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Interest Groups, Electoral and Party Systems:
Chaebol in Korea and Agriculture in Japan

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ABSTRACT

This paper examines the relationship between interest groups and electoral/party systems. We argue that interest group behavior is sophisticated in that they shape their strategies in response to the political strategies of the politicians they seek to influence. In short, contrary to the dominant interpretation of interest group behavior, we argue that their behavior is endogenous. We analyze electoral reform in Japan and party reform in Korea to demonstrate the endogeneity of interest groups' strategy. The creation of a new party in Korea after the Democratic Justice Party's loss of the 13th National Assembly Election was, we show, in part, the result of the Chaebol's lobbying to create a stable one party dominant system. The proposed electoral reforms in Japan were defeated by agricultural interests in order to preserve their present status and the status quo in agricultural policy.

In the study of politics, the actions of interest groups are usually studied independently of the actions of parties. The result is two relatively distinct literatures. Substantive studies of interest groups generate books and articles on trade unions, chambers of commerce, and farm lobbies; those of political parties, monographs on campaigns, voting, and elections.¹ The two forms of representation receive distinctive theoretical treatment as well. In the contemporary literature on rational choice, for example, the behavior of interest groups is analyzed in terms of public goods; that of elections, in terms of spatial analysis.²

The core argument of this paper is that the two forms of representation must be studied together.

In common with others, we believe interest groups to be purposive actors: they seek to influence the conduct of politicians so as to advance their interests. In distinction from many others, however, we also believe them to be sophisticated. We believe that they shape their choice of strategies in response to the political strategies of the politicians whose behavior they seek to influence.³ Adding this element of sophistication to the assumption of

¹ Only in the treatments of group voting and campaign contributions do the two topics commonly join. See, for example, studies of the former by Robert Axelrod, "Where the Votes Come From: An Analysis of Electoral Coalitions, 1952-1968," American Political Science Review, 66 (March 1972):11-20 and Norman H. Nie, Sidney Verba, and John R. Petrocik, The Changing American Voter (Cambridge, Mass.: Harvard University Press, 1976) and studies of the latter by Gary Jacobson and Samuel Kernell, Strategy and Choice in Congressional Elections (New Haven and London: Yale University Press, 1981).

² See, for example, Mancur Olson, The Logic of Collective Action (Cambridge, Mass.: Harvard University Press, 1965) and Peter Ordeshook, Game Theory and Political Theory (Cambridge: Cambridge University Press, 1986).

³ The most notable treatments of sophistication in group representation would be Bauer, Poo! and Dexter, American Business and Public Policy (New York: Atherton Press, 1963) and Gary

rationality requires, we feel, a transformation in the way in which interests should be analyzed.

The capacity for sophistication makes the behavior of interest groups endogenous. Most discussions of representation view interest groups as demanding policies and politicians as responding to their demands. Interest groups are thought of as exerting "pressure" and it is their "inputs" that generate policy "outputs" from the political system.⁴ But insofar as interest groups are sophisticated, then the causal arrows must also run in the opposite direction; for their strategies are shaped by the anticipated response of the politicians. Their behavior is thus endogenous.

A second implication follows: If in rationally allocating their scarce resources, interest groups behave sophisticatedly, then an account of the behavior of interest groups must take into account the factors that shape the behavior of politicians. The study of interest groups must therefore be based at least in part on an analysis of the electoral system.

An example:

To illustrate the interdependence between electoral rules, party systems, and interest groups, consider two countries of the same demographic and economic composition. Each is inhabited by 100 million people, 40 million of whom are, say, farmers. Let each country adopt a different

Jacobson, "The Effects of Campaign Spending on Congressional Elections," American Political Science Review 72 (1978):480-85.

⁴ See David Easton. A Systems Analysis of Political Life (New York: John Wiley and Sons, 1967).

electoral system. One chooses an electoral system with the following characteristics:

1. The country is divided into districts with equal populations.
2. A single member, plurality winner system of voting.
3. Choice of candidate by primary elections.

And the second adopts the following electoral system:

1. No district division; election is nationwide.
2. Proportional representation.
3. Election by the list system. That is, party leaders alone chose the likelihood of election by determining their place on the party list.
4. The executive branch is chosen by Parliament.

Given that the countries possess identical social and economic characteristics, the same interests will seek representation. The question is: how? The answer is: as a function of the electoral system.

Consider, for example, the case of agriculture. In the first country, based upon single member plurality voting with primaries, effective electoral organization will of necessity be at the local level; politicians will compete for office by building a personal following. If Duverge's law applies and competition for office yields two competing political parties, then agriculture could control the legislature if it controlled recruitment in over 50% of the districts. Assuming 100 districts of equal size (i.e. of 1 million voters each), then if the rural population were spread in any combination ranging from 800,000 members in each of 50 districts to 500,001 members (i.e. a bare majority) in each of 80, farmers could dominate the legislature and control the making of public policy. Distributions falling outside that range would fail to yield control over the legislature and farmers would then be compelled

to seek influence by lobbying rather than by forming a political party.⁵ To maximize their influence in the legislature, farmers would seek support among representatives from both parties. They would therefore pursue non-partisan strategies, concentrating at the local level in an effort to augment the electoral fortunes of candidates who were prepared to act as friends of agriculture. In addition, they would operate as policy advocates, with little need for disciplined organizations.

In the second country, which has adopted plurality voting, interests are far more likely to pursue partisan strategies. It makes sense for them to organize parties under a far wider range of circumstances; with 40% of the votes, agriculture is assured of 40% of the seats regardless of how its membership is distributed across districts, and a bloc that size would have substantial influence over the making of governments. Secondly, it makes sense for interests to centralize. As party leaders control the re-election chances of individual politicians, the expected return to expenditures on lobbying is higher for resources spent at the national level than it is for resources spent in the individual districts. And as parties jockey to form cabinets and thereby control governments, interests have to make binding commitments and negotiate compromises in order to secure power; they therefore need to form disciplined organizations.

A prima facie case can therefore be made for a connection between interest group activity, electoral systems, and party systems. The strategy, tactics, and organization of interests are in part determined by the way in which the electoral system shapes competition for office.

See Rae and Taylor, The Analysis of Political Cleavages.

Political scientists have long stressed the different character of interest groups in different systems. Schmitter, for example, underscores the significance of centralized corporatist forms of interest organization in European countries.⁶ Schmitter also denigrates the significance of mass electoral behavior as a determinant of public policy and the applicability of rational models of politics. Our argument, however, would stress that the forms of interest representation he highlights are shaped by the electoral system and represent rational responses to it. They represent ways of maximizing influence under conditions of proportional representation and within governments formed by coalitions in Parliament.

While there is no body of work which specifically deals with interest group behavior under different electoral party systems, some Political Scientists have tried to deal with the effects of Proportional Representation (PR) and constituency size on policy stability. Hermens argued that PR destabilized policy and Down's classic work enhanced that view by his proof that in plurality systems the Hotelling principle held. That is, in a plurality system the major parties converge on the median voter.⁷ Hermens argument was based on the contention that PR weakened democratic government because it immobilized their choice of policy. Plurality systems because of the vote-seats ratio allowed plurality governments to change policy more readily. Other scholars (Brenan) have claimed the opposite, arguing that plurality systems must be blamed for extreme swings in policy which are

⁶ Schmitter, "Comparative Politics and Rational Choice." Seminar, Stanford University, 1990.

⁷F.A. Hermens, Democracy or Anarchy? A Study of Proportional Representation. 1941, The Review of Politics; Anthony Downs, An Economic Theory of Democracy; 1957; New York.

destabilizing.⁸ More recently, Rogawski (1987) has tried to deal with the effects of PR and constituency size on trade policy showing that PR countries were more reliant on trade than non PR countries.⁹ Logically the only result that seems clear is that under the plurality system a given amount of change in voter's preferences will translate into a larger change in legislative seats and possibly into policy change, than will a PR system.

In regard to our claim that electoral/party institutions affect the behavior of interest groups the following claims can be made about large constituencies and PR, plurality electoral institutions. First, large constituencies reduce the effect of locally powerful groups. If wheat farmers dominate twenty small U.S. type districts, one can be sure that their voice will be heard. In a large national constituency, wheat farmers will have a lesser effect. Second, large constituencies combined with P.R. minimize accidental swings by increasing the accuracy and stability of electoral results. Our claim is that interest groups behaving rationally will maximize their influence differently under various combinations of constituency size and plurality -- PR electoral systems. Moreover, the type of electoral system will constrain the interest group's influence.

If we take labor unions as an example, our argument would be that in a PR system they would tend on average to have more influence. Their influence is enhanced by the fact that in a large constituency PR system their strength will be accurately translated into seats in the Parliament whereas, under a plurality single member system they will be concentrated in a few regions and thus waste votes by electing a few members with huge margins.

⁸Gerald Brertart, The Spanish Labyrinth; 1950, Cambridge.

⁹Ronald Rogawski, War, Trade and Domestic Politics in Advanced Economies, 1986, American Political Science Association.

In PR systems labor will frequently have their own party in the governing coalition and have an opportunity to pass legislation to among other things keep union membership high. In order to test this notion we took 20 OECD countries' percent of unionized workers and correlated this with a dummy variable for PR where 1 was PR and 0 was plurality. The result was a serial point correlation of .62. Regressing percent union on the PR variable explained 35 percent of the variance and a t test significant at the .001 level. The four lowest countries in terms of percent union were Canada (31.2 percent), Japan (31.0), France (28.2) and the U.S. with 24.5 percent. The six highest countries, Sweden, Israel, Ireland, Finland, Belgium and Denmark, all had 70 percent or higher unionized work forces. We recognize that correlations are not causation and other variables clearly affect union membership. The point is that this result is compatible with an interpretation that claims that the forms of interest representation are shaped by the electoral system and represent rational responses to it.

To further illustrate our argument, we now turn to two case studies. Drawing on the politics of Korea and Japan, both highlight the powerful connections between the electoral system, the party system, and the political conduct of interests. So highly inter-connected are these factors, the studies show, that interest groups take the party system (in the case of Korea) and electoral system (in the case of Japan) as objects of political action.

Korea

As is well known,¹⁰ in the early 1960s, an alliance formed between Park Chung, president of Korea, and the Chaebol, the large, private corporations. From this alliance, Park Chung received financial contributions for politicians whose political loyalty he sought to purchase and for the party that kept him in power. He also secured a record of economic growth sufficient to win a mass following. The Chaebol received in return a favorable exchange rate, a low rate of inflation, and subsidies sufficient to enable them to export at a profit. They also secured a governmental structure that enabled them to plan and invest in long term corporate strategies. The alliance was consummated when the Korean Businessman's Association submitted a plan identifying 14 key industrial plants -- cement, steel, wire cable, etc. -- in which they would invest if supportive policies would be promulgated by the government. The government provided loans, credits, and subsidies; it also strengthened the Economic Planning Board, which targeted and coordinated the flow of private resources and favorable bureaucratic decisions toward priority firms. Park Chung thus forged an alliance between industry, the bureaucracy, and the governing party. The alliance survived his own demise and was perpetuated under succeeding governments, all organized by the ruling Democratic Justice Party (DJP).

Since the beginning of the Fourth Republic (1972-1980), the DJP and its associated Chaebol interests have maintained in place an electoral system that

10 Stephan Haggard, Pathways from the Periphery (Ithaca: Cornell University Press, 1990); Stephan Haggard, Richard Cooper, and Chung-in Moon, "Policy Reform in Korea," in Political and Economic Interactions in Economic Policy Reform: Evidence from Eight Countries (Oxford: Basil Blackwell, forthcoming).

11 For alternative treatments, see Robert Wade, Governing the Market (Princeton: Princeton University Press, 1990) and Alice Amsden, Asia's Next Giant: South Korea and Late Industrialization (New York: Oxford University Press, 1989).

secured their position of power. An illustration is provided by the elections to the 12th National Assembly in 1985. In that election, the DJP won only 35.3 percent of the popular vote, but captured 53.6 percent of the seats in the National Assembly.

Table 1 about here

The electoral system that created this distortion was made up of two parts. It divided the seats for the assembly into two kinds. The first, called direct constituency seats, were composed of two-member districts; even though only 61 DJP candidates out of 92 finished first in their respective constituencies, the two-member district system allowed the DJP to send 87 of their candidates to the National Assembly, because 26 second place finishers were also elected. Secondly, the system contained so-called national constituency seats; the electoral prospects of candidates running in the national constituency depended on the electoral performance of their party and on their rank in the party list. It should be noted that the two-member district system by itself could not make the DJP a majority party; it won only 87 out of 184 direct constituency seats. It was the second part of the electoral system that proved decisive. The formula for distributing 92 national constituency seats awarded two-thirds (61) of them to the party that won the largest number of seats in the direct constituency. The remaining one-third (31) were divided among the parties, excluding the plurality party, that had won at least 5 direct constituency seats in accordance with their relative share of the direct constituency seats. Thus the DJP was able to capture 61 national constituency seats, creating a working majority of 148 (53.6 seats) in the National Assembly.

Throughout the 1980s, political movements arose in Korea demanding electoral reform. They demanded direct elections of the President; in part, by endorsing the cause of reform, the DJP won the Presidential election and placed its candidate, Roh Tae Woo, in office. They also demanded a reform of the electoral system, one that kept a minority, business-dominated party in power. In a series of protracted negotiations, the DJP was compelled to alter the electoral law. Double member districts were eliminated and replaced by 224 single member districts; with 75 list seats distributed by percent of vote received if one party had a majority. In the case of a plurality party, that party received 38 of the 75 seats. The electoral result was an inability to convert a minority share of votes into a majority share of seats in Parliament.

The electoral returns are summarized in Table 2. Nationwide, the DJP's share of the popular vote in the 13th National Assembly election was 34.0 percent, down by 2.6 percent from the 36.6 percent it captured in the presidential election of 1987. With 34.0 percent of the popular vote, the DJP won 38.8 percent (87 out of 224) of direct constituency seats, resulting in a relatively small distortion in the seat-to-vote relationship. This outcome was a stunning blow to the DJP whose official goal was "modestly" set at 55 percent of the direct constituency seats (Tong'a Ilbo, March 13, 1988). Instead, the leaders of the DJP were faced with the problem of divided government; while, through Roh Tae Woo, they controlled the executive branch, they held but a minority of seats in the Assembly.

The National Assembly was dominated by three opposition parties: the Reunification Democratic Party (RDP), led by Kim Young Sam; the party for Peace and Democracy (PDP), led by Kim Dae Jung; and the New Democratic Republican Party (NRDP), led by Kim Jong Pil. At least two of these parties - the PDP and NRDP -- possessed highly concentrated support in the Eastern

regions of the country, where the DJP had historically been weak. (See Figure 1).

One result of divided government was increased spending. From 1988 to 1990, the projects section of the budget went from 5.9 percent to 24.7 percent (Korea Business World, October, 1990), reflecting the desire of the new majority for projects going to regions where they had strength. Even though defense outlays decreased from 16.6 percent to 10.6 percent, the total budget increased in 1989 and 1990 averaged over 15 percent per year.

The new majority also favored labor more than had the DJP. The annual wage negotiations rounds in 1989 and 1990 resulted in huge increases for Korean workers -- over 20 percent in each year. Besides major wage increases, unions also sought formal negotiations for official recognition and board seats as in Europe. Union strikes increased dramatically. Spring walkouts at Hyundai Heavy Industries, Lucky Goldstar and Pohang Iron and Steel provide prominent examples.

The middle class was not excluded from changed policies, and a consumer boom ensued. Car sales in 1989 were at 766,000, up 35 percent over the previous year; and sales of 1.1 million were projected for 1990. The increased traffic in Seoul and the concomitant pollution spawned a fledgling green movement among the wealthiest 20 percent. The combination of rapid wage rises and high consumer demand came at a time when the United States, Japan and the European Community were pressuring Korea into raising the Won and loosening trade restrictions.

Thus far we have argued that large-scale business had in the 1970s formed a political system that favored its interests. Exploiting an electoral system that enabled a minority of voters to rule, it employed the DJP to shape a policy and bureaucratic environment favorable to its interests. In the 1970s,

however, reform in the electoral system threatened its control over policy making institutions. The resultant period of divided government brought in the eyes of business disarray and chaos to the Korean economy. Chaebol leaders and business organizations were unable to affect the policies of the PPD, RDP and NRDP.

The response of the business was immediate: Through Rho Tae Woo, the leader of the DJP, they sought a reform in the party system. In effect, they sought to create in Korea a unified party, in which the collaborating groups -- the DJP, RDP, and NRDP -- would constitute factions. Its name would be the Democratic Liberal Party (DLP) and its creation ended the period of divided government.

Divided government, particularly one in which Kim Dae Jung played a major role in establishing policy, had proved unacceptable to the Chaebol. They therefore lobbied for the creation of a grand party along the lines of the LDP in Japan to bring stability to the business-government relationship. The "hardest sell" was Kim Young Sam of RDP; he was persuaded to join by offering him the position of Prime Minister, reminding him that he could never make it to the top in a system containing four parties. As stated by one columnist: "The man has dreamed of being president ever since he was in high school, and he sees the clock running down. Probably, he concluded that he would never get anywhere under the four-party arrangement, and decided to make a try for prime minister under a cabinet system." (Korea Business World, March 1990, 29). While Chaebol leaders will not say they engineered the new coalition party, insiders such as Mr. Suh have indicated to us that they favored the solution as early as March of 1989 and that by June of 1989 President Rho broached the topic to Kim Young Sam. To sweeten the deal,

the Chaebol increased the contributions to the Kim faction; Kim himself has led DLP in the Assembly to passage of policies that favor Chaebol interests.

The immediate impact of the creation of the DLP in January 1990 was a change in public policy. In February of 1990, Lee Seyung-yun, speaking for a six person DLP task force on the economy, came out for lower wage increases, increases in military spending, and greater spending on electronics. Moreover, the government plans to increase expenditures for basic research and development subsidies to Chaebol by 12 to 35 percent (Korea Business World, March 1990). The new DLP government also proposed extending the scope of emergency financial aid to include big conglomerates experiencing financial difficulties. In July of 1990, the National Assembly passed these measures, an action branded by Kim Dae Jung as "a rebellion of the rich who were threatened by reform laws which had been agreed upon to improve the distribution of wealth." (Tong 'a Ilbo, July 6, 1990).

In much of the standard literature, the analysis of interest groups stands independent of the analysis of the electoral and party system. The case of Korea shows the limitation of this approach. We have argued that interests are sophisticated. They therefore do not simply make demands, but rather shape their organization and strategies in response to the anticipated response of politicians. An important determinant of the behavior of interest groups, therefore, is the electoral system; for it shapes the behavior of politicians. The Korean case underscores the power of our argument. In Korea, business, recognizing the importance of the electoral system as a determinant of the choices of government, did not merely assert its policy claims. Rather than articulating its demands before politicians, it instead altered the rules that shaped their behavior.

JAPAN

The Liberal Democratic Party (LDP) constitutes the governing party in Japan. Like the DJP in Korea, the party, backed by large corporate groups (the Zaibatsu), presided over the import substitution phase of Japanese economic development. Zaibatsu contributions to leaders of LDP factions assured policies compatible with Zaibatsu interests; under LDP governments, the bureaucracy, and especially MITI and the Ministry of Finance, coordinated corporate activities, set interest rates, fixed exchange rates, and prohibited foreign products from entering Japan.

The very success of the Japanese economy, especially during the transition to export substitution, generated new interest groups. The LDP's response was to broaden its coalition. As a consequence, the LDP's coalition became "full:" it included big business and small, agriculture, some unions, doctors, lawyers and other professionals, services, and construction. As will be seen, an important implication of the LDP's status as a catch-all party was an inability to react quickly to pressures for change. For any switch from the status quo was liable to generate zero-sum, redistributive struggles within its ranks, requiring protracted negotiations within the party.

Another implication is that the party was governed by factions. As argued above, in nations that use proportional representation, interests form parties that then coalesce to form governments. In Japan, by contrast, the interests have coalesced within one, major catch-all party, the LDP, which forms the government. The party thus consists of what in other systems would be multiple parties.

The resultant factional structure of the LDP is stabilized by the electoral system. For purposes of this argument, the electoral law possesses two important characteristics.¹² The law stipulates, with few exceptions, 3-5 member districts for the House of Representatives, the more important lower house. Secondly, under this law, votes cannot be transferred among the candidates from the same party (single non-transferable vote). Because the House consists of more than 500 delegates and the total number of electoral districts is 130, the electoral system requires the LDP to nominate two or more candidates in each electoral district in order to win a majority in the House.

There is, of course, but a fixed number of LDP votes in the elections and this fact creates complex incentives. Given the fixed pool of votes, the LDP must limit the number of candidates in each district in order to maximize its representation in the Diet. Since LDP candidates compete for the same pool of conservative voters, the party would be placed in a difficult position were it to back the campaigns of particular candidates. The candidates are thus better off affiliating with an LDP faction for financial support and campaign expertise. Individual LDP candidates seek to maximize their personal vote; but this places them in competition not only against candidates from the Socialist and Clean Government Party but also against other candidates from the LDP. And lastly, there is competition among the factions, as each seeks to secure their share of candidates in the LDP list and to maximize her chances for reelection. The result is a complex, mixed motive game within the party, in which each player seeks to maximize her share of

12 The following paragraph is taken from David Brady and Mark Ishimatsu, "SNTV and the Representation of Business in Japan," Graduate School of Business Case Study, Stanford University, 1986.

the fixed resource but also benefits from limitations on the sum total of all claims.

The system produces a strong bias in favor of candidates with close ties to factions. Candidates depend upon the faction for a place on the party list and for the money with which to compete for their share of the LDP votes. Courting a personal vote entails high expenditures; candidates are expected to give gifts to local politicians, provide funding for local sports clubs, give parties for constituents, and so forth. It is the interest groups that provide the money for the building of such personal constituencies. The pattern of the exchange is clear: interests give money and votes to leaders of factions within the LDP who in turn give money to the faction's members; and the factions then unite into a governing party, passing programs and constructing a governmental bureaucracy that favors the interests. And because of the delicately negotiated balance of claims characteristic of the system, the LDP is slow to respond to demands for policy change.

This system proved stable until shocked by the need to engage in redistribution among the interests encompassed by the LDP. The issue of agriculture initiated such a redistributive struggle. For purposes of this paper, the most notable characteristic of this struggle was that it took the form of a fight over the law governing elections.

One of Japan's most serious problems is the cost of housing. The rise in price of land in Japan particularly Tokyo, has put reasonable priced housing outside the reach of the younger Japanese middle class. Two possible solutions to the housing problem would be to buy farm land and convert it to urban housing or to build up (high-rises). In Japan, both solutions are hard to implement, given the nature of the LDP's coalition. Japanese agriculture policy is extremely protectionist; Japanese consumers pay from 4 to 10 times

the world price for rice, citrus and beef. Consumers would be much better off if the farms around Tokyo could be converted to urban housing and food stuffs imported from abroad. Why doesn't this occur? In large part because agricultural districts are overrepresented in the Japanese Diet and even more overrepresented within the LDP. Any attempts to liberalize Japanese agricultural import policy meets with strong resistance from agricultural interests which are important to members of the LDP's coalition.

A second strategy to make consumers better off would be to build high rise apartment buildings. The major drawback to such policies is the nature of the exchange relationship between small business and the LDP. The mom and pop stores in Tokyo are owned by the proprietors and real estate developers thus must put together hundreds of such individuals in order to build even a single high rise apartment building. Moreover the highest taxes in Japan, about 90 percent, are placed on real estate developers. These arrangements were part of the price that Prime Minister Tanaka and the LDP paid in the mid 1970's to keep small business in the LDP fold. The fledgling consumer movement of the late 1970s has been more active in recent years and there is growing unrest among the new middle mass regarding housing costs. The LDP can not satisfy the housing demand without sacrificing some part of its coalitions -- either agriculture or small business in this case.

In May 1991, Prime Minister Kaifu proposed a series of electoral reforms. Among other measures, he sought to change the 512 multi-seat constituencies into 300 single member constituencies, coupled with 171 to be contested by party lists, and to limit the range of the inter-district ratio in the number of members to 2 to 1; at present it ranges as high as 8 to 1 and averages 3 to 1. Limiting the inter-district ratio would have shifted power away from agriculture and toward consumers and prospective home buyers.

Converting multi-member districts to single member districts and changing the single non-transferable vote to a party list system would have strengthened the central party while weakening the power of factions.

Why would the LDP leader have made such a proposal?

Considerations of economic policy provided one set of reasons. Japan's economic policy options were constrained by the need to cater to agricultural interests; this was true in both foreign trade negotiations and in attempts to expand domestic consumer markets. Political considerations provided another. Prime Minister Kaifu belonged to the smallest LDP faction (Koito, with 31 members). His chief rivals -- Abe, Miyazawa, Nakasone, and Takeshita -- constituted leaders of large, rival factions. Each had been forced to yield political power in response to scandals that had weakened the electoral appeal of the party. Kaifu therefore instituted reforms that would weaken the factional bases of his rivals -- bases that controlled the allocation of money from the dominant interests.

Debates over the reform of the electoral system were dominated by the politicians; the outcome was determined by the intervention of interest groups.

Miyazawa and Watanabe joined together to oppose the reforms because they knew passage would hurt their chances to be Prime Minister while aiding Kaifu; however, public support for reform kept the proposal alive. The Takeshita faction was divided, with Mr. Kanemura determined to use the reform package to place himself at the top of the Takeshita faction. Kaifu called for an extraordinary session of the Diet in August to consider his proposals, thus keeping pressure on his opponents by keeping the package in the public eye. On June 29 the LDP approved the three reform bills after a heated debate featuring factional maneuvering. On July 10 the party's

executive council approved the reform package, again after intense factional maneuvering.

Before being submitted for enactment into law, the LDP's proposal was first submitted to a subcommittee of the Election System Council, whose task was to rewrite the proposal so as to ensure fairness to both voters and parties. Agricultural interests actively lobbied the Council, both directly and through all the political parties. Agricultural Dietmen, not only from the LDP but also from the Japanese Socialist Party and Clean Government Party, lobbied the Council to restore cuts in their representation. The result of this lobbying was the production of a reform plan only slightly less mal-apportioned than the former system. The Council's version increased agriculture's advantage by exceeding the 2 to 1 ratio in an additional 27 districts, assuring agriculture's ability to block changes in housing and consumer policies that would harm their interests. With the release of the pro-agricultural plan editorial writers across Japan expressed disapproval. The July 1 Japan Times editorial opined, "Reform measures that don't reform . . . The [Council] redrawing fell far short of meeting public expectations. In so doing, the Council bent the basic principle that the difference in voter population between [constituencies] should be less than 2 to 1. The Council has failed to ensure 'equality in the value of a vote/ which has been outrageously violated under the present electoral system." This spate of criticism across Japan ended the reform movement, sunk Kaifu as Prime Minister and returned politics to normal.

The proposed electoral reforms in Japan would have shifted the power of interests in the LDP from rural and agricultural toward urban and consumer interests. The ability of agricultural interests to use LDP factions and oppositional parties to redraw district lines so as to maintain their

influence over policy shows that interest groups are cognizant arbiters of electoral systems.

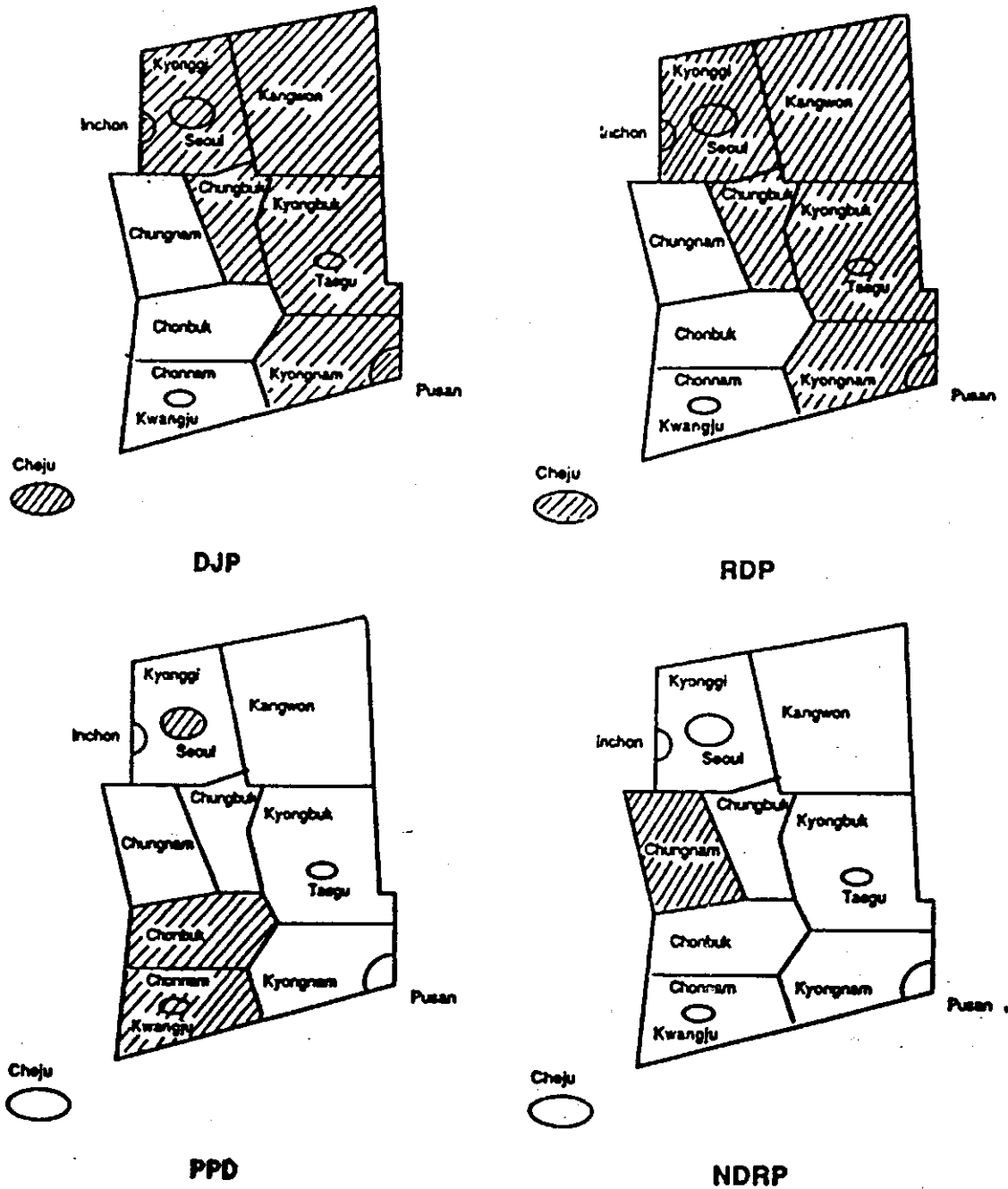
We can and will not claim that the Korean and Japanese cases are fully documented. What we do claim is that the study of interest groups should be broadened to include the study of party systems and electoral laws.

Table 1
The DJP's Performance In the 12th National
Assembly Election of 1985

region	number of districts where the DJP finished		total number of electoral districts in each region
	first	second	
Seoul	2	11	14
Pusan	1	2	6
Taegu	0	2	3
Inchon	1	1	2
Kwangju	0	2	2
Kyonggi	6	4	10
Kangwon	6	0	6
Chungbuk	4	0	4
Chungnam	8	0	8
Chonbuk	4	3	7
Chonnam	9	0	9
Kyongbuk	10	0	10
Kyongnam	9	1	10
Cheju	1	0	1
total	61	26	92

Source: Survey of the 12th National Assembly Election,
Central Election Management Committee, Seoul, Korea, 1985

Figure 1
Regional Strength on the Basis of the 1987
Presidential Election



* The shaded regions are those in which a party received more than 25% in the 1987 presidential election.
 ** The maps are stylized to magnify the areas of major cities.

Table 2
The Returns from the 13th National Assembly Election

region	number of seats won (vote share)					POST
	DJP	RDP	PPD	NDRP	INDP	
Seoul	10 (26.2)	10 (23.4)	17 (27.0)	3 (16.1)	2	-0.8
Pusan	1 (32.1)	14 (54.3)	0 (1.9)	0 (6.8)	0	-22.2
Taegu	8 (48.2)	0 (28.4)	0 (0.7)	0 (13.2)	0	19.8
Inchon	6 (37.5)	1 (28.3)	0 (14.1)	0 (15.5)	0	9.2
Kwangju	0 (9.8)	0 (0.4)	5 (89.2)	0 (0.6)	0	-79.4
Kyonggi	16 (36.1)	4 (22.9)	1 (15.9)	6 (18.2)	1	13.2
Kangwon	8 (43.6)	3 (21.6)	0 (4.0)	1 (20.2)	2	22
Chungbuk	7 (43.7)	0 (16.0)	0 (1.4)	2 (23.3)	0	20.4
Chungnam	2 (30.2)	2 (15.0)	0 (4.0)	13 (46.5)	1	-16.3
Chonbuk	0 (28.8)	0 (1.3)	14 (61.5)	0 (2.5)	0	-32.7
Chonnam	0 (22.9)	0 (0.8)	18 (70.7)	0 (1.3)	1	-47.8
Kyongbuk	17 (51.0)	2 (24.5)	0 (0.9)	2 (16.0)	0	26.5
Kyongnam	12 (40.2)	9 (36.9)	0 (1.0)	0 (10.3)	1	3.5
Cheju	0 (36.0)	1 (27.1)	0 (6.0)	0 (3.4)	2	8.9
subtotal	87 (34.0)	46 (23.8)	55 (19.3)	27 (15.6)	9	
national constituency	38	13	16	8	0	
total	125	59	71	35	9	

POST = the DJP's DEGCMP after the 13th National Assembly Election