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Expansion of the Prime Minister’s Power in the Japanese Parliamentary System

Transformation of Japanese Politics and Institutional Reforms

ABSTRACT

This paper shows how a series of institutional reforms since 1994 have transformed the Japanese prime minister’s relationship with other actors in the Japanese parliamentary system and expanded his power. It further discloses that his power has grown even more since the formation of the second Abe administration in 2012.

KEYWORDS: Japan, prime minister, parliamentary system, National Security Council, political reform

INTRODUCTION

How has the power of the Japanese prime minister changed since the 1990s? This question has been a subject of intensive academic controversy in recent years.¹ Many argue that the Japanese prime minister has increased in

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strength in terms of disciplining his party, has come to have more discretion in making appointments, and now has a greater ability to formulate and coordinate policies.

Most researchers ascribe the increase in the prime minister’s leadership to the two political reforms carried out since the 1990s. These were the political reform of 1994 and the reorganization of the government agencies of 2001. The 1994 reform changed the electoral system from a single non-transferable vote system, also known as a medium-sized-constituencies system, to a system combining first-past-the-post and proportional representation. It also imposed stricter regulations on the collection of political funds while introducing a public subsidy system for the political parties. The administrative reform of 2001 expanded the authority of the prime minister, strengthened the Cabinet Secretariat, and created the Cabinet Office to support the prime minister’s policy formulation.

Taking into account the contributions of past research, this article analyzes comprehensively how the power of the Japanese prime minister as an office in the Japanese parliamentary system has grown from the 1990s through the reshuffling of the fourth Abe cabinet in 2018 and examines the implications of these changes for the nature of the Japanese parliamentary system.

I undertake this study because the current literature raises several challenges if we are to more deeply understand the nature of the Japanese prime minister’s power. The first challenge is empirical. Most of the work on the growth of the Japanese prime minister’s power derives its findings from the political developments up through the Koizumi administration, which was in power between 2001 and 2006. But we have witnessed new political developments since then. Namely, Prime Minister Shinzo Abe has remained in power for over six years since his comeback in 2012, and he has carried out several institutional reforms. Yet, the implications for the nature of the Japanese prime minister’s power of the political process under the second, third, and fourth Abe cabinets have not been thoroughly examined.3

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2. For arguments which attach importance to the series of institutional reforms since 1990s, see Estevez-Abe, “Japan’s Shift”; Machidori, Shushō Seiji no Seido Bunseki; Nakakita, Jiminto; Mulgan, Abe Administration; Shinoda, Koizumi Diplomacy; Shinoda, Contemporary Japanese Politics; Takenaka, Shushō Shihai.

3. The second, third, and fourth Abe cabinets were formed in December 2012, September 2014, and December 2017, respectively. I call the three cabinets together the second Abe administration.
Some studies find that under the second Abe administration the power of the prime minister expanded even further, as demonstrated by an increase in the number of policy councils and the introduction of new organizations such as the Cabinet Bureau of Personnel Affairs and the National Security Council (NSC). Yet, several questions can be addressed more extensively. The first question is whether the prime minister’s power has expanded under Abe relative to other administrations. The second is how the additional institutional reforms carried out under the second Abe administration, such as the civil service reform and the introduction of the NSC, affected the prime minister’s power vis-à-vis other political actors.

The second challenge is to more systematically analyze the prime minister’s power. It consists from two different elements. One is the political clout he holds in the ruling parties. The other is the set of powers he has within the government. Most of the previous studies address only one of these. And even those which take both into account have not located the position of the Japanese prime minister as an office in a parliamentary system and have not systematically examined how these changes affected the prime minister’s power over other political actors and organizations in the system from a single analytical perspective. To fully understand the evolution of the Japanese prime minister’s power, it is necessary to locate the Japanese prime minister as an office in a parliamentary system and analyze how the changes in the two elements of his power have transformed the prime minister’s relationship with other actors and organizations in the Japanese parliamentary system.

To locate the position of the prime minister as an office in a parliamentary system, this article provides an analytical perspective, relying on a principal–agent model. This perspective allows us to understand more deeply the gradual expansion of the Japanese prime minister’s power. Further, this approach will help us realize in what way the civil service reform of 2014 expanded the institutional power of the prime minister.

The third challenge is that there remains plenty of room for numerical data to show the increase in the prime minister’s power. Most researchers rely on episodes from the Koizumi administration as evidence for the expansion of the prime minister’s power. Certainly, some studies refer to items beyond  

the period of the Koizumi administration as evidence, such as the figures on ministerial appointments by the prime minister, the enhanced role of the politicians and bureaucrats close to the prime minister, and the increase in the number of councils in the government. Yet, it is possible to provide more diverse evidence. This article offers more materials, paying particular attention to the role of the Cabinet Secretariat, one major supporting institution of the prime minister.

So far, this article has stated its objectives. It proceeds as follows. The next section presents an analytical perspective to examine the evolution of the prime minister’s power in the Japanese parliamentary system. The third section reviews how various institutional reforms led to the expansion of the prime minister’s power up through the Koizumi administration.

The fourth section explores the changes in the prime minister’s power in recent years. It focuses on developments under the second Abe administration. It shows how the prime minister’s power in making ministerial appointments and formulating policies has expanded. It then demonstrates that the administration implemented two more reforms which expanded the role of the Cabinet Secretariat. It emphasizes how the civil service reform of 2014 changed the prime minister’s relationship with public officials. The last section addresses a possible counter-argument against the thesis of this article and discusses the implications of these changes for the nature of the Japanese parliamentary system.

**ANALYTICAL PERSPECTIVE**

To understand the increase in the Japanese prime minister’s power, a study by Kaare Strøm on the nature of the parliamentary system provides important insights. He argues that the parliamentary system is characterized by a chain of delegation among different sets of political actors. Each relationship can be perceived as one between a principal and an agent. The chain of delegation goes from the voters to the members of the assembly, then from

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legislators (MPs) to the prime minister (PM), from the prime minister to the ministers, and lastly from the ministers to public officials (Figure 1).

Strøm refers to two characteristics inherent in this delegation under parliamentary democracies. The first is indirectness. For example, the voters cannot control political offices, except the representatives. The second is singularity. Each principal employs only one agent or several non-competing agents, and each agent reports only to one principal.

He also argues that each principal is subject to agency problems, such as adverse selection and moral hazard. Adverse selection occurs when the principal chooses inappropriate agents. Moral hazard is the risk that the agent will not act in accordance with the interests of the principal. There are five ways to mitigate such problems: screening, selection, contract design, monitoring, and institutional checks. The first three are solutions ex ante, which a principal can use before hiring an agent. In screening, the principal examines the quality of possible candidates and chooses the appropriate one; in selection, agents offer their credentials to the principal to be chosen. And the principal can design a contract with the agent in such a way that the interests of the two actors match.

The last two are mitigations ex post facto, which the principal can use after hiring the agent. The principal can monitor the behavior of the agent to see whether the agent respects the principal’s interests. Or, the principal creates procedures through which the actions of the agent can be rejected or corrected.

When we analyze the prime minister’s power, it is important to examine it vis-à-vis other actors. Theoretically, a cabinet is collegial, and the prime minister cannot make decisions unilaterally. Yet, today, the prime minister

8. Ibid.: 62.
is at the center of policy formulation. He receives public attention and is often treated in the media as if he formulates policies. If the cabinet is successful in formulating some policies, normally, he receives the credit. If the cabinet fails, he usually receives the most blame.

Given such a political environment, it is sensible to assume that the prime minister wants as much control and discretion as possible in the process of policy formulation—in other words, that he wants to retain independence from his principals (the MPs), while maximizing control over his agents (the ministers).

Thus, in presenting an analytical perspective, this article pays particular attention to the prime minister’s relationships with the MPs as well as the ministers. It starts with his relationship with the politicians in the parliament.

It is possible to assume that the MPs rely on both ex ante and ex post mechanisms to control their agent, the prime minister. Projecting ex ante control, they can choose as prime minister the person who is likely to respect their interests. As means of ex post control, they can reject legislation proposed by the prime minister or even take a vote of no confidence to remove him/her.

Yet, what makes the prime minister distinct from other actors is that he has prerogatives to enhance his independence from his principals. MPs are of two kinds: the members of the majority parties, and the members of the opposition. What is important for the prime minister in managing the government is to retain independence from the members of the ruling parties.

In other words, in a parliamentary system, the cabinet led by the prime minister prepares most policy and legislation. To enact them, he needs the support of more than half of the MPs. He expects to obtain this support from the ruling party. If his position is weak within the ruling parties, he has to formulate policies in congruence with the demands of the members of the ruling parties. In the meantime, if he retains significant power among them, he can have more discretion in formulating policy.

Of course, diverse factors affect the prime minister’s power within the ruling parties. For example, the nature of the cabinet is important. In general, a prime minister in a single-party government has more power than the one

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in a coalition government. Even under a single-party government, which institution has the power to endorse candidates is crucial.\textsuperscript{11} When the right of endorsement belongs to local organizations, it weakens the prime minister’s position against backbenchers. When the party leadership retains this power, it increases the prime minister’s leverage.

In the Japanese parliamentary system, there are two important sources of power over backbenchers for the prime minister. One is the authority to endorse candidates in his party. The other is the privilege to distribute financial resources to the backbenchers.

Now, I turn to the relationship between the prime minister and his agents, the ministers. It is possible to assume that the prime minister wants control over the ministers in formulating and implementing policies. Among the five means he can use to avoid adverse selection and moral hazard, the most effective are probably screening and monitoring.

Control over his agents really comes from two different sources. One derives from his political clout as the head of a ruling party. If he has sufficient influence in his party, then he can have more discretion over the appointment of ministers. This means that he can conduct screening more effectively and can reflect his preference in choosing ministers. The second source relates to powers the prime minister holds in the government. They originate from legal rights, which the prime minister can rely on to formulate policies, and from the organizations and offices in the government which he can use.

Strøm takes it as a given that the prime minister entrusts much of policy formulation to the ministers. In his model, the prime minister does not formulate policies on his own. Strøm also emphasizes that delegation is indirect and singular and that “principals cannot bypass their agents.”\textsuperscript{12}

Yet, the degree of delegation to and control over other actors is a matter of institutional arrangements. It is probable that the prime minister is provided with a set of organizations which enable him to be less dependent on other actors and to have more control over policy formulation. For example, the


\textsuperscript{12} Strøm, “Parliamentary Democracy and Delegation”: 62.
prime minister can formulate policy on his own, using organizations and public officials who directly report to him. This will reduce the cost of monitoring his agents. Or, the prime minister can delegate formulation of important policies to a limited number of ministers. When many ministers are involved, the cost of monitoring rises. If the prime minister limits the number of ministers, he can reduce this cost. Further, it is possible to provide the prime minister with legal rights to increase his command over the bureaucracy under the ministers, although Strøm assumes that the bureaucracy is beyond the direct control of the prime minister.

The issue here is how to set the range of organizations and offices contributing to the prime minister’s power. For example, he can ask his ministers to formulate policies. This implies that the prime minister can indirectly make use of the organizations under the ministers. Yet, expanding the relevant organizations to include ones the prime minister can turn to indirectly makes it difficult to determine the range of organizations available to the prime minister. Thus, it is necessary to set some criteria. This article relies on legal stipulations. That is, it includes the organizations and offices which have clear legal authority to assist the prime minister’s policy formulation and coordination.

In the case of the Japanese prime minister, Article 26 of the Cabinet Law puts the prime minister in charge of the Cabinet Secretariat. Likewise, Article 6 of the Cabinet Office Law makes the prime minister the head of the Cabinet Office, which was established in 2001. Article 2 of the former Prime Minister’s Office Law also made the prime minister the head of the Prime Minister’s Office, which existed until 2001.

In the light of these provisions, we consider that the Cabinet Secretariat, the Prime Minister’s Office, and the Cabinet Office, as well as political offices and civil servants within these organizations, comprise the prime minister’s power. The important political offices in these organizations are the chief cabinet secretary and deputy chief cabinet secretaries, as well as Cabinet Office ministers.

**EVOLUTION OF THE JAPANESE PRIME MINISTER’S POWER**

**The Prime Minister under the “1955 System”**

With this analytical perspective, it becomes possible to understand how the prime minister’s power expanded in three sequences: the 1994 political
reform, the 2001 administrative reform, and the 2014 civil service reform. Most changes contributed to enhancing the prime minister’s power over his agents through screening, a means of *ex ante* control, and monitoring, a mechanism of *ex post* control. The 1994 reform not only expanded his influence over the backbenchers of the ruling parties, his principals—because it became more difficult for them to rely on vetoes, namely, to rebel against legislation proposed by the prime minister, to restrain the prime minister as an *ex post* mean of control—it also enhanced his influence over his ministers, his agents, as it had become possible for him to exercise more effective screening. The 2001 reform strengthened the Cabinet Secretariat, created the Cabinet Office, and introduced new political offices, the Cabinet Office ministers. This enabled the prime minister to delegate policy formulation to the Cabinet Office ministers and these organizations. And this has lowered the cost of monitoring his agents, as he can now delegate important policies to a smaller number of ministers and organizations. Then, the 2014 reform expanded the power of the prime minister over the senior officials of the ministries through screening.

To understand the evolution of the Japanese prime minister’s power, it is necessary to demonstrate how his power was curtailed before the reforms under the “1955 system”—a term used to characterize the party system as well as how the political process evolved between 1955 and 1993 in Japan.

Under the 1955 system, the prime minister could not have much independence from his principals, the backbenchers. The backbenchers kept a firm grip on the prime minister, so that the prime minister would not formulate policies violating their interests, as shown by the thick arrow from the MPs to the PM in Figure 2. In the meantime, the prime minister could not have strong control over his agents, the ministers, as demonstrated by the thinner arrow from the PM to the ministers. This was because the electoral system made the power of endorsement held by the party leadership insignificant, making the government controlled by the conservative Liberal Democratic Party (LDP) closer to a coalition government.
There were two reasons why the power of endorsement did not contribute to the prime minister’s power. Between 1947 and 1993, Japan used a single non-transferable vote system for the Lower House, in which several politicians were elected from each district. For the LDP to obtain majority in the Lower House, it had to run several candidates in each district. Therefore, the LDP candidates often competed among themselves. Endorsement by the LDP did not contribute to making distinctions among the LDP candidates. Further, since it was relatively easy to be elected as an independent, the LDP politicians did not have to be concerned about a possible withdrawal of their candidacy by the party leadership. Thus, the prime minister could not use the threat of withdrawing endorsement to discipline party politicians to secure support for his policies.

The electoral system also gave the factions in the LDP strong autonomy. As was widely known, a politician in the LDP who aspired to become an LDP president and thus a prime minister could form a faction which would support him in the LDP presidential elections. To increase the size of their faction, faction leaders recruited new politicians and had them run in different districts. Even if some factions should rebel against the prime minister, expelling those who rebelled from the LDP could not be a real threat because they had a good chance of being elected as independents. Thus, it was difficult for the prime minister to implement policies opposed by a faction.

As principals, the LDP backbenchers could rely on vetoes as valuable ex post mechanisms to restrain the prime minister. After selecting their agent, they could make their agent, the prime minister, respect their interests because they could veto his policies without much fear of penalty.

In the meantime, as a principal, the prime minister could not rely on screening as an effective tool of ex ante control over the ministers. Between 1955 and 1993 the LDP controlled both chambers of the Diet and formed a single-party government. But in practice, the LDP government was closer to a coalition government because of the factions’ strong autonomy. Each faction was virtually an independent political party.

The prime minister did not have much discretion in choosing ministers. To gain support from the factions he usually assigned them ministerial portfolios according to their relative size. In appointing ministers, he also had to respect recommendations from the factions. Thus, he had to delegate policy formulation to ministers he had not really chosen. And he did not have much power to discipline them, because the ministers (except those
from his own faction) remained more loyal to the faction bosses than to the prime minister.

To make things worse, the prime minister’s legal authority was limited. He had the right to convene cabinet meetings but not the power to propose policies. It was the ministers who proposed policies.

The prime minister had two supporting organizations, the Cabinet Secretariat and the Prime Minister’s Office. But these organizations were weak. A major responsibility of the Cabinet Secretariat was the “coordination” of policies, which involved various ministries. One major mission of the Prime Minister’s Office was also the “coordination of policies and businesses” of different ministries. The difference between the two offices with regard to coordination was not clear. In practice, the sections responsible for coordination in the two organizations were integrated, and the same public officials were concurrently assigned to the two sections.

Yet, since his control over his ministers was limited, the prime minister could not effectively use these organizations to coordinate policies. Thus, the ministries remained very autonomous.

**Growth of Prime Ministerial Power**

The 1955 system started to change with the 1994 reform, which replaced the single non-transferable vote system with a system combining plurality and proportional representation. This transformed the relationship between the prime minister and the backbenchers as well as the factions. As principals, the backbenchers’ control over the prime minister became weaker, as shown by the thinner arrow from the MPs to the PM in Figure 3. It became more difficult for the backbenchers to rely on the veto of cabinet legislation as *ex post* means to restrain the prime minister. The reform also changed the relationship between the prime minister and the ministers. The prime minister came to have a tighter control over the ministers by using an *ex ante* means of control, screening, more effectively, as shown by the thicker arrow from the PM to the ministers.

**FIGURE 3. After the 1994 Reform**

<table>
<thead>
<tr>
<th>Voters</th>
<th>MPs</th>
<th>PM</th>
<th>Ministers</th>
<th>Civil Service</th>
</tr>
</thead>
</table>

*SOURCE: By author.*
The reform made it no longer possible for political parties to run several candidates in a single district. As a result, the relationship between the prime minister and his principals, the backbenchers, changed, because it was more difficult to be elected as an independent. For backbenchers, it became vital to obtain endorsement from their party. And as the president of the ruling party, the prime minister had significant influence over who should receive endorsement.

Likewise, it was now impossible for the factions to freely let their members run for election. Now they had to ask the LDP president, who after 1994 was usually the prime minister, to endorse their members as candidates.

The reform also introduced new rules on political funds, making it much harder for the backbenchers and the factions to collect political funds. Political funds came to be concentrated in the political parties. Before, it was possible for the backbenchers and the factions to collect political contributions from firms. Since the reform (with a transitional period), firms can now make contributions only to the political parties. At the same time, it introduced a public subsidy system for the political parties. The backbenchers have become more dependent on the party leadership for financial resources. As the prime minister sits at the top of the party leadership, it is fair to assume that he can influence the distribution of political funds to the backbenchers.

Thus, the backbenchers’ *ex post* means to restrain the prime minister has become less effective. The cost of rebelling against the prime minister has increased enormously. As a result, the prime minister has more power in the ruling party and more independence from his principals.

Now, let’s turn to the prime minister’s power as principal over the ministers. First, the prime minister’s power in making ministerial appointments has expanded. It has become possible for the prime minister to rely on screening as a more effective way of *ex ante* control over his agents. This reflects the decline of political clout of the factions.

After the reform, there was a gradual erosion of the custom of distributing ministerial portfolios among the factions in proportion to their size. This became apparent when Keizo Obuchi, then the foreign minister, became the prime minister in 1998. When Prime Minister Obuchi formed his cabinet, he succeeded in appointing about half of the ministers. The increase in the prime minister’s power over these appointments became conspicuous when Koizumi Jun’ichiro, who had served as the minister of welfare as well as the minister of postal services in past administrations, became the prime minister
in 2001. He appointed all the ministers at his discretion, except the positions saved for the LDP politicians of the House of Councilors.

The administrative reform of 2001 expanded the prime minister’s power in policy formulation in terms of legal responsibilities. In addition, a major organization supporting the prime minister’s policy formulation, the Cabinet Secretariat, was assigned new authority to design policies and draft legislation. Further, a new organization and offices, the Cabinet Office and its ministers, were introduced to assist the prime minister.

With this reform, the prime minister could use monitoring as a more efficient mechanism of *ex post* control because the cost of monitoring was reduced. He could delegate formulation of important policies to a smaller number of politicians and organizations. Through this delegation, he, as a principal, could now more closely monitor his agents: the ministers, politicians, and public officials under his direct control. This new means of control is illustrated by the heavy arrow from the PM to the Cabinet Secretariat and Cabinet Office in Figure 4.

The Cabinet Law was revised in 1999 to give the prime minister the formal right to propose policies at cabinet meetings. This gave the prime minister the authority to formulate policies in which he was interested.

This revision also gave a new task to the Cabinet Secretariat: “planning, design and coordination with regard to the basic principles of the important policies of the cabinet” (Article 12, second clause). That is, the Cabinet Secretariat acquired the power to initiate policies and prepare legislation. Before the reform, as it was only permitted to coordinate among ministries, the preparation of a bill by the Cabinet Secretariat was rare.
The reform also introduced the Cabinet Office and its ministers, to support the prime minister. Note that the Cabinet Office ministers are under direct control of the prime minister. Under the Cabinet Office, bodies such as the Council on Economic and Fiscal Policy and the Council on Science and Technologies were established to design policies.

The effect of this reform became clear under the Koizumi cabinet.\(^\text{13}\) Prime Minister Koizumi made full use of the Council on Economic and Fiscal Policy to design key economic policies, such as the postal service privatization. He delegated much of the management of this council to the Cabinet Office minister for fiscal and economic policy. He also relied on the Cabinet Secretariat to draft important bills, such as the bills to deploy the Self-Defense Forces in 2001 to assist multinational forces fighting the “war on terror,” and to Iraq after the Iraq War.\(^\text{14}\) He also used the Cabinet Secretariat to prepare legislation for the postal service privatization, a policy he considered very important.

With the 2001 reform, it is fair to say that the Japanese political system had become distinct from the 1955 system. This article calls it the “2001 system” to emphasize this difference. Its distinctive features are the cabinet with the nature of a single-party government, a strong prime minister, and an electoral system combining first-past-the-post and proportional representation.

\section*{The Power of the Prime Minister and the Second Abe Administration}

\subsection*{Further Growth of Prime Ministerial Power}

After the Koizumi cabinet, the power of the Japanese prime minister grew even more in several aspects. First, the prime minister expanded the power of appointment. The LDP prime ministers continued to make ministerial appointments at their discretion and did not observe the custom of receiving and respecting recommendations from the factions. The power of appointment became even stronger under the second Abe administration, which had

\begin{footnotesize}
\begin{enumerate}
\item[\text{13}.] Takenaka, \textit{Shushō Shibai}.
\item[\text{14}.] For the role of the Cabinet Secretariat in legislating these bills, see Shinoda, \textit{Koizumi Diplomacy}.
\end{enumerate}
\end{footnotesize}
started in 2012. As a principal, Prime Minister Abe has more discretion in choosing ministers than former prime ministers did. The expansion of the prime minister’s power over advancement is demonstrated by the long tenure of the ministers. All the ministers who were appointed when the second Abe cabinet was formed in December 2012 served until September 2014. This is unprecedented in postwar Japanese history. And until the reshuffling of the third Abe cabinet, in August 2017, the three most important ministers, chief cabinet secretary, finance minister, and foreign minister, had not changed from the inauguration of the cabinet. For reference, the between the Koizumi cabinet and the Noda cabinet (the predecessor of the second Abe cabinet), the average tenure of these three ministers had been 427 days, 356 days, and 356 days, respectively.

The flip side of these phenomena is that it has become more difficult for politicians to become ministers, as demonstrated by Nakakita. Previously, most LDP politicians who had been elected at least six times to the Lower House were appointed ministers at least once. Nakakita calculates the ratio of LDP politicians who did not become ministers despite having been elected at least six times to the total number of LDP politicians who were elected at least six times. He computes this figure for every election year and finds that while it remained below 15% in the past, it had risen to 27.5% before the 2014 election.15

Following his lead, we collected data on the appointments for all cabinets after 2001. We calculated the ratio of politicians who had been elected at least six times and who had become ministers to the total number of LDP politicians who were elected at least six times. The result indicates the expansion of power in making ministerial appointments under the second Abe administration. Initially, the number was more than 90%; almost all LDP politicians could become ministers after having been elected six times. But it gradually declined, and under the Abe administration has fluctuated between 75% and 60% (Figure 5).

In addition, the prime minister’s capacity to formulate policies in the government kept growing after the 2001 reform. Since the reform there has been a continuous expansion in the number of civil servants in the Cabinet Secretariat (Figure 6). In 2000, before the reform, there were 822. In 2006, under the Koizumi administration, the number reached 1,438. Under the Abe

**Figure 5.** Politicians with Ministerial Experience

**Figure 6.** Politicians in the Cabinet Secretariat
administration it rapidly expanded, from 2,331 in 2012 to 2,971 in 2018. This is more than three times the figure before the reform, and twice the figure under the Koizumi administration.

Further, the number of sections under the cabinet affairs officer and the assistant deputy chief cabinet secretaries, which are important offices in the Cabinet Secretariat, has multiplied from 10 in 2001 to 39 in 2017 (Figure 7). These sections formulate and coordinate policies to which the cabinet attaches importance. This indicates the expansion of the role of the Cabinet Secretariat in policy formulation.

The organization of the Cabinet Office enlarged as well. The number of public servants working in the office increased from 2,412 in 2001 to 3,165 in 2017 (Figure 8). The businesses assigned to the Cabinet Office grew from 76 in 2001 to 100 in 2016. The number of organizations with committee structure under the office grew as well, from 26 to 41.

The number of committees chaired by the prime minister also grew dramatically, from 4 in 2001 to 23 in 2018 (Figure 9). Note that the Cabinet Secretariat serves as the secretariat for many of these committees (13 of them, as of 2018).
FIGURE 8. Officials in the Cabinet Office

- Official quotas
- Concurrent officials
- Total

FIGURE 9. Councils Set Up under the Cabinet
- Councils under the Cabinet
- Councils which the Cabinet Secretariat serves as the secretariat
Above all, the number of bills drafted by the Cabinet Secretariat soared (Figure 10). Before the reform, the Cabinet Secretariat seldom drafted bills—just eight of them between 1990 and 2000. Since the reform the Cabinet Secretariat prepares bills every year; it drafted more than 10 bills in 2005, as well as in 2012.

**More Reforms**

The second Abe administration introduced a third reform, in addition to the 1994 and 2001 reforms. This was the civil service reform of 2014, which created the Cabinet Bureau of Personnel Affairs. The reform contributed to extending the prime minister’s influence over the bureaucracy, in particular over high-ranking officials in the ministries. It enabled the prime minister to rely more on screening as an *ex ante* means of control over the bureaucracy.

Before the reform, the ministries had substantial autonomy in appointing high-ranking officials. Ministers could design personnel policies on their own. What they needed to do was to seek approval from the prime minister, chief cabinet secretary, and deputy chief cabinet secretaries for
FIGURE II. After the 2014 Reform

SOURCE: By author.

these appointments. The number of positions for which such approval was necessary was limited to 200 high-ranking positions above the director-general level in all ministries.

Now, the Bureau of Personnel Affairs of the Cabinet Secretariat makes a list of about 600 officials as candidates for the positions above deputy director-general level in the ministries. And each minister must consult with the prime minister and chief cabinet secretary before making appointments for those positions. The reform has made public officials more loyal to the prime minister. In other words, the prime minister can now bypass the ministers, who are the direct principals of the public officials, and can project more control over the public officials through screening. This is illustrated by the thick arrow from the PM to the Civil Service in Figure II.

In 2013, the second Abe administration further expanded the policy formulation capacity of the prime minister by introducing the NSC.16 This enhanced the prime minister’s ability to integrate foreign and security policy and increased his control over the foreign and defense ministers.

The 2001 reform gave the prime minister more effective coordination over domestic policies. Yet, the coordination of security policies between the Ministry of Foreign Affairs and the Ministry of Defense was not as efficient. The NSC addressed this weakness of the secretariat.

The NSC is the committee which has become responsible for coordinating foreign policy and security policy under the leadership of the prime minister. Before the NSC, there was a similar organization called the Security Council. But it focused on defense policy.

The second Abe cabinet succeeded in passing the bill to establish the NSC in 2013. The most important committee of the NSC is the Four Ministers Meeting, in which the prime minister, the chief cabinet secretary, the foreign minister, and the defense minister discuss “Japanese security policy which involves foreign policy and defense policy” several times a month.17 This meeting has become an effective venue in which to formulate and coordinate security policy.

The second Abe cabinet also created the National Security Secretariat (NSS) as the secretariat of the NSC within the Cabinet Secretariat. This new organization has made more effective coordination of security policy in the Cabinet Secretariat possible. Now the prime minister can more closely monitor the formulation of security policy by his agents, in particular the foreign minister and the defense minister, and public officials in the NSS.

Prime Minister Abe succeeded in introducing the NSC on his second attempt. He made the first try in his first administration. When he ran for LDP president in September 2006, he proposed to strengthen the coordination capabilities of the organizations supporting the prime minister in foreign and security policy by establishing an organization similar to the National Security Council of the United States. He intended to make communication between the governments of Japan and the United States on security policy more effective.18 The first Abe cabinet drafted a bill to introduce the NSC in 2007. The responsibilities and organization of the NSC of 2007 were very similar to those of the NSC established in 2013.

Traditionally, some ministries, in particular the Ministry of Foreign Affairs, opposed increases in the power of the Cabinet Secretariat in the field of external policy. For example, it resisted strongly in 1986 when the Nakasone cabinet introduced the Cabinet Councilors’ Office on External Affairs in the Cabinet Secretariat to enhance the coordination capability of the Cabinet Secretariat in external relations. It was concerned that the Cabinet Secretariat would take power from the ministry.

By the time the first Abe cabinet tried to introduce the NSC, in 2007, the power of the prime minister had grown, and the Ministry of Foreign Affairs did not resist strongly. The first Abe cabinet nonetheless met resistance from bureaucrats over the design of the new organization. The issue was the eligibility of the position of the head of the secretariat. The NSC of 2007 was to have a secretariat independent of the Cabinet Secretariat, whereas the current secretariat, the NSS, is a part of the Cabinet Secretariat.

In 2006, Prime Minister Abe set up a special council to discuss how to design the NSC. The council submitted a report in February 2007, which proposed to introduce the permanent position of national security advisor to the prime minister and an independent secretariat for the NSC. The report said that the national security advisor could concurrently serve as the head of the secretariat and that the prime minister could appoint a Diet member as his advisor. This meant that it would be possible for a politician to lead the secretariat.

The officials in the Cabinet Secretariat were concerned that a security advisor leading an independent secretariat of the NSC might compete with the chief cabinet secretary. Such a situation might undermine the power of the Cabinet Secretariat as well. In the process of drafting the legislation for the NSC, the officials in the Cabinet Secretariat weakened the position of the security advisor by leaving it to the prime minister to decide whether to fill the position and restricted eligibility for the position of head of the secretariat to bureaucrats. When Prime Minister Abe introduced the NSC in 2013, the eligibility remained the same as in the NSC proposed in 2007. More importantly, the NSS became a part of the Cabinet Secretariat and was put under the command of the chief cabinet secretary. This design is consistent with the interests of the officials in the Cabinet Secretariat, who wished to retain their power.

Prime Minister Abe’s Reliance on the Cabinet Secretariat

The second Abe administration makes full use of the Cabinet Secretariat to design important policies. It is possible to see a general pattern in how the Abe administration formulates policies. When Prime Minister Abe initiates a policy to which he attaches political significance, he appoints a minister

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responsible for the policy and sets up a special division in charge in the Cabinet Secretariat. In addition, he often creates a conference body to discuss the substance of the policy, with that special division as the secretariat.

At the onset of his second administration, Prime Minister Abe made a commitment to three economic policies, called the Three Arrows: “bold monetary policy,” “flexible fiscal policy,” and “growth strategy to promote private-sector investment.” To design the third arrow, he relied on the Cabinet Secretariat. He appointed Amari Akira minister for economic revitalization, responsible for the growth strategy. He also set up the Secretariat for the Revitalization of the Japanese Economy (SRJE) in the Cabinet Secretariat as a special section to design a set of policies for the growth strategy. For concrete policy deliberation, he created the Committee on Industrial Competitiveness. The SRJE served as its secretariat. The committee discussed a series of microeconomic policies and proposed the Strategy to Revitalize Japan 2013, the Strategy to Revitalize Japan 2014, and the Strategy to Revitalize Japan 2015, which included various important economic policies, such as corporate tax reduction and electricity market liberalization.

From the beginning of 2016, the second Abe administration put more weight on the formulation of social welfare and labor policies. One of those policies was the Human Resources Development Revolution, which Prime Minister Abe launched in June 2017 to boost spending on education and human resources development. In August 2017 he appointed Mogi Toshimitsu minister in charge of the Human Resources Development Revolution and set up a special division called the 100 Year Life Time Design Office as the section responsible for formulating concrete policies. In September he also set up the 100 Year Life Time Design Council, with that office as its secretariat. The office and the committee designed the details of policies such as the complete liberalization of childcare and education for children three to five years old.

The second Abe administration adopted the same style to formulate other important policies, such as Trans-Pacific Partnership negotiations and the policy to allow the government to exercise the right of collective defense under certain conditions.

**TOWARD A WESTMINSTER MODEL?**

This article has made a systematic analysis of the changes in the Japanese prime minister’s power and demonstrated how it has expanded since the
1990s. It has offered an analytical perspective with a principal–agent model to examine the evolution of the Japanese prime minister’s power, paying attention to the nature of the parliamentary system. The parliamentary system is characterized by a chain of delegation between different actors, causing agency problems. When the prime minister increases his power, he can mitigate these problems with his agents while enhancing his independence from the principals. In analyzing the changes in the prime minister’s power, this article has focused on various *ex ante* and *ex post* mechanisms of control which the principal can use over the agents.

The Japanese prime minister’s power has grown in five ways. First, due to the 1994 reform, the prime minister, as an agent of the members of the Diet, and in particular as an agent of politicians of the ruling parties, has become more and more independent.

Second, again thanks to the 1994 reform, the prime minister can rely more on screening as an *ex ante* mechanism of control, as he can now appoint ministers more according to his preferences. Third, as a result of the 2001 reform, he can put specific policies under his direct control by making the Cabinet Secretariat and some ministers responsible for formulating such policies. In other words, the prime minister can reduce the cost of *ex post* control, monitoring, by delegating important policies to the Cabinet Secretariat and a few ministers.

Fourth, with the 2014 civil service reform, the control of the prime minister now extends to the public officials who used to be his indirect agents. With more discretion in ministerial appointments, he now has tighter control over the ministries. Fifth, through the creation of the NSC in 2014, he has more influence over the formulation of security policy and two important agents, the foreign and defense ministers.

This analytical perspective, with a principal–agent model and focus on the different means of control, illuminates the precise process by which the prime minister has expanded his power. For example, careful attention to the *ex ante* and *ex post* mechanisms which the principal can use to control his agents helps us see the importance of the 2001 reform, as it lowered the prime minister’s cost of monitoring his agents by making it possible to delegate important policies to a few organizations and ministers.

We claim that with the first two of the three important reforms, the political reform of 1994 and the administrative reform of 2001, the Japanese political system became a “2001 system,” characterized by a prime minister
with more power. We also emphasize that the second Abe administration is politically important in that the prime minister’s power expanded even further under this administration, both in the ruling party (the LDP) and in the government, when compared with past administrations.

To the contention that the power of the Japanese prime minister has expanded, we can expect an important challenge to be raised. This is to refer to the recurrence of briefly tenured prime ministers between 2006 and 2012.\(^20\) This observation has important implications for the nature of the Japanese political system. Thus, it is necessary to evaluate its validity.

Two factors are behind this phenomenon. One is the issue of management. The purchase of a great set of pots does not make you a good cook. You need skill as well. Effective institutions do not enable all prime ministers to manage their administrations effectively. Two administrations, the first Abe cabinet and the Hatoyama cabinet, could stay in power only briefly because of poor management by the prime minister. Prime Minister Abe did not effectively screen ministerial candidates, and he formulated too many policies, which were often contradictory, in a short period of time. Prime Minister Hatoyama undermined the relationship between Japan and the United States over the issue of relocating the Futenma Airfield.

There is a second, more important factor. It is the Japanese version of divided government, as we have explained elsewhere.\(^21\) For most of the period from 2006 to 2012, the opposition dominated the House of Councilors, which made it very difficult for the prime minister to manage the administration. The Fukuda, Aso, Kan, and Noda cabinets all suffered from divided governments and had a hard time legislating bills. For example, Prime Minister Noda had to accept the LDP’s demand to dissolve the Lower House in return for passing a bill to increase the consumption tax rate.

The repetition of briefly tenured prime ministers because of divided governments shows that although the prime minister’s power has expanded, the House of Councilors is his Achilles heel. This has important implications for the nature of the current Japanese political system. As the result of a series of

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reforms, the Japanese parliamentary system has shifted closer to a Westminster model. Yet, the House of Councilors makes the Japanese system still distinct from the Westminster model, as it is much stronger than the second chamber assumed under that model.

The Japanese political system also stands apart from the Westminster model in one other aspect. That is the overall relationship between the executive and the legislature. The power of the cabinet over the legislative organization, as well as parliamentary business and legislation, is much more limited in Japan than in the Westminster model. How that constrains the Japanese prime minister remains to be explored by future research.