

Corruption, leadership, and the limits of political reform in Japan

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Abstract

Purpose – The purpose of this paper is to examine the challenges of Japanese political leadership in combating corruption with an emphasis on the 1970s and 1980s when Tanaka Kakuei and Miki Takeo led Japan.

Design/methodology/approach – This paper discusses the perceived extent of corruption in Japan, the importance of Japan's gift-giving culture, and examines the efforts of Miki Takeo and the consequences of his political reforms for Japanese politics. Comparison is made with his predecessor, Tanaka Kakuei, to highlight the differences in combating corruption between both leaders.

Findings – Compared to Tanaka Kakuei, who was highly corrupt, Miki Takeo left a mixed legacy. He managed to revise campaign finance laws but lacked the political will and support from his party. The reforms he implemented failed to reduce money in politics, but they favoured the opposition in the collection of funds.

Originality/value – This paper will be useful to scholars and policy-makers interested in studying the role of leaders in curbing corruption and the challenges of political reform.

Keywords Corruption, Japan, Leadership, Prime Ministers, Liberal Democratic Party, Cultural values

Paper type Research paper

Introduction

Political corruption scandals have been a serious problem in post-war Japanese politics. Major corruption scandals impacted four national elections between 1948 and 1976. In the 1960s, the Liberal Democratic Party (LDP) established single-party dominance, which exacerbated the corruption problem. The leadership of Tanaka Kakuei accelerated that trend in the 1970s. In the 1980s and 1990s, a series of scandals tarnished the reputation of the LDP and stimulated a reform movement. A common explanation for explaining the prevalence of corruption is to focus on structural explanations such as the election, party, or campaign finance system. As stated in the introduction to this special issue, it is also important to consider the role of political leadership and cultural values in efforts to combat corruption.

Several recent efforts have clarified the role of political leadership in studies of corruption in various countries. Robert Rotberg (2020, p. 187) argues that corruption is a top-down problem that originates with the attitudes and permissive policies of leaders in power. Leadership choices are important, but he clarifies that the power of leaders is much more determinative in the developing world where institutions and political cultures are still being fostered. In contrast, Richard Samuels' 2003 comparative study of Italy and Japan views leaders as political actors with many assets that they can use for "stretching" the constraints of geography or institutional legacies. For Samuels, leadership involves the use of institutional, ideological, or material resources to seize opportunities and to gain support for their ideas. Samuels focuses on leaders such as Kishi Nobusuke, who helped to establish



LDP dominance as well as some of Kishi's disciples such as Tanaka Kakuei who became prime minister in 1972. While Tanaka warrants attention because he corrupted the political system to a considerable degree, it is also valuable to examine leaders that strove to reduce corruption in Japanese politics.

A major focus of this paper is on the leadership efforts exerted by former Prime Minister Miki Takeo as it pertains to his efforts to reform the campaign finance system from 1974 to 1976. Comparison with his predecessor, Tanaka Kakuei, is necessary because from 1972 until 1985, Tanaka either dominated the political system or was the opponent of the leader in power. Compared to Tanaka, Miki has received much less scholarly attention, which is unfortunate because he managed to implement some significant reforms in face of considerable adversity. Existing assessments of Miki have been mixed. Scholars such as [Shinoda \(2000, pp. 92, 117\)](#) praise Miki's skilful use of the media but criticize his failure to build party consensus. [Gauder \(2007, p. 135\)](#) considers Miki as a Japanese leader who succeeded in passing political reform legislation. Others have viewed the reforms that Miki passed largely as failing to reduce the amounts of money in Japanese politics ([Curtis, 1999](#); [Krauss and Pekkanen, 2011](#)). By evaluating some of these various claims, this paper offers a more nuanced perspective of Miki's efforts as well as the consequences of his reforms on the use of money in Japan's political system.

A focus on Miki and on Japanese politics during the Tanaka Kakuei era is important for two reasons. First, Miki offers a useful case study for considering some of the broader questions posed in this special issue. What is the role of leadership in promoting a zero-tolerance policy towards corruption? Also, how do cultural values and practices in a country promote or hinder anti-corruption efforts? While Japan has had many post-war prime ministers, it is difficult to review all of them here. However, Miki is arguably one of the most important post-war reformers who sought to cleanse Japanese politics. He faced a political system dominated by the LDP, its system of factions, and cultural practices such as gift-giving. He sought to overcome some of these obstacles by employing resources as well as his skills and personal attributes. A second reason for focusing on Miki is that he managed to pass the most significant reform of the campaign finance system since the American occupation, which has important consequences for Japanese politics going forward.

The remainder of this article is organized as follows. The second section provides a brief discussion of the perceived extent of corruption in Japanese politics followed by an analysis of the importance of Japan's gift-giving culture in the third section. This is necessary to situate Japan in a broader comparative perspective and to discuss some of the underlying themes raised in this special issue. The fourth section focuses on the role of the prime minister, the Tanaka Kakuei era, the rise of Miki, and examines some of the resources linked to Miki and other LDP factions. The fifth section considers Miki's efforts to reform the political system with emphasis on the 1975 campaign finance reform. The final section summarizes the main lessons and concludes.

Perceived extent of corruption

Scholars have expressed different views on how much corruption exists in Japan. Edwin [Reishchauer \(1977, p. 309\)](#), wrote, "Political corruption is not widespread in Japan, as compared with many countries and is probably much less than in local governments in the United States". He based his argument on the lack of vote buying and the untarnished reputation of the national bureaucracy but acknowledges that the chief problem in Japanese politics is the vagueness of the line between legal and illegal political contributions. In contrast, [Karl van Wolferen \(1989, p. 136\)](#) contended that structural corruption "... has become so much a part of the extra-legal ways of the Japanese system on so many levels, that most citizens and foreign residents do not recognize it for what it is, but accept it as 'part of the

system'. Structural corruption is a necessary and unavoidable aspect of Japanese politics for politicians, bureaucrats, and other political actors.

Transparency International's Corruption Perceptions Index ranks countries by corruption in their public sector based on perceptions of business people and country experts. In 2021, Japan was given a score of 73 out of 100 (scores closer to 100 indicate very clean), which ranks it 18th among the 180 surveyed countries. Japan's score is slightly lower than the United Kingdom at 78 but higher than the United States at 67. The World Bank's Control of Corruption indicator captures "perceptions of the extent to which public power is exercised for private gain" (Kaufmann *et al.*, 2010). In 2020, Japan's percentile rank was 90.4 out of 100 with a score of 1.5 (-2.5 is weak; 2.5 is strong) (World Bank, 2022).

Japan is a constitutional monarchy and democratic country where the rule of law is established and there is a low overall crime rate (Haley, 1991, p. 138). This generates positive impressions of Japan as a relatively corruption-free society in the eyes of expert respondents. Also, Japan's relatively clean scores reflect the absence of petty corruption as there is little need to bribe civil servants for public services. What is more difficult to measure is the amount of structural and grand corruption that exists in Japan because of the close relationships between politicians, bureaucrats, and business people. The aggregate corruption scores may capture some aspects of corruption in Japan but will miss other aspects.

In characterizing the syndrome of corruption in Japan, Michael Johnston (2005, pp. 77–85) claims that Japan falls strongly into what he labels influence market corruption. In societies like Japan, the United States, or Germany, there are strong state institutions, political competition, a free news media, and an open economy. The corruption that emerges in this context operates largely within the confines of established institutions. While other types of corruption may involve black markets and a greater magnitude of corruption, influence market corruption utilizes existing norms and channels while also blurring the lines between legal and illegal behaviour. One of the most widely debated corruption concerns in influence market societies such as Japan involves the use of money in politics.

Japan's political system is believed to be among the world's most expensive. According to Nassmacher (2009, p. 119), Japan ranks in the top group of 18 countries using an index of party spending. The "big spenders" consist of Israel, Mexico, Austria, Italy, and Japan. The high costs of politics in Japan have contributed to a never-ending cycle of corruption scandals and are an important feature of influence market corruption that exists between politicians, bureaucrats, and interest groups. The estimates used in this study, however, use reports from the 1990s but Japan's political system today no longer appears as expensive after a series of political reforms in 1994 (Carlson, 2016, pp. 115–116).

The importance of Japan's gift-giving culture

A common view of corruption is that it involves dishonest individuals or the misuse of public power for private gain, but often little attention is devoted to cultural practices. In his overview of the literature, Caiden (2012, p. 96) explains that the "cultural dimension of corruption has been for too long a poor relative of other studies". In his study of corruption in Asian countries, Quah (2011, p. 21) considered the societal tolerance and cultural supports for its existence and considered practices such as gift-giving. In Asia and in most of the world's countries, gifts are given to show respect or to obtain a mutual benefit. As such, gift-giving can be a harmless custom, but it can also transition into bribery or personal enrichment as discussed below.

Some studies of corruption in Japanese society have focused on cultural traditions such as gift-giving. During the Tokugawa period (1603–1867), Mitchell (1996, p. 4) explains how political bribery became commonplace even though the bureaucracy created laws to outlaw

it. When the government requested bids for projects, merchants gave officials a “gift in anticipation” and if they won the bid, they gave the same officials a “thank-offering”. Officials willingly accepted the funds as part of doing their job and as part of their normal salary. The gift-giving practices that became entrenched among the elite essentially blurred the dividing line between gifts and bribes.

Rupp (2003, p. 1) argues that a major avenue for social mobility in Japan is through bribery and patronage. While she notes that the distinctions between “gift” and “bribe” are subtle and complicated, she highlights the essential and extremely important function that gift-giving plays in Japanese society. Patients give hefty gifts to their doctor prior to their operation. During the major gift-giving seasons in midsummer and at the end of the year, the average household sends around 16 gifts of around US\$40 each (Parry, 1998, p. 28). Gifts are given to mark social occasions such as weddings and funerals. Gifts are given to fulfil social obligations and to repay gratitude. Gifts can range from inexpensive souvenirs to expensive items or may be given as unmarked bills in special money envelopes. Gift-giving is particularly important because it reinforces mutual ties in society.

The gift-giving culture also permeates Japanese politics. Rupp (2003, p. 1) gives the example of bureaucrats, politicians, and people in business. People in business seek preferential treatment from bureaucrats in administrative matters. Politicians accept contributions from business interests and may in turn use their connections with government officials to assist their donors. In the pre-war period, bureaucrats were part of the ruling elite and functioned as officials for the emperor. Scholars use the term “1941 system” to refer to the one dominated by bureaucrats and to the bureaucracy-led industrial cooperation that drove the national economy (Johnston, 2005, p. 81). Under the 1941 system, bureaucrats had strong powers and discretion and outsiders needed access to bureaucrats to become insiders. In 1955, the LDP was formed and became the dominant party by 1960 whereas the socialists became the perpetual opposition. The “1955” system refers to the time when the LDP was in power from 1955 until 1993.

The merger of the bureaucratic system along with the party system dominated by the LDP is strongly shaped by cultural practices such as gift-giving, patronage, and influence-peddling, as well as bribery. Johnston (2005) classifies Japan particularly under the “1955” system as having the hallmark characteristics of an influence market society along with the characteristics of influence market corruption. The LDP traded influence and access to the bureaucracy in exchange for political contributions. Johnson (1995, p. 202) explains that nearly all bribery cases exemplify payments made by outsiders to access the bureaucratic corridors of power where the main decisions for society are determined.

Kaplan and Dubro (2003) claim that the concept of bribery is muddy in Japan largely because gift-giving customs are so entrenched and institutionalized. They question whether Japanese can even recognize the difference between a gift and a bribe. Police may be able to identify a bribe if the value is excessive for a particular situation but “such judgments become easily confused” (Kaplan and Dubro, 2003, p. 153). While distinguishing a gift and a bribe is difficult, Befu (1975, p. 91) explains that there are tell-tale indicators. A gift constitutes a bribe, for example, when a person gives cash on inappropriate occasions in an improper manner. To disguise bribes, givers thus try to conceal their actions by drawing upon the formal aspects of gift-giving such as presenting clean bills rather than dirty ones in a money envelope.

An extreme example that blurs the case of gift-giving and bribery is the case of Tanaka Kakuei. When he became the construction minister, he used public funds to foster deeper connections with ministry bureaucrats. In one case, he spent nearly half of the funds devoted to an opening ceremony to commemorate a paved road and to purchase presents for visiting officials and their wives (Mikuriya, 2016, p. 176). As prime minister, Tanaka also used the cover of traditional gift-giving to distribute summer gifts, year-end gifts, and campaign contributions to other politicians and to bureau chiefs in many of the ministries. It was

difficult for Tanaka and other politicians to stop the practice of gift-giving when it is accepted by many Japanese as a way of life. Although public perceptions of corrupt practices have changed considerably since the 1970s and there are more anti-bribery laws on the books, gift-giving customs are still deeply entrenched in Japanese society and politics today. The problem is that the regulations preventing gift-giving in Japan have not been enforced impartially or consistently.

The Prime Minister's role

Before the 1990s, scholars described Japanese prime ministers as being weak and ineffective leaders. According to Kenji Hayao (1993, p. 201), Japanese prime ministers do “not play a particularly activist role in the policy process: he participates in only a few issues at a time and is not a major actor in initiating change in policy or in determining its content”. He argues that prime ministers are limited in their policy-making powers because they are beholden to their faction members that brought them to power. A second factor was the powerful influence of the bureaucracy, where much of the policy initiative in Japan lies. Lastly, “sub-governments” created around the Policy Affairs Research Council (PARC), the LDP's special party organ to consider policy, were often able to resist policies that came from the prime minister.

As recent structural changes have enhanced the prime minister's powers, Hayao's analysis requires revision. From 1999 to 2001, the Japanese government instituted administrative reforms to streamline the institutions of government and reduce the size of its bureaucracy. These reforms have enhanced the powers of the prime minister because cabinet decisions involve fewer officials. In addition, the strengthening of staff resources and transferring functions from the bureaucracy to the cabinet's staff have strengthened the powers of the prime minister (Shinoda, 2000, pp. 215–218).

In post-war Japan, many politicians were involved in various corruption scandals, but this did not stop them from later becoming prime minister. In the early part of this period, many of the corruption scandals involved economic interest groups trying to purchase public policy (Carlson and Reed, 2018, p. 26). In the Showa Denko scandal of 1948, Prime Minister Ashida accepted funds from a company heavily subsidized by the government. Prosecutors investigated Ikeda Hayato and Satō Eisaku in the Shipbuilding scandal of 1954, but this did not prevent either from later becoming prime minister. There are also examples of sitting prime ministers that resigned after a corruption scandal such as Tanaka Kakuei in 1974 or Takeshita Noboru in 1988.

Before analysing Miki's reforms in the fifth section, it is necessary to discuss how Tanaka's involvement in a scandal propelled Miki into power. Unlike Tanaka, whose faction in the LDP had more members and substantial resources, Miki's LDP faction was weaker with fewer members and limited resources. The fifth section will focus on Miki Takeo's leadership efforts to pass campaign finance reforms, his resources, and the constraints he faced within the LDP, as well as the long-term consequences of the 1975 reforms.

Tanaka's corruption and the rise of Mr. Clean

Tanaka resigned as prime minister in 1974 partly because of the upper house election results that year but what proved more damaging was a scandal that erupted over Tanaka's general uses of money in politics. A freelance journalist published an article in a monthly magazine revealing that Tanaka owned expensive real estate and many chemical and transportation companies that were likely purchased with leftover political funds (Tachibana, 1974). The journalist questioned whether Tanaka had essentially purchased the seat of prime minister, preventing his more senior rival from ascending. The Japanese mainstream press ignored these allegations until Tanaka made an appearance at the Foreign Correspondents' Club in

Tokyo, where foreign reporters asked him many questions about the allegations. After the mainstream media took interest in the story, Tanaka's enemies forced his resignation.

To fill the vacancy created by Tanaka, the LDP vice-president, Shiina Etsusaburō, was tasked to find a suitable candidate. To avoid a massive power struggle between two of the largest LDP factions, Shiina picked Miki Takeo, the leader from one of the LDP's smallest factions. Miki was known as a dedicated reformer with the nickname of "Mr. Clean". Miki enjoyed little support within the LDP, but his credentials as an outspoken reformer and party bosses' belief that he would be easy to control, helped him rise to the party's highest post (Johnson, 1976, p. 31). Gotō and his associates (1982, pp. 299–300) refer to the role of the Miki government as a kind of "repairman's" cabinet, whose purpose was to help strengthen and rebuild conservative LDP rule. The clean image of Miki, however, operated as a double-edged sword. It helped the LDP distance itself from the Tanaka scandals but at the same time Miki faced a weak position within the LDP and struggled to solve deeper conflicts within the party.

In *Governing Japan*, Stockwin (2008, p. 69) mentions the Miki government briefly and notes that it relied upon a weak power base and on opposition votes to support some of its policies. While Stockwin mentions Miki's "modest success with a watered-down version of the Anti-Monopoly law", no mention is given to Miki's effort to purify politics and reform the campaign finance system. As Toshimitsu (2016, p. 189) argues, the Miki cabinet was born against the backdrop of the problem of money in politics and praises Miki's role as being like a "railroad switchman" in presenting a new direction in conservative politics, part of which involved implementing political reform.

The Miki faction and resources

For Japanese leaders to "stretch" the constraints of geography or institutional legacies, they need to make use of a variety of resources to accomplish their goals. In Samuels' (2003) examination of Kishi Nobusuke, who helped establish LDP dominance, Kishi used resources including American money, government programmes, and underworld connections. Samuels (2003, p. 239) argues that Tanaka aggressively built upon Kishi's public resources model and essentially built a "general hospital" to take care of his supporters, faction members, and himself. As a politician and in his many stints as a cabinet minister, Tanaka mastered the use of Japan's public finance system, which involves large government subsidies to local governments and the allocation of massive expenses to public works projects. Tanaka also collected contributions from sources including the construction industry and possessed his own personal funds, which he used to aid his career in politics.

In contrast to Tanaka's aggressive fundraising tactics, Miki used the position of prime minister to enact specific reform proposals, rejecting the leadership style of his predecessor. He distanced himself from Tanaka's efforts to use government programmes to foster and maintain a patronage-dispensing system that rewards supporters. He rejected Tanaka's aggressive fundraising techniques, including Tanaka's efforts to use gift-giving occasions to distribute cash to all Diet members.

Miki was the leader of one of the LDP's smallest factions, which originates from a group that he formed with another politician in 1956. Factions are an essential component of the LDP's organizational structure. From the late 1960s, there were a total of five major factions. From 1972 until 1993, the five factions helped determine the selection of every single Japanese prime minister. The Tanaka faction was the largest in terms of the number of members in both houses, which owed a great deal to its leader's ability to raise political funds (Kohno, 1997, p. 104). Tanaka was also famous for using the cover of gift-giving to disburse funds to his supporters to further his political and business interests.

To say more about the Miki faction within the LDP and the importance of money in Japanese politics during this time, the author collected official campaign finance data reported by factions from 1970 until 1994. This period includes the 1975 reforms implemented

by Miki but stops prior to the 1994 reforms that changed the election system. To use political funds, factions are required to submit a disclosure report to the Ministry of Internal Affairs and Communications in Tokyo, the main bureaucracy in charge of managing the financial reports for political groups that operate in more than one prefecture. The ministry publishes summary statistics of these reports in an official government publication called *Kanpō*. The author used copies of these reports to examine the total revenues reported by the five major LDP factions during this time.

Figure 1 shows the amounts of income collected by the five major factions. During the first few years prior to 1975, the Miki faction was placed fourth out of the five factions in terms of reported income just above Nakasone. The Tanaka faction was in first place followed by Fukuda. In 1975, the campaign finance law was changed, and for some factions, it became more challenging to raise political contributions. The Tanaka faction relied heavily upon contributions from businesses, particularly those in the construction industry. However, it failed to maintain its spot as the richest faction. If we look at the entire period, the faction that averages the most across each year is the Fukuda faction followed by Nakasone and then Tanaka. The Miki faction is confirmed to have the smallest average revenue across the five major factions. As will be discussed later in the paper, the 1975 reforms that Miki helped pass targeted the Tanaka faction and made it easier for some of the other reform-oriented factions such as Fukuda to rise.

Factions and the sheer amount of money that is raised is only one indicator of resources. Miki clearly did not possess the extensive factional funds or enjoy a membership base as large as some of his rival factions. Writing in the 1960s, a political journalist praised Miki for being unmatched in policy matters, for his modernist thinking, and noted his support among the business community. He described Miki's major weakness as simply lacking naked ambition and popularity among the public (Watanabe, 2013, p. 187). However, Miki was selected as a compromise candidate because he was a faction leader and because he had a long career in politics after being elected in 1937. A significant resource Miki had was personal connections to leaders in all parties as well as bureaucrats. Likewise, when Miki became prime minister, he was skilled in attracting media attention and public support to help get his reform proposals passed.

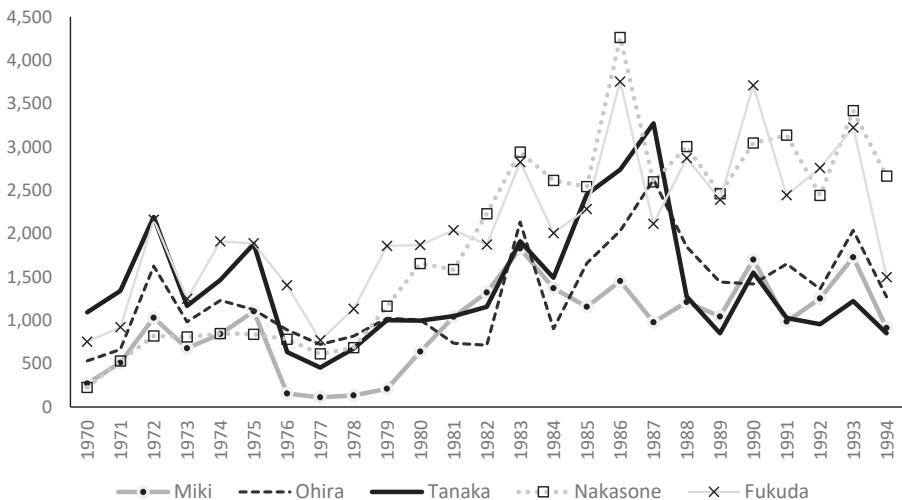


Figure 1. Reported revenues for LDP factions, 1970-1994
Source(s): *Kanpō* (various years), Yen in millions. Factions have multiple funding groups. The revenue is adjusted for transfers that occur between groups linked to the same faction

The Miki reform movement

Bureaucrats enacted the Political Funds Control Law (PFCL) in 1948. Inspired by its American counterpart, the Federal Corrupt Practices Act, the PFCL focused on limiting campaign contributions and campaign spending. It required all parties, political organizations, and candidates to keep account books that recorded the names, addresses, and occupations of persons who either received or gave payment. It banned contributions from foreign nationals and organizations under government contract as well as spelling out financial penalties for groups that violated provisions of the law.

Five months after the birth of the Miki cabinet, it submitted legislation to change the PFCL in April 1975, which passed the Upper House in July. This reform introduced new disclosure requirements and quantitative restrictions for donations for any political entity that wants to raise or spend political funds throughout the year. Most importantly, political parties were required to disclose the names of donors contributing more than 100,000 yen (US\$337). This change significantly increased the transparency surrounding the finances of parties. However, the disclosure limit for non-party entities such as factions or political support groups were not lowered significantly because the politicians that created such groups were reluctant to apply greater transparency to their own finances and to reveal more about how they raise and spend money.

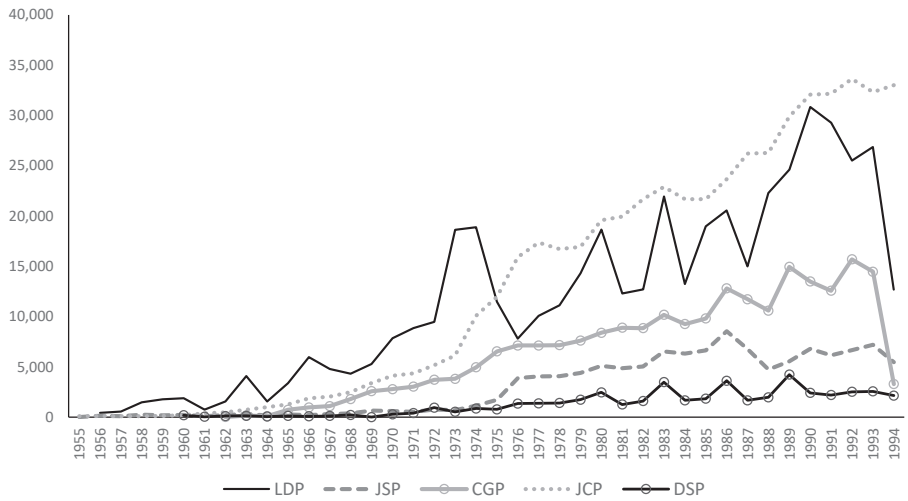
Miki saw his appointment as prime minister not as an opportunity to enrich himself or his supporters but as an opportunity to pass concrete reforms. He mobilized the public against the excesses of the Tanaka administration and used the media to put pressure on politicians to pass reforms. [Gauder \(2007, pp. 40–41\)](#) argues that Miki is a successful reformer because of the environment in which he came to office and the resources and personal attributes he brought to bear on the policy-making process. She cites his willingness to take risks, his vision, and his commitment as being the critical factors that differentiated Miki from other readers and shaped his success in passing reform.

It is also clear that Miki faced major constraints in realizing his vision of “clean politics”. Bureaucrats, not Miki, wrote the specific details of the reforms while politicians helped water down the final version. One of the most important components of Miki’s original plan was a ban on corporate contributions. This was a particularly sensitive issue as nearly all conservative politicians rely upon this source for political funds. The ban was effectively abandoned after party leaders told Miki that they would study the issue and revisit it again in the future. Another proposal that Miki had pushed for but was not implemented until 1978 was his suggestion to change the LDP selection system for its president ([Tsurutani, 1980, p. 848](#)).

In lieu of the corporate ban, bureaucrats helped devise a system establishing new quantitative ceilings on political donations. Corporations, unions, industrial and other associations, and individuals can donate to parties, factions, and other political organizations. Corporations can contribute an upper amount based on the level of their capitalization while unions face a limit based on their membership. Industries and other associations contribute a maximum amount based on their reported amounts of annual expenditures. To encourage more donations from individuals, the law also introduced tax deductions that individuals could use if they did not exceed 25 per cent of their income.

To examine the consequences of the 1975 reforms for the LDP and opposition parties, the author collected the amounts of income collected by five of the major parties starting in 1955. [Figure 2](#) shows the amounts of total revenues collected for five established parties that reported income in the period prior to the 1975 reform and after: the LDP, the Japan Socialist Party (JSP), the Clean Government Party (CGP), the Japanese Communist Party (JCP), and the Democratic Socialist Party (DSP). The richest party in Japan is the JCP, which averages 12.9 billion yen across the period (about US\$99.4 million in 2022). The JCP owes its wealth to its profitable publishing business. The LDP is the second richest averaging 11.8 billion yen,

Figure 2.
Reported revenues for parties, 1955-1994
Source(s): *Kanpō*
(various years), Yen in millions



which it collected primarily from big business and political contributions. The CGP is placed third at 6.8 billion yen followed by the JSP (2.9 billion yen) and the DSP (1.3 billion yen).

Figure 2 allows us to glean some insight into the impact of the Miki reforms on the LDP and other parties. If we compare the 1955-1974 period with the 1975-1994 period, all the parties raised more funds. The average percentage increase was considerably high at 745 per cent. This picture confirms the common criticism that the Miki reforms failed to curb the use of money in Japanese politics. However, the Miki reforms need to be understood in terms of their relative impacts on different parties and factions. In the regulation of political funds, an important question is whether the reforms provide advantages for the ruling party or for the opposition.

While all parties raised more funds after 1974, the opposition parties all did better than the LDP in terms of the average per cent increase. The JSP, for example, raised 1,431 per cent more in the period after 1975. Compared to the opposition parties, the LDP experienced the least amount of increase at 237 per cent. In relative terms, the Miki reforms purposely targeted both the LDP and the Tanaka faction and not surprisingly, the LDP and Tanaka faction fared poorly in the collection of funds compared to the other parties and factions. An important legacy of the 1975 reforms is that they benefitted the opposition parties and some of the non-Tanaka factions, helping to shape an era dubbed the Era of Parity (*hakuchū jidai*) that existed between 1976 and 1980 and beyond (Stockwin, 2008, p. 70).

In 1976 when Miki was still prime minister, the Lockheed scandal revealed the dirty secret that Tanaka had accepted 500-million-yen (around US\$1.67 million at the time) from the Lockheed Corporation when he was prime minister (Blaker, 1977, p. 83). Tanaka's arrest in 1976 owes much to Miki's determination to let the investigation into the Lockheed scandal proceed and not to intervene to protect Tanaka. Miki was willing to risk the honour of Japanese politics to allow investigators to gather evidence and prosecute those that broke the law in the Lockheed scandal (Mukaidani, 1993, p. 66). Miki based much of his decision on the public support he received for his anti-corruption stance (Johnson, 2003, p. 267).

Miki's efforts to pass reform, however, were not popular within his party or with everyone in the opposition. LDP party bosses had promoted Miki to the prime ministership partly because they likely believed he would be easy to control. Miki shocked them by not intervening to halt the investigations and criminal trial into Tanaka and Lockheed. When it was clear that Miki could

not be controlled, leaders within his own party began an organized push to remove him from office. This effort grew more frantic as Tanaka and five other LDP members were arrested and indicted. With Miki refusing to resign, the Tanaka faction resisted calls for an early election because they were fearful of the negative public reaction over Lockheed.

Miki and the LDP could not postpone the 1976 election, dubbed the “Lockheed” election, indefinitely. In that election, the LDP lost 22 seats compared to the previous election. Miki resigned to take responsibility for the LDP’s poor performance. Although Miki achieved some successes such as campaign finance reform, the loss of the prime ministership and the damage inflicted upon the LDP in the 1976 election marked an end to his reform movement. Prosecutors convicted Tanaka in the 1980s, but he ultimately served no jail time due to appeals. He continued to run and win as an independent until 1986. He led the largest LDP faction despite not being a formal member of the LDP. Tanaka’s influence waned after he suffered a stroke, which is why the Tanaka era is said to last until 1985.

Toshimitsu (2016, p. 189) suggests that part of Miki’s legacy is that instead of simply being a caretaker government, his role was more like a “railroad switchman” in charting a new direction for conservative politics. The Miki government experienced a variety of legislative and political successes in such areas as the Anti-Monopoly law, and revising the public elections law, as well as 1975 campaign finance reform. Inspired by a series of corruption scandals beginning in the late 1980s, political leaders after Miki and Tanaka sought to make additional reforms to the political system. During the Kaifu and Miyazawa administrations, efforts to change the election system failed. When a vote of no confidence was passed against Miyazawa, it triggered the 1993 election. Seven parties formed an anti-LDP coalition government. Although this government lasted less than a year, it managed to pass a series of reforms in 1994. Japan adopted a mixed-member majoritarian electoral system, revised parts of the campaign finance law, and adopted a subsidy system to fund political parties.

Conclusion

Political corruption scandals were a common problem in post-war Japanese politics. Japan fits many of the general characteristics of influence market societies where corruption largely occurs within the confines of established institutions. There are also important cultural dimensions underlying this influence market corruption. The prevalence of gift-giving practices, for example, is sometimes used as a cover for bribery. Most studies of corruption focus attention on dishonest individuals and give little attention to the cultural practices that contribute to corruption. Likewise, scholars have focused more on studying the importance of structural constraints with less attention given to the role played by leadership and human agency.

The role of Miki Takeo was examined to consider some of the major questions posed in the introduction to this special issue. Miki is a significant reformer who managed to become prime minister and made several important contributions to Japanese politics. He faced a system dominated by the LDP, and its factions, as well as cultural practices such as gift-giving. He also struggled to reverse the legacy and weaken the influence of Tanaka Kakuei. He employed various resources such as personal connections and used the powers of the media to publicize his efforts. Compared to Tanaka, Miki used the position of prime minister to realize his convictions and to implement some of his reform visions.

Scholars have described the Miki cabinet as being a caretaker government or a “repairman’s” cabinet because of the view that Miki was not able to resolve deep conflicts within the LDP. The Lockheed scandal that surfaced afforded Miki an opportunity to go on the offensive, but he faced fierce resistance within his own party, which ultimately brought an end to his stint as prime minister. Although there is considerable truth in such views, another perspective is that the Miki cabinet helped pave the way for a new conservative direction by implementing political reform and establishing a stable path for economic growth (Toshimitsu, 2016, p. 189). Alternatively, Miki warrants attention to understand how

leadership plays a critical role when reform occurred (Gauder, 2007, p. 135). It is hoped that future research can shed more light on his leadership, and the leadership of the Miki cabinet, as well as the long-term consequences of the political reforms that are part of his legacy. Likewise, it is necessary to generalize beyond the cases of Miki and Tanaka to study the role of other political leaders in reducing or enhancing corruption.

Miki's reform of the PFCL in 1975 was its most significant revision since its enactment in 1948. The frequent criticism that the reform failed to reduce the amounts of money in Japanese politics was confirmed. Miki also had to compromise on his goal to ban corporate contributions. This leads to a second common criticism that the reforms failed to accomplish all of Miki's objectives, but they still changed the face of Japanese politics for better or worse, and allowed for the subsequent reforms that followed. If Tanaka was responsible for corrupting Japanese politics to a considerable degree, Miki and his reform efforts helped restore LDP conservative rule and laid the foundation for future political reforms. The limited success of the 1975 reforms illustrates the difficulties in overcoming the structural corruption present in the political system even as the Tanaka Kakuei era was coming to an end.

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