The Reform Plans for the Japanese Agricultural Co-op by the Abe Administration

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Abstract: One of the main components of Japanese Prime Minister Shinzō Abe's new economic policies, the so-called Abenomics was a set of drastic reform plans for the Japanese Agricultural Co-operatives (JA). The JA has been a faithful supporter of the LDP for the last sixty years or so, and the party relied heavily on the JA particularly in the rural districts, which are more important than the urban ones, given the fact that more districts are allocated to rural areas than urban areas in the Japanese Diet. As expected, the JA reform plan invited fierce opposition from the JA, which threatened to end its support for the party in future elections. Why is the Abe administration trying to reform the JA, even though it could result in a substantial decline in the party's share of votes? What is Abe trying to achieve by implementing such a policy that is highly unpopular among his party's longtime supporters? Is Abe serious about carrying out the proposed reform plan, or is it just for show? This article analyzes the context behind the JA reform plan from the viewpoint of constructivist institutionalism focusing on policymakers' ideas regarding party management. It argues that the Abe administration's JA reform is not a product of the 1994 electoral reform but a part of an incremental change from a clientelistic party to a centralized party, which was rooted in LDP history since the time of its foundation. This study shows that ideational contention between two of the major LDP factions became the foundation for the JA reform today.

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Introduction

It has been more than four years and a half since the inauguration of the Abe administration in December 2012. It makes Prime Minister Shinzō Abe's tenure the fifth longest in the nation's history [the third longest in the Post WWII period]. Part of the reason for the stability of the Abe administration is the relative success in its economic policy. Since the start of the administration, Abe and his party, the Liberal Democratic Party (LDP), have been committed to revitalization of the Japanese economy under the name of "Abenomics" policy.

The Abenomics policy consists of three "arrows" including (1) loose monetary policy, (2) fiscal stimulus measures, and (3) growth strategies. First, the policy tries to drastically expand the money supply to cope with excessive yen appreciation and to fight against the long-lasting deflation. Second, it aims to boost government spending to stimulate the market and corporate activities. Third, the policy involves a set of growth policies composed of deregulation measures in various sectors. The third arrow (i.e. growth strategies) of Abenomics aims at improving corporate competitiveness through restructuring of the Japanese economy. More specifically, it tries to eliminate various regulations that are believed to have been hindering growth of certain industries. For instance, the government has designated several cities and areas as "special zones" in which regulations related to venture business, tourism, medical services, and agricultural business are to be substantially reduced.

The Abe administration also presented a set of reform plan for the Japan Agricultural Co-operatives (JA, or Nōkyō in Japanese) as a part of its growth strategies aiming at revitalization of the rural economy. This is based on the belief that the JA stands as a major obstacle to strengthen competitiveness of the Japanese agricultural industry. The JA has been lobbying the LDP and the government for protectionist agricultural policies and against liberalization of the agricultural market. Particularly, the JA's persisting demands for protection measures towards non-competitive small farmers were considered as a cause for the waning of Japanese agriculture (Godo 2006; Honma 2010; Yamashita 2014).

Thus, the Abe administration is planning to reorganize the JA to substantially weaken its political power despite vehement oppositions from the co-op. The government anticipates that it would make it easy for the government to implement trade liberalization policies such as signing free trade agreements with Japan's major trade partners, which would improve Japanese corporations' international competitiveness.

The JA has been a faithful supporter of the LDP for the last 60 years or so, and the party relied heavily on the JA particularly in the rural districts, which are more important than the urban ones, given the fact that more districts are allocated to rural areas than urban areas in the Japanese Diet. Why is the Abe administration trying to reform the JA, even though it could result in a substantial decline in the party's share of votes? What is Abe trying to achieve by implementing such a policy that is highly unpopular among his party's longtime supporters? Why did the reform policy turn out in the way it did? This article will analyze these puzzles from the viewpoint of constructivist institutionalism focusing on policymakers' ideas regarding party management.

What is the JA?

The JA is a farmer-based organization with 717 co-ops and 9.97 million members throughout Japan as of 2012. The majority of farmers in Japan belong to the JA. Even though Japanese agriculture has been in decline for decades, the JA developed into a gigantic business entity. It commands a combined net worth of 99.5 trillion yen and reported a net profit of 1.8 trillion yen in 2012.[1] The JA's business activities include produce distribution, credit business, and insurance, and they can be summarized as follows:

First, the JA collects its members' agricultural products and distributes them in markets. Also, it purchases farming equipment, fertilizers, and other necessities from trading companies and supplies them to farmers. These activities are considered to be the main business of the JA. By assisting

[1] The MAFF website: http://www.maff.go.jp/j/keiei/sosiki/kyosoka/k_tokei/

farmers in marketing and purchasing the original aim of the co-operatives was to prevent farmers from being exploited by big business in markets. A division of the JA called the National Federation of Agricultural Co-operative Associations (Zen-nō) is in charge of marketing and purchasing.

Second, the JA provides credit services through its credit institutions: the Nōrinchūkin Bank and the JA Credit Federations. The total deposit of JA financial institutions is as large as 63 trillion yen making it the fifth largest bank in the nation. The co-ops also provide members with insurance products through the JA Kyōsai. The total asset of the JA Kyōsai (50.6 trillion yen) was comparable to that of the nation's largest insurance company, Nissei (55.1 trillion yen) in 2013.[2] Additionally, the JA operates hospitals/clinics, gas stations, and grocery stores in rural communities assisting various aspects of members' lives.

Lastly, the JA functions as a political machine for farmers. JA political activities are led by its executive body, called the Central Union of Agricultural Cooperative, or the JA-Zenchū. It is the highest and most powerful body of the JA. The JA-Zenchu makes important decisions for the JA group as a whole and undertakes roles of lobbying the government and politically mobilizing farmers. Also, the JA-Zenchū administrates the activities of the entire JA group using its legal authority to supervise and audit management of JA group firms.

The Abe administration's reform plans

The Abe administration adopted a resolution titled the Japan Revitalization Strategy in June 2013. Based on the cabinet resolution, the cabinet established the Japanese Economy Revitalization Center, which consisted of two council meetings: namely the Industrial Competitiveness Council and the Regulation Reform Council. The former assessed growth strategies for such areas as employment/human resources, agriculture, medical services and the like. The latter was assigned to draft reform plans in five areas including medical services, employment, IT/venture business,

[2] The JA Kyōsai website: www.ja-kyosai.or.jp/about/annual/annual_2013/files/disclosure_2013.pdf
Nissei website: www.nissay.co.jp/kaisha/annai/gyoseki/pdf/2013/disc2013_P181_200.pdf

agriculture, and trade/investment.

The Agricultural Working Group of the Regulation Reform Council submitted a policy recommendation in May 2014. In the document, the working group recommended reforms in the following areas: (1) the JA-Zenchū system, (2) organizational form, (3) credit business, (4) board of directors, and (5) membership. Subsequently, the LDP evaluated the working group's recommendation and added some modifications. The modified reform plan was submitted to the cabinet and adopted as a part of the Regulation Reform Acting Plan in June 2014.

Prime Minister Abe commented that the purpose of the JA reform was "to create competitive agricultural co-ops that adequately respond to the needs of the consumers and to increase farm income." He also added that it is necessary to make agriculture a growing industry by encouraging local co-ops to utilize their innovation and by strengthening their ability to market agricultural products (*Hokkaido Shinbun,* January 29, 2015). Furthermore, in February 2015, Prime Minister Abe stated in his annual administrative policy speech that his government would "push through the first JA reform in 60 years" expressing his solid determination for the reform *(Nihon Keizai Shinbun*, March 1, 2015).

The outline of the reform plan was as follows: First, it aimed at restructuring the JA-Zenchū, or the executive body of the JA. The Agricultural Working Group of the Regulation Reform Conference recommended the abolishment of the JA-Zenchū, as it would allow each branch of the JA to exercise their own individual abilities reflecting the conditions of their region and to contribute to the development of the rural economy independently and creatively. The JA Law provides the JA-Zenchū with legal authority to supervise and audit over 700 local cooperatives.[3] The JA-Zenchū was established in 1954 when a severe economic recession pushed many JA branches to the edge of bankruptcy. The government planned to strengthen its supervision and control over the JA through

[3] The JA Law Article 73 authorizes the JA-Zenchū to supervise and audit JA management, conduct survey and studies on the JA, and mediate conflicts within the JA group. The JA-Zenchū collects about 8 billion yen from JA co-ops in return for its supervision and auditing.

the JA-Zenchū. The proponents of the reform claim that the JA-Zenchū has fulfilled its roles already, and there is no need for the organization 60 years after its establishment. Yet, reflecting the intensive opposition from the JA, the final version of the plan adopted by the cabinet calls for a transformation of the JA-Zenchū into an organization without supervising/auditing authorities rather than its abolishment.

Second, the action plan called for legislation that would enable the transformation of JA group firms from cooperatives to other form of organizations such as corporations, incorporated bodies, or medical corporations depending on the type of business they are engaged in. The official reason for the reform is that the JA can better serve the changing needs of farmers and rural residences by changing its organizational forms.[4]

Third, the reform plan urges local co-ops to refrain from conducting credit business, and their existing credit business to be handed over to the Nōrinchūkin Bank, a JA banking institution. This proposal is to reduce unnecessary risks, redundancy, and administrative workload of local co-ops associated with credit business, and for such operations to be handled only by the existing banking division of the JA group.

Fourth, the reform plan requested JA co-ops to involve certified farmers, experienced managers, salespersons, youth, and female members on their boards of directors. This proposal aims at encouraging the JA to accept ordinary members and outsiders in its management in order to make the organization more flexible and open.

Lastly, the plan requests the JA to keep the number of "associate members" under 50 percent of the regular members. JA associate members are non-farming members, but they are entitled to all the services provided by the JA. The only difference from the regular members is that associate members have no rights to vote in selecting JA managers. Currently, there are 5.3 million associate members and only 4.6 million regular members. As it undermines JA status as a co-operative

[4] The Second Report of the Regulation Reform Council, June 13, 2014.
The Cabinet Office website: www8.cao.go.jp/kisei-kaikaku/kaigi/publication/140613/item1-1.pdf

exclusively for farmers, the reform plan suggests limiting the number of associate members.

Reactions for and against the JA reform plan

In this section, I will discuss the reform plan exploring deeper than the official reasons provided by the government. Also, I will examine the reform opponents' claims against the plan.

First, the reformers are planning to alter the nature of the Japanese agricultural industry by reorganizing the JA-Zenchū. The Ade administration wants to reform the JA-Zenchū to significantly weaken what they call "resisting forces (teikō seiryoku)" against market-oriented policy or trade liberalization. The JA-Zenchū plays the role of command center in JA political activities. The JA Law provides "the JA-Zenchū has the rights to make policy recommendations to government ministries regarding [the affairs of] the co-operatives." Using that authority, the JA-Zenchū has adamantly resisted any attempt to cut back on protection measures for small-medium sized farmers. Some scholars contend that the LDP aims at depriving the JA of this authority so that the party can pursue its policies, such as signing free trade agreements like the Trans-Pacific Partnership (Otahara 2014: 18).

Moreover, the JA-Zenchū reform plan complements Abe's rural economy revitalization plan, as it is expected that local co-operatives can make farming more profitable through their innovative business plans, if it were not for the JA-Zenchū's tight control. In other words, weakening of the JA-Zenchū is indispensable to the third arrow (growth policy) of Abenomics.

Reform opponents defend the JA-Zenchū by claiming that it still plays an important role in today's globalized and rapidly changing economy. In order to prevent local co-operatives from going bankrupt, the JA-Zenchū's supervising and auditing authorities are necessary. Also, as the JA conducts credit business through the JA bank, it is critical for the JA to collect information concerning management of JA group firms and to supervise their business (Ishida 2014: 26). Others claim that although the JA-Zenchū supervises all of the JA branches and group firms, each

management unit reserves the right to make its management decisions. Thus, the claim that the JA-Zenchū undermines local co-operatives' autonomy misses the point (Otahara 2014:16).

The JA-Zenchū President Akira Banzai admits that "a co-operative always needs to reform itself to meet the changes surrounding it." However, he contends that "such a reform must be a reform by itself. He adds "the proposal by the [Regulatory Reform] Council, ignores the way in which a co-operative runs its business with members' money, and their active participation based on the principles of autonomy, independence, and democracy."[5]

Second, the government is planning to change JA organizational form and membership in order to deprive them of the special privileges that are making market competition unfair. For instance, banks, insurance companies, and other financial institutions are not allowed to conduct non-financial business; however, the JA Law exemplifies the JA from this regulation. In fact, the main source of JA profit is its financial businesses rather than its main business such as marketing of agricultural products and retail of farming equipment/fertilizers (Godo 2012; Yamashita 2014). This is because the number of farmers has declined substantially in the last fifty years. However, the JA continued to have the majority of rural population (including non-farming households) as its customers for financial services. Other corporations face difficulties in competing with the JA, as they cannot provide such a comprehensive business model like the JA. In addition, the JA is exemplified partly from the Anti-monopoly Law, which enables the JA to keep the price of agricultural products high (Yamashita 2014).

The JA is granted with these privileges because it was established to serve the interests of farmers. However, as the number of non-farming members exceeds that of regular members, the reformers think that the JA is no longer entitled to the special treatments. They want to turn the JA into a general incorporated association (ippan shadan hōjin), as they expect it would promote market competition and benefit rural communities.

[5] A joint statement issued by the JA group. May 30, 2014.

JA supporters criticized this market-friendly reform plan suggesting that it would make the co-ops pursue profit-making activities while abandoning non-profitable regions. They claim that in many sparsely populated regions the JA is the only provider of services such as banking, insurance, and retail of gasoline or groceries. If the JA abandons such areas, the residents would have no access to such services (Ishida 2014: 23). Therefore, they claim the reform plan lacks consideration for vulnerable rural residents (Otahara 2014: 51). Also, JA-Zenchū President Banzai criticized the plan that "it is not clear how it would increase farm income" (*Hokkaido Shinbun*, February 5, 2015).

The JA Reform Law 2016

After intense and painstaking negotiations, the LDP and the JA reached an agreement on February 9, 2015. The JA accepted the government's plan to deprive the JA-Zenchū of supervising/auditing authorities and turn it into a general incorporated association. It was a historical agreement as it would significantly change the nature of JA management and weaken its political influence. The agreement forced Banzai, the most powerful man in the JA group, to announce that he would resign as the president of the JA Zenchū by August 2015, even though his term would not expire till 2017. It is reported that he took the responsibility of giving in to the pressure from the government (*Hokkaido Shinbun*, April 10, 2015).

The agreements between the LDP and the JA were reflected in the JA Reform Bill, which was submitted to the Diet by the Abe cabinet. The bill was passed subsequently in August 28, 2015. The Abe administration's first attempt to reform was successfully put into practice by this the JA Reform Law (put in effect on April 1 2016). The reform law changed the JA-Zenchū's legal status to a general incorporated association and abolished its auditing and supervising authorities. It also provided that the majority of JA executive board members to be selected from among "professionals of marketing and management" outside of the JA. In addition, it required the government to reexamine the need for a reform of the associate member system in 5 years. It appeared that the JA

prevented other proposed reforms such as abolition of the associate membership and deregulation of agricultural business meaning that the JA managed to protect its economic interests at the cost of their political influence, for the moment at least.

The second reform plan

However, the Abe administration's JA reform did not end there. After succeeding in pulling the JA-Zenchū's teeth out, the administration tried to further restructuring the JA. The main target of Abe's second JA reform plan was the JA-Zen-nō, which administrates marketing and purchasing operations. The Regulation Reform Council considers that the JA-Zen-nō's operations are one of the factors that weakening competitiveness of Japanese agricultural industry.

Currently, the JA Law exempts the Zen-no the Anti-Monopoly Law allowing it to monopolize sales of farming equipment/machines, fertilizers, pesticides, and feedstuff. The lack of competition is preventing the prices of those commodities from lowering.[6] Also, Zen-nō carries out marketing of agricultural products produced by JA member farmers. The Council considers the current system require heavy financial burden on the member farmers and lacks incentive mechanism for higher profits.

Thus, the Council introduced the following reform plan for Zen-nō in 2016: First, it terminates Zen-nō's marketing operations based on a sale on commission basis. The current system allows Zen-nō to conduct marketing of agricultural products on behalf of its member farmers without purchasing the products from them. Zen-nō charges farmers with commission fees and provides them with sales revenue based on its estimated sales prices (farmers will be compensated for the difference between the actual revenue and estimated revenue later, if necessary). This system allows Zen-nō from avoiding risks associated with the sales of agricultural products and gives little incentives for Zen-nō to sell the products for higher price, as Zen-nō can make profits from

[6] Some LDP leader was quoted to have said that, "fertilizers and pesticides sold in Japan cost more than twice as much as those sold in South Korea" (*Japan Times*, October 28, 2016).

commission fees, which count for as much as 10 percent of farmers profits. The reform plan requires Zen-nō to purchase agricultural products from farmers before conducting marketing.

Second, the reform plan turns Zen-nō into a private corporation subjecting it to the Anti-Monopoly Law and depriving its tax benefits. In addition to exemption from the Anti-Monopoly Law, the JA Law provides Zen-nō with various tax benefits in corporate tax and property tax creating unfair advantages in market competition. Third, the plan limits the kinds of commodities Zen-nō can sell to farmers. It is expected to promote competition in the markets for farming equipment, fertilizers, pesticides, etc. making those products more affordable to farmers.

In order to convince the JA to accept these reforms, Abe designated a young prominent LDP member, Shinjirō Koizumi, as the head of the LDP Agriculture and Forestry Division to lead the negotiation between the party and the JA. However, as in the first reform attempt, Koizumi and reformers met adamant oppositions from the JA and some LDP politicians. It was overwhelming to the young leader who had a limited experience in agricultural politics; thus, the party ended up adopting a reform plan with substantial compromises to the JA.

In the new LDP reform plan, it encourages the Zen-no to voluntarily carry out those reforms recommended by the party while requiring the government to monitor the progress of reforms (*Nihon Keizai Shinbun*, November 26, 2016). The party also failed to include time limit for the reform allowing Zen-no to postpone it for extended period of time. It was reported that the LDP second reform plan was watered down by its opponents, as the Zen-nō is unlikely to carry out reforms by it self (*Sankei Shinbun*, November 28, 2016). However, the Abe administration has not given up on further JA reform and expected to impose on the JA for reform.

The outcomes of the LDP/JA negotiations raise the following questions: Why is the Abe administration trying to reform the JA, even though it could result in a substantial decline in the party's share of votes? What is Abe trying to achieve by implementing such a policy that is highly

unpopular among his party's longtime supporters? Why the Abe administration prioritized the reform of the JA-Zenchū over other reform plans. Also, what significance did the JA reform have to the Abe administration? These puzzles along with the other puzzles discussed above will be analyzed in the following. But, before entering the empirical part of this paper, the next section will present theoretical discussion regarding Japanese agricultural policy.

Theoretical foundation

(1) The iron triangle argument

Japanese agricultural policy has been characterized by its persisting protectionist nature. The government provides various protectionist measures such as trade protections, subsidies, and price support to protect Japanese farmers. Existing studies of Japanese agricultural policy have focused on the clientelistic relations formed among farmers (organized by the JA), the LDP, and the Ministry of Agriculture, Forestry, and Fishery (MAFF) (Calder 1988, Mulgan 2005; Godo 2006; Yamashita 2009; Honma 2010). This patronage structure is often referred to as the "[agricultural] iron triangle."

According to these scholars, the iron triangle is composed of mutually benefiting exchanges among the three actors. First, the JA mobilizes farmers, most of whom are small in size and not competitive, and the farmers vote for LDP candidates endorsed by the JA. Also, the JA lobbies the LDP and the MAFF for protectionist policies. Second, LDP politicians, especially the so-called "agricultural *zoku* (tribe) politicians," serve the interests of farmers by ensuring the government provides protection measures for farmers in exchange for farmers' support in elections. They also fiercely resist any attempt of the party or the MAFF to liberalize the agricultural market. Lastly, the MAFF relies heavily on the political influence of the LDP for passage of their bills in the Diet and in their battle with the Ministry of Finance in annual budget hearings. Therefore, the MAFF drafts bills that represent the interests of small farmers and the JA. As a result the Japanese government heavily protected non-competitive farmers for the last six decades, despite the repeated pleas for

liberalization from the business sector.

This conventional understanding of Japanese agricultural policy is based on the rationalist theory that focuses on actors' material interest. Though this rationalist-driven argument is widely accepted by many scholars, the JA reform case poses serious empirical problems to the iron triangle argument. First, the argument fails to explain why the LDP government advocates a reform plan that goes against the interest of its patrons. If the LDP agricultural policy is simply a reflection of the triangular clientelistic relations, the party should not have acted against the will of the JA.

One could point to the declining farming population and the weakening influence of the JA as a potential explanation. However, even though the number of farmers is decreasing, it does not mean the LDP has no interest in winning farmers' votes. In fact, the LDP is still predominantly a rural-based party, and the rural regions are over-represented in the Japanese Diet. So, the party would benefit greatly if the JA continues to provide electoral support. Moreover, a significant number of LDP MPs and local politicians vehemently opposed the JA reform plan, as mentioned below, suggesting that farmers' votes are not ignorable to many of the LDP members. Though the number of farmers' votes is smaller than it used to, the party still has to rely on it, particularly in close races. If not, the party may suffer a defeat.

For example, during the House of Representatives election held in December, 2014, it is reported that the JA pressured a number of LDP candidates to promise not to support the government's reform plan and sign a policy agreement in exchange for its endorsement. The JA also refused to provide electoral assistance to some LDP candidates who were known supporters of the JA reform plan (*Mainichi Shinbun*, December 22, 2014). Moreover, the JA decided to endorse a non-LDP candidate in the gubernatorial election in Saga prefecture held in January 2015. The LDP candidate, in fact, lost the race by a narrow margin, partly because of the lack of support from the JA. If politicians' interest is to maximize its utility [i.e. the chance of being reelected], why would they try to implement a policy that may reduce their chance of winning farmers' votes?

Second, the conventional argument tries to explain agricultural policymaking focusing on the equilibrium that emerged through mutually benefiting exchanges among some actors. This static-oriented argument might be useful in explaining the lack of change in agricultural policy for an extended period of time or addressing the ruling party's reluctance in changing the protectionist policy in the past. However, it is not well equipped for explaining major policy or institutional changes.

(2) Electoral reform

Aside from the traditional argument, there are a few possible alternative arguments presented in existing studies. First, one group of scholars claim that recent political changes in Japan have led to the decline of clientelism, encouraging parties to move away from the traditional particularistic policies such as agricultural protection (Sasada 2008; Rosenbluth and Thies 2010; Noble 2010; Saito 2010; Horiuchi and Saito 2010). They claim that electoral reform in 1994 provided politicians with an incentive to pay closer attention to the concerns of the general public rather than the particularistic interests of some groups. The electoral reform of 1994 replaced the old single non-transferable vote (SNTV) system with a combination of single-member districts and proportional representation (SMD/PR).

In the old SNTV system, in which each district selected two to six winners, candidates were encouraged to engage in personalized campaigns with a heavy reliance on pork barrel politics. In this system, candidates could secure a seat by winning only as little as 15 percent of the total votes (in a district with six winners). It therefore made them focus on obtaining support from small but well-organized interest groups. This resulted in LDP's inclination toward clientelistic policies. However, candidates must capture a much larger percent of the total votes to retain a seat in a single-member district, and parties must gain widespread support to succeed in the proportional representation system. Also, the shift was accelerated by other factors such as the increasing

importance of floating voters, revision of Political Campaign Laws, and the declining rural population. These recent changes made candidates and parties appeal to median voters by advocating such policies that would serve the interest of the general public rather than small groups of people.

For instance, Noble (2010) argues that, "After peaking in the late 1990s, public works expenditures sharply declined, as did many other forms of particularistic spending" (Noble 2010: 240). With regard to agricultural spending, Noble claims that, "By 2008, the Agriculture Ministry's share of the budget declined to 2.8 percent … The 2009 budget imposed a further 2.9 percent cut" (Ibid: 248). Sasada (2008) also claims that the electoral reform encouraged the LDP to introduce growth-oriented agricultural policies such as the agricultural export promotion policy in the mid 2000s.

The electoral system argument seems to offer a convincing explanation for the recent shift away from clientelism; however, it does not adequately explain the case of the JA reform. First, even though the JA reform by and large appeals to median voters, it entails a significant risk of antagonizing its longtime supporters and undermining LDP electoral success. Would a party advocate a policy to appeal to median voters even at the cost of losing one of its largest supporting groups? In fact, the JA warned the LDP that they would support other party's candidates in future elections and has already done so in some elections. In this sense, the JA reform policy is fundamentally different from minor reductions in pork barrel. Due to the lasting economic recession and mounting government debt, most parties more or less supported some level of cuts in government expenditures on subsidies and public works. Thus, it did not cause the JA to turn against its longtime clientelistic relationship with the LDP and support other party's candidate.

Furthermore, the electoral system argument tends to underestimate the impact of organized votes, especially in tight races. Though the farming population in Japan is declining, the JA is still a powerful political machine. In 2012, there were 4.6 million members (and 5.3 million associate

members) and about 220,000 employees throughout the nation,[7] which was about 9.6 percent of the total registered voters in Japan. In addition, rural regions are over represented in the Diet making it difficult for parties to neglect the interests of rural voters (Sasada 2013). It is particularly true when an upcoming election is expected to be tight. Or, if voter turnout is expected to be low, it is difficult for parties to neglect well-organized political machines like the JA, as they cannot rely on floating voters.

Second, recent polls and elections reveal voters' reactions to clientelistic policies are not so straightforward. In other words, parties' shift away from clientelism does not guarantee their success in elections, even in the new electoral system. One study suggests that there is overall public support for protectionist agricultural policy in Japan because of sympathy for farmers and protection of their own job security (Naoi and Kume 2011). Also, the LDP's shift away from clientelism is considered to be one of the reasons why the party lost the 2009 election. The DPJ's income support policy for farmers attracted a large number of rural voters leading to its landslide victory, even though DPJ agricultural policy was indeed criticized as a pork barrel and was not popular among median voters.

Lastly and most importantly, even 20 years after the introduction of the SMD/PR system, many LDP MPs are still inclined towards clientelism. It is reported that a number of LDP MPs opposed the JA reform plan in party member meetings. The Chairman of the LDP Policy Research Council, Toshihiro Nikai stated, "We should spend as much time as we should to discuss this matter carefully." Some LDP MPs asked, "What merit does it have to revoke the JA-Zenchu's audit authority?" (*Sankei Shinbun*, February 6, 2015). Others expressed their concerns that the JA reform would lead to a decline in the party's share of farmer votes in future elections (*Yomiuri Shinbun*, February 8, 2015). It is also reported that thirteen LDP prefectural branches publicly expressed their opposition to the JA reform (*Mainichi Shinbun*, February 7, 2015).

Moreover, the LDP's coalition partner did not support the JA reform. Natsuo Yamaguchi, the

[7] The MAFF website: www.maff.go.jp/j/keiei/sosiki/kyosoka/k_tokei/sougou24.html

head of the Komeitō, commented that "we should carefully discuss whether or not [the reform plan] would indeed contribute to development of agriculture taking into consideration the JA's autonomy and past achievements." Yoshihisa Inoue, Komeitō Secretary General, made a more explicit comment against the reform that "there is hardly any example of the JA-Zenchu's auditing impeding [local co-op's] activities. Which part of the system do we need to change?" (*Sankei Shinbun*, January 30, 2015). The Komeitō's opposition to the reform plan is proof that the other ruling party is not necessarily shifting away from clientelism. Komeitō is a much smaller party compared to the LDP; however, the party has the same electoral incentives because it fields candidates in a number of single-member districts. This diversity in reactions of LDP and Komeitō MPs contradicts the assumption of electoral system explanations that "similarly located actors blessed with complete information would conceive of their interests in an identical fashion and, if rational, would be motivated by such interests to behave identically" (Hay 2011: 77).

In short, the electoral reforms and other recent institutional changes may have encouraged some politicians to break away from clientelistic policies; however, it does not automatically apply to all politicians. Moreover, non-clientelistic policies do not necessarily lead parties to electoral success, and it entails a substantial risk of providing rival parties with an opportunity to take away a huge number of votes. As Krauss and Pekkanen (2011) contend, "electoral system explanations by themselves are ill-equipped to explain this particular pattern of the surprising success of a party and then its equally surprising abrupt failure" (Krauss and Pekkanen 2011: 2). Similarly, the argument does not offer a convincing explanation for the Abe administration's decision to reform the JA.

(3) Strengthened political leadership

Another alternative explanation for the agricultural policy change is the structural change in political leadership in Japan. One could argue that the policy change was caused by the fact that the Japanese prime minister is capable of exercising stronger leadership than before allowing his/her party to set

itself free from clientelistic interests (Rosenbluth and Thies 2010; Estévez-Abe 2006; Machidori 2012). For instance, Prime Minister Koizumi's success in his postal privatization policy in 2005 is often attributed to the strengthened leadership (Estévez-Abe 2006).

As a matter of fact, there are several crucial similarities between Koizumi's postal privatization policy and Abe's JA reform plan. First, the pressure group of postal office managers (Taiju) used to be the largest supporting group of the LDP. Like the JA, Taiju provided the LDP with various campaign supports throughout the nation. However, Prime Minister Koizumi announced his plan to privatize the postal office, which met with vigorous resistance from the so-called postal zoku politicians, or those LDP members who had close ties with Taiju. When Koizumi's privatization bill was rejected by the Diet as a number of his fellow LDP members voted against it, he immediately dissolved the lower house and called an election in August 2005. His political gamble paid off, as his party won a landslide victory, allowing him to pass his bill in the Diet shortly thereafter.

Second, there was a similar clientelistic structure in the postal service industry as well. The LDP, particularly its postal zoku politicians, were receiving support from managers and workers of postal offices in exchange for making favorable policies for their patrons. Despite this longtime patronage relationship between Taiju and the LDP, Koizumi passed the privatization bill. Post office workers and managers ceased to support the party in response to Koizumi's action.

Strengthened political leadership seems to offer an explanation for Koizumi's postal privatization; however, it does not present a whole picture. Although it does explain why *Koizumi was capable of carrying out such a reform*, it doesn't tell us *what encouraged him to advocate the policy*. In fact, Koizumi's call for postal privatization preceded the presidentalization of Japanese politics. Koizumi's advocacy for postal privatization started as early as 1979 when he served as the vice minister of finance (Otake 2006: 80).

Constructivist institutionalism

The traditional argument and alternative arguments have difficulties in addressing the reason why the Abe administration advocates such a controversial and risky policy as the JA reform plan and why the reform plan turned out in the way it did. Instead of confining one's analytical scope within the ream of material factors, this study explores some historical and ideational factors that might have influenced the Abe administration's decision to pursue the JA reform. It tries to demonstrate that an important factor of the Abe administration's decision to carry out the JA reform is deeply rooted in LDP history. That is, the JA reform plan is not a product of the electoral reform but a part of an incremental shift from a clientelistic party to a Westminster party which originated as early as LDP foundation in 1955. Also, the outcome of the JA reform was partly shaped by the historical ideational contention among some groups of LDP members.

In order to analyze the case, this study draws on the theoretical framework of constructivist institutionalism (Schmidt 2008; Hay 2011; Blyth 2011). Constructivist institutionalism is a type of "new institutionalisms" and focuses on the role of ideas in explaining institutional development. Constructivist scholars claim their approach can present a more comprehensive explanation for institutional change than other institutionalist frameworks such as rational choice institutionalism or historical institutionalism, as it is capable of addressing endogenous changes. The rational choice institutionalism (and other rationalist approaches such as the electoral system explanation above) considers institutions as a product of equilibrium existing within a given circumstance; thus, institutional changes can only be explained by exogenous factors. Historical institutionalism is widely used to analyze institutional continuity and is often criticized for not sufficiently addressing intuitional change (Peters et al. 2005). Recently, some rationalists (Greif and Laitin 2005) and historical institutionalists (Mahoney and Thelen 2010) presented their attempts to overcome the problem; however, they have fallen short of presenting an adequate framework for institutional change.

Constructivists believe that their focus on factors that are endogenous institutions, such as actors'

ideas, allow them to adequately address endogenous institutional changes. Ideas are believed to influence institutional development as follows: First, ideas shape actors' preferences. Unlike rationalists, constructivists consider actors' preferences are not given by circumstances but are socially constructed. Therefore, some actors can have difference preferences than others even within the same environment. Actors tend to rely on their ideas particularly in highly uncertain conditions (Blyth 2011). Second, ideas facilitate coalition-building among actors by making it easy for those actors who share the same idea to act collectively to achieve their goals. Third, some ideas may undermine the legitimacy of the existing institutions making a change more likely. Thus, an institutional change occurs when a new idea makes some actors form certain preferences and collectively act against the status quo while delegitimizing the existing institutions.

Based on this constructivist view of institutional development, I make the following argument: Around the time of its foundation in 1955, some LDP members introduced an idea named "party modernization," which called for centralization of power within the LDP. It encouraged some LDP members to support a set of reform policies and allowed them to organize themselves to challenge the traditional decentralized clientelistic nature of the party. However, the group that advocated party modernization failed out of mainstream in the 1960s before achieving their ideals, and their rival group came to dominate the LDP for decades immersing the party in clientelism. The new mainstream group developed their idea which justified decentralized party system and clientelism over time.

Yet, the reformers finally became mainstream in the 2000s as their idea gradually undermined the legitimacy of the existing party system that was vulnerable to particularistic interests. The reformers started to eliminate clientelistic relations between the party and some interest groups, because such relations made it difficult for LDP leaders to exercise strong leadership. Abe's JA reform plan is a part of this effort to shift away from clientelism deeply rooted in LDP history.

However, there are a number of LDP members who still resist such reform, and the ideational

contention between reformers and anti-reformers (resisting forces) remains within the LDP. Most of the anti-reformers did not abandon their faith in their idea that favored decentralized party system. Contrary to the electoral system argument's expectation, electoral reform did not encourage all politicians to break away from clientelistic politics. Thus, the diversity in LDP members' policy stances 20 years after the electoral reform can be explained by this ongoing ideational contention among them.

The next section presents a case study of the JA reform, and my argument along with alternative arguments will be tested.

The historical context behind the JA reform

The Abe administration's determination to reform the JA certainly is an indication that the party wants to diminish its clientelistic relationships with interest groups like the JA. On the surface, it seems to attest some scholars' claim that the party is shifting away from clientelism as a result of the 1994 electoral reform. However, a close scrutiny of LDP party history reveals that LDP leaders made a number of serious attempts to eliminate clientelism within the party even under the old electoral system. As a matter of fact, such claims against clientelism existed since the time of the party's establishment in 1955. That is to say, the JA reform is not a direct product of the electoral reform in 1994, but is a part of the continuous efforts of some LDP members to break away from clientelism.

Such a reform in party structure was referred to as "party modernization." Those individuals who played an important role in the merger of two conservative parties, the Liberal Party and the Democratic Party, to form the LDP originally introduced this new idea of party modernization. One of them was Nobusuke Kishi, the first LDP Secretary General (and Shinzō Abe's grandfather), who played the role of policy entrepreneur. Party modernization in this context entailed the following: (1) strong leadership of party leaders, and (2) members' behavior unified by party ideology. Conservative parties that formed the LDP had decentralized party structures in which faction leaders

had strong influence making it difficult for party leaders to exercise leadership.[8]

A LDP party program adopted in 1955 laid out the party's basic principle as follows: (1) "the party must became a union of comrades whose political ideology and behavior are coherent;" (2) "(the party) must have strong organizational leadership over the general public;" (3) (the party members) must maintain comradely norm. It also states that in order to stand against the leftist camp, the party must "transform itself from the so-called 'campaign organization'" to a modern national party. It argues that "the biggest problem of conservative parties were their party activities concentrated on their activities within the Diet and ignored ones to reach out to the general public." Therefore, the party should drastically change this (tradition) and establish a powerful core leadership within the party."[9]

That is to say, there have been two ideas concerning party structure within the LDP since 1955. One was the traditional decentralized structure with influential faction leaders who were prone to clientelistic relations with interest groups. The other was the "modernized" party structure with strong leadership.

Nakakita (2014) argues that the original reason why LDP leaders called for party modernization was to face the challenge of the Japan Socialist Party (JSP) which was considered to have a "modern" party structure in which a strong party leader effectively controlled members whose behaviors were stylized by their socialist ideology. LDP leaders like Kishi were concerned that a rapid urbanization and demographic shift would allow the JSP to expand its share of votes in the future elections. Also, they thought a clientelistic disposition of the LDP would make it difficult for the party to attract non-party-affiliated urban voters. Thus, they tried to make the LDP a modernized party, and their model was the British Conservative Party, that is, a Westminster party system.

The idea of party modernization encouraged its supporters to advocate such measures as the

[8] Unlike a popular belief that factions emerged as a result of the introduction of SNTV in 1947, factions existed in those conservative parties prior to 1947 (Krauss and Pekkanen 2011).
[9] "The Guidelines for Party Organization and Activities at the Party Foundation" reprinted in the LDP (1966): 235-241.

introduction of a SMD system and abolition of factions and kōenkai (personal campaign organizations) to achieve their ideals. The SNTV system was considered problematic because it results in competition among multiple LDP candidates within each district. This intra-party competition intensified factional rivalry within the party and personalization of electoral campaigns, which weakened the power of LDP party leaders (Nakakita 2014: 27-28).[10] That is to say, the preference of some LDP members was shaped by the idea of party modernization.

Some LDP leaders tried to introduce the SMD system soon after the party's foundation, as they considered it would strengthen their control over the party while weakening the power of faction leaders. In 1956, Prime Minister Ichirō Hatoyama and his cabinet submitted the SMD bill to the Diet. The LDP had about 300 seats out of 467 in the lower house, and there were some members of the JSP who supported the bill. However, the JSP decided to vote against it, and the anti-mainstream factions in the LDP sabotaged the Diet session to block the bill, as they opposed centralization of power. In the end, the bill was discarded because it was not adopted by the end of a Diet session. Kishi also tried to pass the SMD bill when he served as prime minister between 1958 and 1960; however, the Kishi cabinet also failed to do so.

As LDP party leaders realized the tremendous difficulty of electoral reform, they shifted their attention to the abolition of factions. When Hayato Ikeda, who opposed Hatoyama and Kishi's SMD bills, became prime minister, the Kishi faction left the party mainstream and broke into smaller groups. However, one of Kishi's followers, Takeo Fukuda, managed to form a new group called the "Party Style Reform Federation [Tofu Sasshin Renmei]" under his call for party modernization. That is to say, the idea of party modernization allowed Fukuda to form a coalition of LDP MPs to break the status quo. Reflecting the pressure from the Fukuda faction, PM Ikeda agreed to form the Party Organization Research Association within the party to discuss the matter. The chairman of the association, Takeo Miki, adopted a report that proposed "unconditional dissolution of all factions" in

[10] With regard to personalized campaigns, the LDP expressed its concerns that the kōenkai system was obstructing party activities in the early 1960s (Shinoda 2013: 61).

1963 (LDP 1966: 252; Ishikawa 2004: 97). All factions announced their dissolution shortly after; however, they continued to exist as "convivial associations" of LDP MPs. Fukuda's attempt was thus in vain.

Under the next Satō administration, the call for party modernization relented, and those who embraced the idea of clientelism flourished during this time period. The most prominent figure behind this development was Kakuei Tanaka who assumed such important posts as Party Secretary General and Financial Minister. Tanaka began to possess tremendous influence over the bureaucracy and the LDP and eventually became prime minister in 1972. He developed a clientelistic political style which consisted of a patronage relationship among kōenkai, interest groups, and ministries. His method quickly spread among LDP members, particularly among the members of the Tanaka faction, leading to the rise of zoku politicians (Hayano 2012).

In addition, a change was made in LDP party rule in the 1960s. It added a requirement for government bills to be approved by the LDP Policy Affairs Research Council (PARC) before being submitted to the Diet. This new requirement began to be enforced strictly under the Tanaka administration, and it substantially strengthened the influence of zoku politicians. "It was Tanaka who deserves much of the credit, or blame, for establishing the zoku giin structure" (Krauss and Pekkanen 2011: 167). This change was significant because it further decentralized the LDP policymaking process and made the party more susceptive to particularistic interests.

Tanaka had particularly close relationships with interest groups in the construction, postal service, and agriculture sectors,[11] and the members of the Tanaka faction began to represent the interests of those sectors.[12] For instance, a group of reform-minded bureaucrats in the MAFF sought a drastic change in Japan's agricultural policy in the 1960s; however, agricultural zoku politicians and the JA watered down the attempt. The government adopted the Agriculture Basic Law in 1961 reflecting

[11] This was partly because of the fact that Tanaka was from a rural district, owned a construction business himself, and served as minister of postal service (Hayano 2012).
[12] Yet, it was not limited to the Tanaka faction. Members of other factions followed suit soon after.

overproduction of rice and the possibility of future trade liberalization in the GATT framework. The law aimed at breaking away from the traditional protectionist policy through aggregation of farmland while encouraging small farmers to exit the agricultural market. The government hoped it would foster large-scale farmers who were productive enough to survive in a liberalized market. However, the JA lobbied agricultural zoku politicians to resist the reform, as it was concerned about the decline in the number of farmers. They managed to make the government provide various protection policies such as price support and subsidies for rice producers, which prevented small farmers from leaving agricultural business.[13] In fact, the government increased the price of rice by 13.6 percent in 1964, and it was the then Foreign Minister Tanaka Kakuei who played a critical role in making the decision (Nakamura 2000: 31).

There were a large number of politicians who aspired for clientelism in the factions derived from that of Tanaka (today it is called Heisei Kenkyūkai) who played a critical role in the development of a clientelistic political style. On the other hand, there were many politicians who were inclined toward a Westminster party system in the factions derived from that of Kishi who introduced the idea of party modernization. LDP factions are usually not organized based on members' policy stances, and clientelism-oriented politicians were found in virtually all factions. However, those leaders such as Kishi, Fukuda, Koizumi, and Abe who were inclined toward a Westminster system were, in fact, members of the former Kishi faction (Seiwakai). Certainly, there has been an ideational contention between the two major LDP factions concerning party structure.

In the 1970s, another idea regarding the vision for the future of the party was introduced, and the new idea was called the "Japanese [style] pluralistic party." It called for a decentralized party that accepts diversity among its members while using factions and kōenkai to attract a wide range of voters. A part of the reason why this new idea emerged was a substantial increase of non-party affiliated voters, and the advocates considered a party with diversified views was more suited to

[13] Also, it increased the number of small-scale part-time farmers who depended heavily on the JA.

attracting those voters than a centralized monolithic party (Nakakita 2014). This idea tolerated factions and kōenkai as a means to ensure party diversity. So, it was somewhat compatible with clientelism, though it did not give full endorsement of it.

The idea of a Japanese pluralistic party was introduced by scholarly policy entrepreneurs such as Kenichi Koyama and Seizaburō Satō who served as advisors for prime ministers Masayoshi Ōhira and Yasuhiro Nakasone. Under the Ōhira and Nakasone administrations, the idea of a Japanese pluralistic party was adopted as the mainstream vision for the future of the LDP, and the call for a Westminster party gradually faded out, while the party deeply embraced clientelism.

Although the agricultural sector came to fill a part of clientelistic politics in Japan, there emerged a new vision for the future of Japanese agriculture and the JA in the 1980s. The National Institute for Research Advancement (NIRA), a government-affiliated think tank, published a policy recommendation titled "A Research on the Strategy for Self-sufficient Agriculture" in 1981. It advocated that the agriculture sector should aim at strengthening competitiveness, starting export of its products, reducing the regulations regarding the JA to allow other corporations' entry to the market, and carrying out reforms of the JA system (NIRA 1981: 6-8). Furthermore, an advisory body of the Nakasone administration published a report, the so-called "Maekawa Report," in 1986. The report called for agricultural reform along with expansion of domestic demand, trade liberalization, and deregulation. It appealed the need for structural reform, market mechanism, increase in agricultural imports, and promotion of efficiency in Japanese agriculture.

Partly because of its deep attachment to clientelism, the LDP suffered a crushing defeat in the 1993 election, and a non-LDP government was formed for the first time in 38 years. The Hosokawa administration reformed the Public Office Election Act and introduced the SMD/PR system in 1994. Many scholars and intellectuals expected that the reform would lead to a fundamental change in Japanese politics, as the old SNTV system, which was considered a major cause of clientelism, was abolished. However, as Krauss and Pekkanen (2011) point out, factions and kōenkai within the LDP

did not cease to exist, and clientelistic politics continued. Furthermore, the former Tanaka faction (Heisei Kenkyūkai) kept on dominating the LDP throughout the 1990s taking advantage of its close ties with construction, agriculture, and postal service sectors.

This trend finally changed when Junichirō Koizumi from the Mori faction (Seiwakai) became prime minister in 2001. With his unprecedentedly high public popularity, Koizumi managed to defeat Ryutaro Hashimoto from the Heisei Kenkyūkai in the LDP presidential election. Koizumi's faction became the largest faction in the party in 2005 ending the longtime dominance by the Heisei Kenkyūkai. The Koizumi administration submitted the Postal Privatization Bill to the Diet in 2005 against adamant resistance from LDP postal zoku politicians. After revoking party membership of those "rebels" and winning a landslide victory in the 2005 election, Koizumi managed to pass the privatization bill. It made the pressure group of postal office managers (Taiju), which used to be the largest support base of the LDP, desist from supporting the party. In this sense, it was Koizumi's deliberate attack on the Heisei Kenkyūkai, as many postal zoku politicians belonged to the faction (Otake 2006: 86). The Koizumi administration also substantially cut back on government spending on construction works, and the party finally made a move away from clientelism.

The Koizumi administration established a council called the General Regulation Reform Meeting in 2001, and it contended the need for reforms in the JA system from a neo-liberal standpoint. The council pointed out the problems of the JA such as its chronic state of deficit except for financing business, and the heavy reliance on associate members, and it recommended promotion of private corporations' entry to agricultural business. The recommendations were similar to the content of today's reform plan; nonetheless, no actual measure was taken to reform the JA.

Two ideas functioned as driving forces of Koizumi's reforms. One was economic neo-liberalism, which encouraged him to reduce government involvement in the market and promote market competition. The other was the idea of "kantei shudō [prime minister-led]" politics,[14] which called

[14] "Kantei" literally means the official residence of prime minister. The idea of kantei shudō first

for strong leadership of the prime minister in a decision-making process while limiting the influence of factional leaders, zoku politicians, and bureaucrats.

These ideas also allowed Koizumi to substantially delegitimize the traditional clientelistic politics. He labeled those clientelistic politicians "resisting forces" and portrayed himself a true reformer serving the interest of the general public. His ideas and outstanding skill of public communication allowed him to win high approval rates and undermined legitimacy of clientelism while fostering public support for structural reforms. It certainly paved the way for further reforms like the ones proposed by the current government.

However, the subsequent administrations (Abe, Fukuda, and Asō) were short-lived and failed to exercise strong leadership unlike their predecessor. The party suffered from a major defeat in the 2009 election resulting in the party's loss of power to the DPJ. The DPJ government also established a council called the "Administrative Reform Meeting" which deliberated various topics including the JA reform. It proposed such measures as the introduction of audits by the government and public accountants, the removal of exemption from the anti-monopoly law, and the abolition of the associate member system. Though the DPJ carried out none of the recommendations, there were many overlaps between both parties' JA reform plans.

Finally, the victory in the 2012 election allowed the LDP to return to power, and the second Abe administration was formed. From the beginning, the idea of kantei shudō has been undoubtedly a critical element of the Abe administration as in the case of Koizumi (*Nikkei Shinbun*, December 26, 2012). Abe laid out the Abenomics policies including the JA reform plan as a part of its growth strategies. With their aspiration for establishing a leader-dominant party, Abe and his fellows in the administration are trying to reform the JA at the risk of losing farmers votes. A fundamental shift away from a clientelistic relationship with the JA was unavoidable in achieving their goals. In

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emerged in the late 1990s and led to a series of administrative reforms under the Hashimoto administration. Though this idea is not Koizumi's invention, he was the first prime minister to embody the ideal of kantei shudō in policymaking (Otake 2006).

particular, weakening the political power of the JA was critical in this regard; therefore, Abe prioritized a reform of the JA-Zenchū over other aspects of its JA reform plan.

Furthermore, Abe is still facing vehement resistance from some LDP members because they are influenced by a different vision for LDP party structure traditionally supported by some groups of LDP members. It explains the reason why a number of LDP MPs are still inclined towards clientelism even 20 years after the introduction of the SMD/PR system. That is to say, this disagreement within the party did not derive from the electoral system but from the historical development of the party.

Conclusion

This study demonstrated that the Abe administration's JA reform was not a direct result of the 1994 electoral reform but a part of an incremental change from a clientelistic party to a centralized party, which was rooted in LDP history since the time of its foundation. The ideational contention between two of the major LDP factions became the foundation for the JA reform today. The idea of party modernization introduced in 1955 shaped some LDP members' preferences and allowed them to form a coalition against clientelism. The idea of party modernization or PM-led politics undermined the legitimacy of the LDP's traditional decentralized clientelistic political style with the support of neo-liberalism inducing changes in policies in various sectors including agriculture.

This historical and ideational context also explains the diversity among LDP members. The diversity exists because their policy stances are not shaped solely by institutional factors such as electoral systems but also by historical and ideational factors. The idea of party modernization made some LDP MPs resist clientelism even during the time of the old electoral system with SNTV, and others are still committed to clientelism under the new electoral system. Also, it explains why the Abe administration prioritized the reform of the JA-Zenchū over other aspects and problems of the JA. The most important issue for Abe was to firmly establish a Westminster party system while

shifting away from clientelism; therefore, Abe chose to weaken the power of one of the most powerful "resisting forces" at the cost of other agendas in its JA reform plan.

Though Abe's JA reform plan seems to have been watered down to some degree, it is still a historical step toward a further shift away from clientelism. Once the JA-Zenchū's political power weakens after the initial reform, the JA cannot resist the pressure for reform as effectively as it did in the past. Though the JA managed to postpone the second reform in 2016 thanks partly to the young inexperienced leader, their resistance is unlikely to last for an extended period of time. It suggests that the government may be able to carry out a drastic change in agricultural policy such as liberalization of agricultural markets and promotion of private corporations' entry to agricultural business. Furthermore, Abe's success in reforming the JA may lead to further concentration of power within the party in the near future.

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