reform. Finally, if Koizumi continues to fail in the face of intra-party resistance, he and his supporters could leave the party and cripple it.

### *Economic Reform Boost:*

Public works, pensions, and free trade are the most likely areas of reform to benefit from the November 9 results and the shift in the axis of voting power they reveal. The speed and prioritisation of these areas will depend on which of two political scenarios predominates. If Koizumi is successful in the intra-LDP battle, then real reform gains will be quicker in coming but would be compromised to appease the remaining LDP "resistance forces." If Koizumi is rebuffed again and voters and/or New Komeito and LDP reformers shift to the DPJ, then reform will take longer but would likely be bolder. The next Lower House elections must be held by late 2007.

### Public works privatisation

Koizumi's own pledges on November 9 and the DPJ's election "manifesto"<sup>13</sup> coincided on the need to chop Japan's regular budgetary outlays for public works and fiscal stimulus packages. Both called for the privatisation

<sup>11</sup> Okubo (2003)

<sup>12</sup> Kabushima (2001)

<sup>13</sup> This is available at

[http://www.dpj.or.jp/english/manifesto\\_eng/index.html](http://www.dpj.or.jp/english/manifesto_eng/index.html)

## JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM

of the four state highway construction corporations that allocate the largest share of this bounty to a few well-connected sub-contractors. The DPJ's manifesto promised to cut public works by 30% or 900 billion yen annually by 2006. Koizumi has sought the privatisation of these corporations since coming to power, and a bill setting out the privatisation procedure is due to be tabled in March 2004. The fate of this bill and the details of any privatisation will be the first clear sign of the status of the LDP's intra-party battle. The fact that the DPJ has backed Koizumi's call for privatisation but voiced its doubts over his ability to deliver places more pressure on Koizumi. However, the importance of public works for the party's rural constituency means that the "resistance forces" will fight to delay and water down any privatisation. The battle lines have been drawn.<sup>14</sup>

Since coming to power in 2001, Koizumi has gone even further by pushing for the privatisation of Japan Post, the world's single largest pool of savings estimated at 410 trillion yen. Japan Post uses Japan's 25,000 post offices as branches and controls 36% of total household deposits. The state-run "bank" is also the largest single holder of Japanese government bonds, holding up to one quarter of them despite their minimal returns. Japan Post, known colloquially as the "second budget," has also allocated a disproportionate amount of its deposits to supporting state public works expenditure. In 2001, Japan Post absorbed 76% of the Fiscal Incentive Loan Program's bond offerings worth 44 trillion.<sup>15</sup> This program is the major funding mechanism for public works in Japan. By moving to privatise this huge pool of savings, Koizumi is aiming to free up Japan's savings for higher returns while removing the major funding source of the LDP-construction company-rural voter nexus. This is the most dramatic reform Koizumi has promised to deliver (by 2006) and any

serious moves towards privatisation would be a clear sign he has won the intra-party battle.

### Pension sustainability

New Komeito's swing party status and the rapid aging of Japan's population put pension reform front and centre. The three major parties promise different pension reforms that will guarantee a high salary replacement rate and long-term sustainability while telling voters they will have to pay more to fill the existing gap. New Komeito has made pension reform its top economic priority and committed to raising taxes to address the funding gap, something the DPJ also backs. Tax increases would share the burden across workers and retirees. In contrast, the LDP has only offered cosmetic changes to the pension system that do little to address its grave sustainability problems. The LDP is fearful of raising taxes to address the gap as it blames its shock 1993 loss on tax increases. Instead, it is pushing to cover the gap by increasing employee-employer contributions. This would leave retirees, who vote mainly for the LDP, unscathed.

A pension reform bill focussed on raising contribution rates has recently been tabled. If the bill is insufficient and/or New Komeito's interests are ignored, then New Komeito's incentives to defect will grow. Pension reform to guarantee sustainability and minimise costs to workers is the main economic reform interest of younger voters, and one the LDP is not well-placed to address. Reform tussles in this policy area have the greatest potential to bring about the defection scenario leading to an LDP loss.

### Free trade pressures

Finally, Japan's ambitious free trade diplomacy agenda will benefit from the axis shift in voting power as agricultural protection is the policy that most concentrates benefits in the LDP's rural constituency at the highest cost to urban areas. Free trade, which holds the most promise for the Japanese economy and its trading partners, played only a small role on November 9. The DPJ's manifesto does not even mention the party's stance on free trade agreements.

<sup>14</sup> Please see Pearson (2004) for more details on the intra-LDP feud over highways privatisation and how Koizumi may be forced to support a watered-down privatisation plan to satisfy party interests.

<sup>15</sup> Scher (2003)

**JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM**

However, the weakening of the rural vote favours the free trade agenda that Koizumi has launched Japan on with support from Japan's manufacturing sector's peak association Keidanren. Free trade talks also provide the best avenue for trading partners and groups in Japan in favour of these agreements to support Koizumi and to force the DPJ to state clearly its views on free trade. External pressure on the new Japanese government over free trade would strengthen Koizumi in his intra-party fight and test his ability to deliver. For Australia, such pressure could be brought to bear in the Australian-Japan framework talks and in the next Doha negotiations.

**Looking Forward:**

Hopeful signs have at last emerged for Japan's long-delayed economic reforms. The Lower House election on November 9 added to mounting evidence that the shrinking and aging of the rural vote is finally weakening the repressive nexus of LDP politicians, construction companies and farming interests which has shackled reform for so long.

It now looks as though Prime Minister Koizumi will succeed in his three-year fight to 'modernise' the LDP and make it more appealing to those urban and younger voters who are carrying increasing political weight. But if he is thwarted by the party's old guard, Japanese voters are likely to turn to a re-invigorated, reform-minded opposition. Either way, the possibility that Japan will re-emerge as an engine of growth in East Asia and a more positive participant in global and regional economic diplomacy looks better than it has for years. Australia is well-placed to benefit.

**Reform benefits for Australia**

Japan is the world's second largest economy with a 2001 GDP of \$4.14 trillion dollars. This was 3.6 times larger than China's and over 11 times larger than Australia's GDP. In 2001, Japan accounted for roughly 56% of East Asia's regional GDP. Japan is quite closed and is East Asia's slowest growing economy. International trade accounted for less than 9% of GDP in 2001. Australia has a strong interest in seeing Japan's present weak cyclical recovery based on exports solidifies into a structural recovery bolstered by strong domestic demand and structural reform. For Australia, the three reform areas most likely to benefit from the axis shift in voting power promise some particular benefits.

**Public works privatisation**

Japan Post privatisation could boost local capital markets. If Australia attracted Japan Post funds equal to only half of Australia's weighting in the Morgan Stanley World Index for investment funds of 2%, this could bring in up to A\$50 billion in liberated Japan Post funds. The ASX's 2003 turnover was A\$545 billion. Australian capital markets' low risk-solid return nature would attract risk-averse, long-term foreign investors like Japan Post.

**Pension sustainability**

Japan's population has the highest median age and second longest life expectancy in the world. Yet, over one-third of retired couples depend solely on their pension savings. Australia is the favourite overseas destination for long-stay Japanese retirees. Reforms bolstering Japan's pension system's sustainability would have a thick silver lining.

**Free trade**

Japan is Australia's largest export market, taking in 18.8% of Australia's exports in 2001. Australia's second largest national export market, the United States, took in 9.9% of exports. Australia exported \$11.8 billion to Japan in 2001 (3.2% of GDP). Australia is the largest exporter of beef to Japan and the third largest exporter of rice. If Japan cut agricultural tariffs, Australia would be one of the largest beneficiaries.

Most statistics were drawn from The Economist (2004).

**JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM**

*References:*

- Asahi Shimbun (2003). Election extra: voter turnout slipping and sliding. *Asahi Shimbun*, 10 November 2003.
- Calder, K. (1990). Linking welfare and the developmental state: postal savings in Japan. *Journal of Japanese Studies* 16:13-59.
- Christensen, R.V. (1996). The new Japanese election system. *Pacific Affairs* 69(1): 49-70.
- Cox, G.W. (1996). Is the single non-transferable vote superproportional? Evidence from Japan and Taiwan. *American Journal of Political Science* 40(3): 740-755.
- French, H.W. (2002). Japan: electoral reform approved. *New York Times*, 19 July 2002.
- Elbehri, A. and R.A. McDougall (2002). Chapter Five: data base derivatives: effective rates of protection. In Dimaranan, B.V. and R.A. McDougall (Eds.) *Global trade, assistance, and production: the GTAP5 data base*. Lafayette, Indiana, Purdue University.
- Hirono, S. (2002). *Electoral systems and threshold effects: quantitative evidence from the Japanese experience in the 1990s*. Available: [www.nyu.edu/gsas/dept/politics/seminars/hirono.pdf](http://www.nyu.edu/gsas/dept/politics/seminars/hirono.pdf). Accessed: 5 January 2004.
- Japan Times (2003). LDP's diminishing appeal. *Japan Times*, 1 December 2003.
- Kabushima, I. (2001). *Political awareness among Japanese voters and future political trends*. Speech at the Foreign Press Centre, Japan, 4 April 2001.
- Kabushima, I. (2003). Koizumi's win: a mandate for change. *Japan Echo* 30(6).
- Kerr, A. (2001). *Dogs and demons: tales from the dark side of Japan*. London, Penguin Books.
- Kojima, A. (2003). A policy-centred political process. *Japan Echo*, October 2003.
- Kormiol, E. (2003). *Vote totals reflect frustration with ruling party*. Global Information Network wire feed, 10 November 2003.
- Lundberg, T. (1995). *Electoral reforms in Japan: New law may not live up to expectations*. Available: [www.fairvote.org/reports/1995/chp7/lundberg.html](http://www.fairvote.org/reports/1995/chp7/lundberg.html). Accessed: 7 January 2004.
- Marquand, R. (2003). Japanese voters warm to 'popularity politics'. *Christian Science Monitor*, 7 November 2003.
- Moffett, S. (2003). Party politics. *Far Eastern Economic Review*, November 20, 2003.
- OECD (2003). *Japan: OECD Economic Surveys*. Paris, OECD.



**JAPAN'S PARTY SYSTEM: SHIFTING THE POLITICAL AXIS, RELEASING ECONOMIC REFORM**

Onishi, N. (2003). 2-party elections a foreign concept in rural Japan. *New York Times*, 8 November 2003.

Ozawa, I. (1994). *Blueprint for a New Japan: the rethinking of a nation*. Tokyo, Kodansha.

Pearson, B. (2004). Highway reform takes detour. *Australian Financial Review*, 17-18 January 2004.

Scher, M.S. (2003). *Policy challenges and the reform of postal savings in Japan* manuscript. Available: <http://www-1.gsb.columbia.edu/japan/pdf/WP211.pdf>. Accessed: 17 January 2003.

Schlesinger, J.M. (1993). Clout of Japan's rural areas sparks battle – gerrymandered farm vote kept old party in power. *Wall Street Journal*, 28 June 1993.

South China Morning Post (2003). Coming to Japan: two-party politics. *South China Morning Post*, 13 November 2003.

The Economist (2004). *Pocket World in Figures*. London, Profile Books.

Ushida, M. (2003). The swing vote. *Asahi Shimbun*, 9 November 2003.