The Paradox of Mixed Reform: Comparative political economy of political clientelism in Europe and Japan

Takeshi ITO, Associate Professor, Senshu University and former visiting fellow at RSCAS, EUI (tito@isc.senshu-u.ac.jp) & Masako SUGINOHARA, Adjunct Lecturer, Sophia University (ms828@goo.jp)

1. Introduction

Why does clientelism continue to prevail in developed democracies despite recent developments that were believed to eliminate such practices? In this paper, we explore the institutional incentives that drive political parties to adopt clientelistic strategies as a means of political mobilization by comparing different countries, primarily Italy and Japan.

After the Second World War, Italy and Japan established “uncommon democracies”, in which a single conservative party, the Christian Democratic Party (DC) in Italy and the Liberal Democratic Party (LDP) in Japan, continuously retained the hold of government (Pempel 1990a; Richardson 1997). Then, through the 1990s and the 2000s, their paths diverged, and then crossed again. The parallel development of postwar politics in Italy and in Japan came to an abrupt end in the early 1990s. In Italy, almost all the exiting parties were tottered under the economic pressure of financial restructuring, which was the precondition for introducing the euro, and the political pressure of anti-corruption movements. In Japan, the LDP temporarily lost power in 1993, but weathered the crisis. It came back to power in less than a year and remained to be a dominant governing party until August 2009. In 2010, it seems that both party systems have been fundamentally transformed from their postwar one-party dominance. Once regarded as the most clientelistic industrialized democracies in the second half of the twentieth century together with Austria (Kitschelt and Wilkinson 2007: 37), both of these countries seem to have overthrown the traditional method of vote-gathering based on clientelistic linkages between the governing parties and citizens.

Such political development in two countries is part of a larger picture of advanced democracies. Deepening globalization and Europeanization have reduced government resources available for partisan use. Devolution and political reforms, introduced to make governments more accountable to citizens, have further limited discretion of central governments. In addition, gradual erosion of ties between established parties and their traditional constituencies has brought intense competition in the party systems. These developments are expected to terminate clientelist practices in countries like Italy and Japan.

A closer look, however, reveals that, in both of them, clientelistic linkage remains to
be the crucial part of their political life. Not only in countries known for the prevalence of clientelism, such as Italy and Japan, but also in those without strong tradition of such practices, such as France and Australia, there are persistence, and in some cases resurgence, of clientelist exchanges.

How could we understand this paradox, and in particular, explain the parallel development until the 1990s, the sudden divergence in the early 1990s, and the re-convergence since the latter half of the 2000s in Italy and Japan? To address this question, this paper focuses on the supply side of clientelism – changing incentives for patrons (party politicians) in mobilizing support.

Based on the insights of new institutionalism and detailed case studies, the paper finds the following. Societal and political changes in the last two decades resulted in highly unpredictable edge-to-edge competition among political parties. This uncertainty gives incentive to political parties to resort to clientelistic strategies under certain institutional conditions. While the potential for mobilization of such strategies is remarkably limited today in comparison to programmatic and populist strategies, the credibility of support under clientelist relationship still attracts political parties.

The authors stress that the key variables for explaining the development of clientelism are (1) the form of vote-gathering machines (party organization and mobilization of electoral campaign), (2) the timing of financial expansion and consolidation (from the 1980s-on) and (3) the structure of party competition framed by the party systems and state institutions (electoral systems).

The paper insists that crucial to explaining the difference between Italy and Japan are (1) the path-dependency of the difference in the form of vote-gathering machines (well-organized and party-based in Italy with considerable regional variation; individual-based and flexible in Japan) and the common and newly-emerging trend of organizational decline and of presidentialism, (2) the mixed results of ongoing financial centralization and political decentralization, and (3) the emergence and consolidation of two(-bloc) party system and new incentives offered by the new majoritarian electoral systems.

In Italy, highly institutionalized and very solid local machines of the DC expanded excessively under intense political competition in the 1980s and could not get through sudden cuts of financial resources, as well as fierce criticisms against the party, in the early 1990s. On the other hand, flexible and individual-based machines in Japan remained steady under the financial constraints in the first half of the 1980s and survived political difficulties of the 1990s. Then in the 2000s, tightening competition for power among parties, increasing fiscal

---

1 The main focus of our research is primarily on comparative analysis of Italy and Japan, not
constrains, and ongoing devolution have given renewed importance to the regional- and local-level clientelist networks as a source of support for national parties.

In a theoretical perspective, the mechanism and transformation of political clientelism poses an interesting puzzle concerning path-dependency and change in institutions. As has been widely alleged, the base of the one-party dominant regimes was the strong clientelistic networks (Pempel 1990b; Tarrow 1990; Scheiner 2006; Graziano 1975). In addition, political linkage between parties and voters through political clientelism, as opposed to other linkages based on opinions and broad policy programs, is persistent and, to a considerable degree, path-dependent. Therefore, the transformation and resurgence of political clientelism in some advanced democracies, and the divergence and re-convergence in the 2000s in the two countries, give us an important theoretical challenge.

2. Arguments and Framework

2.1. The end of postwar politics and the role of clientelism in Italy and in Japan

In Italy and Japan, post-war politics was dominated by a single conservative party, the DC and the LDP. One-party dominant regimes in the two democracies attracted attention of many political scientists for about four decades (e.g. Levite and Tarrow 1983). To make the parallel even more flawless, both parties encountered a grave political crisis in the early 1990s. The end of the Cold War undermined legitimacy of their dominance. The economic difficulties under deepening globalization called into question their ability in economic management. The exposure of corruptions seemed to deliver the fatal blow to the one-party dominant regimes. The political scandals led to the comprehensive reform of electoral systems that had underpinned the dominance. Old systems (proportional representation in Italy, multi-member-districts with the single non-transferable vote in Japan) were replaced by new mixed member electoral systems (Shugart and Wattenberg 2001). Such developments seem to have ended political clientelism on which the hegemony of the DC and the LDP depended.

However, the consequences of the crisis differed sharply in these two countries. In Italy, after the loss of power, the DC was forced to dissolve itself. The DC’s well-organized networks of the party-led clientelism seemed to have collapsed. On the other hand, in Japan, the LDP returned to power only after eight months from its loss of power and remains to be a

---

2 Comparative studies on the post-war Italy and Japan include that on modern nation-state building, late industrialization, and interwar democracy and dictatorship (Almond and Verba 1963; Moore 1966; Samuels 2003).
leading party ever since then. The political network of clientelism survived the crisis.

In the 2000s, nevertheless, divergent paths of party system changes crossed again. In both Italy and Japan, it is revealed that politicians, both in the government and the oppositions, administrative officials, and related interest groups are involved in clientelistic politics. In both countries, programmatic electoral competition has become the order of the day, but pork-barrel politics remains critical at the battlefront of party competition, especially in certain regions.

Such non-linear paths of political clientelism in Italy and Japan can be understood by three lines of explanations. The first two, financial pressure from globalized market and pressure from political scandals, are related to differences between Italy and Japan. Italy suffered from strong pressure for fundamental change due to tight external constraints (“vincolo esterno”) on fiscal consolidation thorough European integration and to fierce anti-corruption movement and cannot stick to clientelism as a means of securing political support. In comparison, Japan, without such strong pressure, could continue its traditional strategies. The temporal fall of the LDP-led government was mainly the result of internal conflicts and the eventual split of the LDP, not of deeper transformation of the Japanese attitude toward politics (Dyson and Featherstone 1996; Magara 1998; Gilbert 1995). These explanations have their own merits, but cannot fully account for the timing and the process of transformation, especially, the resurgence of political clientelism in two countries.

The third line of explanation emphasizes the stickiness of clientelism. Many researches have agreed that a one-party dominant regime is characterized by its stability, durability, and flexibility (Levite and Tarrow 1983). Soft-hegemony of dominant parties in Italy and in Japan should be especially endurable (Tarrow 1990). Moreover, as existing researches on political clientelism argue, clientelism prospers in a society where the society and economy are not fully modernized and inequality is prevalent (Caciagli 2009), indicating that clientelism is deeply rooted in the society and cannot change in a short- or medium term. The explanation based on the nature of clientelism properly shows the entrenchedness of clientelism. Nevertheless, it cannot account for divergent and non-linear transformation since the 1990s.

In addition, recent researches on corruption have focused on the new growing trend of clientelism in other advanced democracies, such as in France, Belgium and Austria, where existing theories have not expected the existence of clientelism as a principal linkage between parties and citizens (Della Porta and Vanucci 1999).

As Müller (2007: 252-253) notes, measuring the degree of patronage is a bothersome problem. The Corruption Perception Index (CPI) of Transparency International is sometimes used as a proxy for political clientelism. Even though Müller shows the link between
perceived level of clientelism in nineteen Western European countries and CPI is relatively weak, using the index for the year 2000, a longer term trend (1995-2011) demonstrates a stronger relationship. As Figure 1 shows, among the G7 countries, Italy, which is categorized as a country with “high level of party patronage” by Müller and Kitschelt based on qualitative assessment of the literature (Müller 2007: 252), ranks the lowest in the index. France, which is placed in the category of “medium level of party patronage” by Müller, also remains relatively low, together with Japan. More interestingly, the scores for France, Japan, and Italy dropped sharply in the late 1990s, providing some evidence for the argument of this paper.

[Figure 1]

Freedom from Corruption
(Corruption Perception Index, 1995-2011)

Note: The score is taken from the Heritage Foundation’s Index of Economic Freedom (www.heritage.org/index). CPI composed by Transparency International serves as the indicator of freedom from corruption in the Index of Economic Freedom. The original score of CPI, which ranges from 0 to 10, is changed to 0 to 100 in the Index of Economic Freedom.

Such trend can be a fundamental challenge not only to theoretical explanation of clientelism but also of democracies per se. The problem lies in that to elucidate the timing and the logic of divergence and convergence in political clientelism, the causal logic that link changes in structural conditions and those in clientelistic networks remains unclear. For these reasons, it is necessary to review the theoretical grounds of political clientelism.
2.2. Political clientelism and transformation of party systems

Recently, there are renewed research interests in political clientelism. Following the first generation of modernization theory (Graziano 1975) and the second generation (Eisenstadt and Roniger 1984), new institutionalist approaches became predominated in the field. Generally, institutionalist analyses conclude that patron-client relationships should be persistent. They generally have medium- to long-term stability. Once the relationships are locked-in, both patrons and clients cannot easily withdraw, because the relationships are institutionalized in a system of benefits and sanctions (Piattoni 2001). If clients betray their patrons and vote for other politicians, they run the risk of, for example, being excluded from public works contracts and losing jobs. If patrons cheat and exploit their clients, they are at the risk of losing not only clients’ support but also their power per se. Such a stable and durable nature of political clientelism is a source of power on which dominant parties, such as the DC and the LDP can rely for maintaining political support. Once established, one-party dominance based on clientelism is likely to last long. The incumbent monopolizes public resources it can provide to its supporters selectively. The support base becomes perpetual, and opposing parties have no chance to break in. The future depends on the past.

Such an argument captures well the path-dependency of clientelism, but does not address the dynamic and non-linear changes of political clientelism\(^3\), that can correspond to the changes at the level of party system itself. In order to understand the actual developments in the two clientelist countries, Italy and Japan, and the wider transformation of clientelism in advanced democracies, we need to look at other factors.

For this purpose, the argument by Kitschelt and Wilkinson (2007) is insightful. They

\(^3\) The literature on party systems has studied them mainly in terms of numbers of parties (Laver and Shepsle 1995) and has often focused on the effects of institutions, such as voting systems and organizations of constituencies (Cox 1997). As such, this approach also does not explain changes in party systems well. It is thus worthwhile to study transformation of party systems in light of the organizational aspects of individual parties. Changes in party organizations, both formal and informal ones, and both the core institutions and surrounding ones, can be an important factor in explaining changes in party systems. Especially in the cases of one-party dominant regimes, the change in the organization of the dominant party is likely to translate into changes in the party system directly.

The studies on political parties (e.g. Katz and Mair 1995; Panebianco 1994) have long examined the organizational aspects of individual parties. Although they have better chance of understanding causes of changes, so far they have not paid enough attention to the relationship between party organizations and changes in party systems. A new point of view is necessary to have better understanding of the link between organizational changes of dominant party and the party system in one-party dominant regimes (Ito 2008a). Looking into changes of political clientelism by dominant parties is appropriate for this purpose.\(^3\) Moreover, if political clientelism remains to be important even after the demise of dominant parties in both countries, we need more general explanation that can grasp such links between changes in party organizations and ones in party systems.
focus on the relationship between the intensity of competition in party systems and the level of clientelism. They predict that, in fully industrialized countries, the stronger the competition between parties, the more extensive programmatic appeals in parties’ electoral strategies. Accordingly, the parties in these countries depend far less on political clientelism. If this theory were correct, recent political reforms would bring an end to clientelism.

However, the revival of political clientelism in Italy and Japan, and the emergence of clientelism in other advanced democracies, that are epitomized by the recent cases of political corruptions, contradict their explanation. Such developments also refute a similar line of argument that expects increasing competition in a two-party system (or two blocs of parties), combined with majoritarian electoral systems, brings "cleaner" politics, as is the case in the United Kingdom. As argued later, in Italy and Japan, intensifying competition has actually reinforced clientelistic politics. It should be contended that the important factor is not the degree and the existence of competition itself, but the nature of competition, which would demarcate the institutional structure of linkages between patrons and clients.

2.3. Arguments of this paper
Based on the discussion in this section, the authors apply the insight of historical institutionalism to explain the gradual nature and the timing of transformation of political clientelism. However, historical institutionalism has often been criticized that it cannot explain non-linear transformation. Therefore, to understand the dynamic and non-linear long-term change of clientelistic linkages, the main focus of the paper is put on the supply-side of clientelism, that is, the institutional and organizational structure of incentives for political parties as a patron.

This is because in clientelistic linkages of contemporary democracies, the power of clients has been getting stronger and stronger than in those of traditional democracies, where the patron dominated linkages between citizens in local societies and the state, as the researches of the first-generation on clientelism insisted (Eisenstadt, ibid.). On the other hand, as the theorum of cartel party has indicated, the organizational basis of support for political parties are no longer secure. Politicians as patrons have to appeal more to secure the support from voters. Therefore, the result of ballot-box is getting more dependent which strategy the politician adopt and how they combine different strategies for mobilizing support from voters. In that sense, political clientelism has not yet lost the gain as a linkage strategy for patrons (Kawata 2007?).

By focusing on the historical development of institutional and organizational structure of incentives, the authors insist the key variables for explaining the development of clientelism are (1) the form of vote-gathering machines (party organization and mobilization
of electoral camapin), (2) the timing of financial expansion and consolidation (from the 1980s-on) and (3) the structure of party competion framed by the party systems and state institution(electral systems).

The paper insists that crucial to explain the difference between Italy and Japan are (1) the path-dependency of the difference in the form of vote-gathering machines (well-organized and party-based in Italy with considerable regional variation; individual-based and flexible in Japan) and the common and newly-emerging trend of organizational decline and of presidentialism(which would give national leaders considerable influence in allocating pork), (2) the mixed results of ongoing financial centralization and political decentralization, and (which would keep the public money for the central government important for regional and local politics), and (3) the emergence and consolidation of two(-bloc) party system and new incentives offered by the new majoritarian electoral systems (which would makes competition in the electoral market quite tight).

In a similar vein, the emergence of clietelism in other countries can be understand as a paradox of mixed results of intensifying competition for promoting majoritarian democracies, decentralization of administrative poewers, and fiscal centralization. As existing studies on clientelism and corruption have revealed, federalism curtail the room for corruption in modern democracies (Cox, . However, if such change is combined with fiscal centralization, .the importance of resource allocation to regional and local level grows further, and it makes clientelistic linkage more valuable for sucurring political support in an edge-to-edge competition in majoritarian democracies.

3. The Perturbation of Clientelism and the Diversification of One-party Dominant Regimes

3.1. The Context of the 1990s
At the beginning of the 1990s, one-party dominant regimes in Italy and Japan fell into the gravest crisis they had ever experienced. The economies stagnated seriously after the economic boom of the 1980s came to an end. Fiscal deficit skyrocketed. The countries also had to deal with deepening economic globalization and currency fluctuations. In addition to their incapability for economic management, the parties were under fire for corruption. They could not carry out economic and political reform to cope with the difficulties. In the end, they fell from power.

Nevertheless, the aftermath of the crisis made a stark contrast: Whereas the DC disappeared and its clientelist networks were dismantled, the LDP returned to power with its
clientelist linkages still at work.

3.2. Italy

Political and economic storms in the early 1990s delivered a fatal blow to the DC’s dominance. At the beginning of the 1990s, various reform movements sprang up inside and around the DC. To counteract organized crime and corruption, Leoluca Orland, former mayor of Palermo, set up la Rete (the Network) first as an internal faction of the DC and then as an independent party. Mario Segni, a left DC member, launched an initiative of referendum movement to promote referendums for the reform of electoral laws from a PR-system to a majoritarian one. Such attacks on the DC from inside by individual reform-minded politicians shook legitimacy of the dominant party.

Already from the late 1980s on, worsening fiscal situation had forced the Italian governments to reform the system of public finance and to reduce resources available for clientelistic mobilization. For example, in 1988, the CDP(Cassa dei Depositi e Prestiti: Special Saving and Loan Fund) was reformed to adapt to global financial market. The Crediop(Consortium of Credit for Public Works) was also reformed and privatized in 1992. Fiscal consolidation was launched and, under harsh criticism for its corruption, Cassa per il Mezzogiorno (the Special Fund for the Development in the South) was abolished. Such a series of financial reforms made it almost impossible for the DC to use public money for partisan purposes. The DC no longer had any resources for clientelistic mobilization.

Then, structural corruption was exposed, and many politicians, who were not limited to the DC, were prosecuted through the operation “clean hands.” This was a profound attack on clientelistic networks that the DC had created and fostered. The DC could no longer use clientelism for gaining support. During the crisis in the early 1990s, the new left-oriented leadership of the DC, headed by the new party secretary Mino Martinazzoli, tried to throw out old and corrupt faces of the DC and to “purify” the party as a true Christian democratic party. This verified the final blow to the famous factions inside the party, which functioned as the principal vote-gathering machines by allocating benefits such as funds and jobs, and by collecting preferences votes in the PR system for empowering factional leaders. Nevertheless, this attempt did not bear fruit amid fierce criticisms against the most powerful party of the partitocrazia in the First Republic. Finally, in 1994, a few months before the general election, the DC dissolved into several minor parties.

---

4 The CDP was privatized in 1999, and the Crediop was acquired by the Dexia, French public investment bank, in 1999.
5 The right minority of the party broke away with the majority and formed a new party, Centro Cristiano Democratico (CCD: Christian Democratic Center). The remaining majority
With the demise of the DC, clientelistic linkages developed by the party were also doomed to collapse. In Northern Italy, those who had been linked to the DC solely by patronage quickly discarded it. Those who had associated to the party through catholic associations also did not hesitate to abandon the party. Religiously-conscious catholics had been unsatisfied with the DC and chose new parties as new symbols of Catholic identity. Some of them immediately joined the succeeding parties, the PPI and the CCD. Others shifted their support to the Northern League (LN). Still others sought for a new DC-like conservative party and supported the Forza Italia, formed by Berlusconi just before the general election. In Southern Italy, the story was more disastrous to the DC. In the early 1990s, some of the most profound initiatives for reform, such as anti-mafia and anti-corruption movement led by Orland and referendum movement by Segni, started in the South, the heartland of DC-led clientelism. They attracted a wide range of support rapidly from Southern people and then expanded beyond the region.

Such attacks from inside and outside of the DC gave serious damages to the party organization. Even though the DC had tried to cultivate political support with extensive allocation of patronage for decades, former supporters forsook the party quickly. Most of them started to support new non-Christian parties such as the Forza Italia and the right-wing Alleanza Nazionale (National Alliance), which was renamed from the MSI. Clientelistic linkages rapidly died in the South, too.

Moreover, succeeding parties such as the PPI could not attain dominant position as the DC, and became just one of small parties in the center. In the 1994 general election, they lost under new majoritarian election system (more precisely, MMS [a mixed-member system]) introduced in 1993. Following the limit and the abolishment of preference votes, the new MMS severely curtailed the room for clientelistic mobilization, at least for a moment. Patronage through clientelistic networks could not stop the breakdown the dominance of the DC, both in the North and in the South.

3.3. Japan
The LDP also suffered from attacks on political scandals and, as a result, lost power in 1993 for the first time since its foundation in 1955. Major scandals include Recruit scandal in 1988, which led to the resignation of Prime Minister and Finance Minister, and Sagawa Kyubin scandal of 1992, which terminated the political life of one LDP politician who was known as a backroom fixer of the party. In 1993, another set of scandals concerning illegal contributions from major construction companies to national and local politicians was also revealed. As renamed the DC to Partito Popolare Italiano (PPI: Italian Popular Party), which was taken from a prewar party(Ito 2008b).
criticism leveled against the LDP intensified, some members of the LDP insisted on drastic political reform, especially electoral reform. When that demand was not met, forty-four members broke away from the LDP in June 1993.

The next month, the Diet passed nonconfidence motion in Prime Minister Kiichi Miyazawa. In the following general election, the LDP lost majority, and a seven-party anti-LDP coalition government was formed with Morihiro Hosokawa, the head of a small Japan New Party, as the prime minister.

Despite its loss of majority, the LDP actually showed surprising resilience in the 1993 election. The incumbent politicians who remained in the LDP did well, and the party remained the largest party in the Diet. Its loss of power was caused by the breakup of the party rather than loss of voters’ support. The non-LDP coalition government was formed after the election, but it did not have common ground except for their anti-LDP sentiment. The coalition collapsed eight months later. The LDP came back to power without having any election, with its longtime rival, the Socialist Party as its junior coalition partner. In 1996, the LDP also regained the post of prime minister.

In his analysis of the 1993 general election, Kabashima (1998: 42-71) concludes that, while unaffiliated voters flew in to newly established, mostly right-to-center parties, for traditional LDP supporters, with long-term party affiliation and positive feeling about individual candidate, including the expectation for material benefits, remained to be important determinants of voting behavior.

The next Lower House election in 1996 was held for the first time under the new electoral system that combined single-member districts and proportional representation. Even then, the importance of individual candidates remained in determining voting behavior, while the importance of party label also increased in comparison to the 1993 election (Kabashima 1998: 254-78). As the electoral reform did not produce complete shift from candidate-centered to party-centered electoral campaign, the importance of clientelistic linkage persisted. Park (2000)’s description of the electoral campaign by a first-time candidate from the LDP in one of urban districts in Tokyo confirms the continuing importance of personal ties between candidates and voters. In contrast to Italian case, party factions continued to work as a vote-gathering machine. Moreover, the malapportionment favoring the rural area, where had been the traditional stronghold of the LDP and the electoral collaboration with Komei that was strong in urban area thanks to its mass support offered by the related religious organization, helped the prolongation of the LDP-led government.

As the recession in the 1990s prolonged, the LDP attempted to revive the economy

---

6 A small party Sakigake also joined the LDP-led coalition. The prime minister initially came from the Socialist Party(Tomiichi Murayama).
with economic stimulus packages, which resulted in mounting government deficits. Another consequence of this strategy was the strengthening of clientelist relationship. Indeed, in the context of greater demands for transparency in economic decision making, and the pressure from the US government to make public bids more open, one of the important tools of clientelist distribution of resources, bid-rigging (dangō), became more difficult than before, and there were some cases bid-rigging was prosecuted. Yet, those cases were just a tip of the iceberg.

Why didn’t the pressure from the global market impose discipline on Japan’s fiscal policy? Unlike Italy, where the participation of the EMU was conditioned on fiscal austerity, Japan faced no international institution that placed direct pressure for cuts in government spending. As for the market pressure is concerned, Japan did not have to worry about attracting foreign investors given the fact that it has been a creditor country. Actually, foreign governments, most notably the US, kept pressing the Japanese government to spend more to increase imports and achieve economic recovery.

The real challenge to the existing clientelist structure came from the Koizumi reform after 2001, as we discuss in the next section.

4. The Return of Uncommon Democracies?

4.1. Context of the 2000s
During the political fluidity of the 1990s both in Italy and Japan, the expectation was high about the “modernization” of their respective political systems. However, by the 2000s, it became clear that the problems of clientelist politics persist in both of these countries. Their political developments were not parallel. In Italy, center-right and center-left parties alternated in power, whereas the Japanese LDP continued to dominate until 2009. They share reasons for the lasting clientelism, however.

First, as a result of the tight electoral competition, political parties attempted to attract more votes not by proposing superior policies but by delivering benefits to targeted voters. The need for alleviation of economic difficulties intensified the trend. Second, even after the implementation of devolution, the room for partisan allocation of public money at the local level remained. Decentralization was expected to reduce the amount of money distributed

---

7 By contrast, debtor countries should keep sound macroeconomic policy to keep foreign investors finance their economies. An exception to this theory is the US. Even though it is a debtor country, it can afford running huge budget deficit for years thanks to the special position of the US dollar as the world’s key currency.
from the central government to the local, curtailing the power of politicians at the national level to control allocation of resources at the local level. Yet, those national politicians kept the authority to distribute local public works thanks to continuing fiscal centralization and to the remaining political networks in the local societies. In some cases, the decreasing resources even made them more powerful, as the importance of getting the public money became far more crucial.

4.2 Italy
The political turmoil in the early 1990s put an end to the First Republic and gave birth to the Second Republic. With the introduction of the majoritarian electoral system, the Italian party system turned into one in which two major blocs, center-left parties and center-right parties, compete for power. Such political transformation was expected to terminate the "uncommon" version of Italian democracy and to reduce political corruption drastically. Moreover, the introduction of tight fiscal constraints necessary for the participation in the euro zone made pork-barrel politics practically difficult. Such political changes appeared to strike a heavy blow against political clientelism. Indeed, in the late 1990s, political competition between center-left and center-right was mainly programmatic one.

Recent developments, however, have revealed that political clientelism still plays an important role in vote-gathering. The national governments, either center-left or center-right, continue to gain political support from the electorate through offering large-scale public works or handing out favors to targeted areas and constituencies. For example, Berlusconi’s center-right government strongly promoted an ambitious and expensive project of the construction of a big bridge on the Strait of Messina. The large-scale rehabilitation project from the recent earthquake in Central Italy was executed based on a special law, which permitted the government huge discretion in allocation resources for public works. In these cases, collusive ties between the central government, and regional or local politicians and constructors have made headlines. In some cases, organized crime association such as the mafia in Sicilia and the camorra in Campagna are deeply involved in such a relationship.

The collapse of the garbage disposal system and resulting mountains of festering wastes in Naples is a microcosm of this problem. Behind the city’s rubbish crisis was the corrupt relationship between local constructors and the officials in the regional administration of Campagna, including Antonio Bassolino, regional president and prominent leader in center-left. Traditionally, local criminal association, Camorra, has enjoyed the lucrative business of garbage collection under the contracts with local governments. In order to protect its major source of money, Camorra has infiltrated and sabotaged every effort to improve the waste disposal industry for decades (Barbagallo 2010).
Therefore, clientelistic linkages between political parties and the society continues to be important in Italy, although it is not as important as it was in the past. Political changes such as the introduction of the new PR electoral system with a magioritarian premium for a winning coalition, and the consolidation of the two-bloc competition did not completely alter vote-gathering machines based on clientelism. Clientelistic politics keeps its significance in resource allocation to the people even under the severe fiscal situation.

The durability of political clientelism in Italy rests on three factors. The first is the fact that new parties in the Second Republic carried on traditional networks of the old parties. As explained above, middle- and junior-level leaders in the parties in the First Republic flowed into Forza Italia, National Alliance, Left Democrats and other major parties in the Second Republic. Moreover, entrepreneurs, trade unionists, and leaders in other interest organizations –former constitutencies in the First Republic -- switched to politics after the political turmoil of the 1990s. In short, even though senior leaders of major parties in the First Republic mostly retired from politics in the 1990s, former patrons and clients joined politics to fill the gap in leadership at national, regional and local levels. As a result, the personal and organizational networks that formed the foundation of the First Republic survived the political transformation.

The second relates to the progress of devolution. Ironically, as a result of devolution, parties at the national level come to rely more on the support from regional political networks. Since regional and local governments now have more authority to allocate resources, national parties, which hope to win elections, have to gain support from the existing, but now more independent, political networks at the regional and local levels. This point has contributed to the survival of clientelistic organizations inherited from the First Republic. While in the past such networks were organized vertically with the national politicians at their top, today the center of gravity in such organizations has somewhat moved to at the lower level of the hierarchy.

Consequently, regional and partisan characteristics of the political networks largely remain. In northern Italy, which had been a stronghold of the Christian Democrats, Forza Italia took over various networks, such as local party assemblies and lay associations. In central Italy, in which the Communist Party had kept a majority for decades, center-left parties such as the Left Democrats, were built on local Communist organizations, and continue to hold strong ties with various associations, such as cooperatives, trade unions, and local administrations. In both regions, collective version of clientelism that prospered in the First Republic persisted to a certain extent (Allum 1995). On the other hand, in the South, more individualistic clientelism, which incorporates politicians and constructors, as well as mafias, renewed ties with new parties.
The third is the intensifying competition among parties and regional segmentation of political support between left and right. Both under the MMM system from the 1994 to 2001 general election and the new PR system with a majoritarian premium from the 2006 general election, the margin for victory is really tight between the center-left and the center-right coalition. This is not only due to long-lasting close balance between left and right on the whole nation-wide spectrum of partisan support, but to regional segmentation of left-right conflicts. In the elections under the Second Republic, the North is mostly taken by the center-right, while the central Italy is under the center-left. This regional division gives the South crucial power to hold the balance and to determine the election result. Both the center-right and center-left, facing the need for winning seats in the South to take power, have attempted to buy votes by promising more public projects to the region. According to existing studies on the voting behavior in the South (Diamanti 2003), the region has the pro-government tendency, due at least in part to the traditional reliance of the area on heavy public investments through the Special Fund for the Development in the South. In a sense, the political legacy is reinforced by the party competition under the Second Republic.

Thus, political clientelism still plays an important role in Italian politics. This does not mean that there is no shift from clientelistic politics. Now all parties have to form a electoral list based on a common policy platform and to be represented by a single leader as a candidate for prime minister. Nevertheless, the aggravation of political competition and the regionally-diversified structures of vote-gathering machines keep clientelistic networks critically important. Moreover, severer fiscal constraints raised the value of scarce government resources, sometimes giving clientelist strategies crucial power to determine election outcomes.

4.3. Japan

In August 2009, the Democratic Party of Japan (DPJ) won a majority in the Lower House election. The victory ended the almost uninterrupted, half-century dominance of the Liberal Democratic Party (LDP). This change of government seemed to mark a sea change in Japanese politics – from clientelist exchanges to programmatic policy competition.

In comparison to the LDP, the DPJ have been a party for urban population since its foundation in 1996 (Sugawara 2009). Rather than promising more benefits to its local supporters, the party had proposed market oriented reform together with the provision of social safety nets. Of course, the strategy resulted from the fact that it never took power until 2009 and had no actual resources to deliver to its constituencies. It is worth noting, however,
that the DPJ started to issue the DPJ issued the so-called “Manifesto,” a detailed policy platform with clear timetable, before the general election in 2003, in order to appeal to voters through genuine policy debate. The publication marked the start of the “manifesto elections” in Japan’s national politics, as the LDP followed its rival to produce an equivalent, though more ambiguous, policy proposals. It seemed that programmatic politics finally replaced timeworn clientelism.

The focus of the policy debate was on pension reform. As Japan’s pension system had serious problems that would threaten its sustainability, the DPJ criticized the successive LDP governments and bureaucrats and called for fundamental pension reform. In the 2004 Upper House election and 2005 Lower House election, the DPJ proposed an introduction of a new “consumption tax for pension,” effectively calling for the increase of consumption tax (VAT). The 2004 election was the first time when a major party which proposed increase in VAT expanded its support. Apparently, programmatic policy competition appealed to voters.

However, even though the DPJ was successful in two consecutive Upper House elections in 2004 and 2007 and became the biggest party in the Upper House, it was still short of a majority on its own. More importantly, the DPJ lost the Lower House election in 2005. By 2005, some of the DPJ leaders came to conceive that the strategy to appeal to urban voters was not only insufficient to win a majority in both Lower and Upper Houses, but also that such a strategy would bring only an unstable victory to the party, if at all. The fact that the LDP won a landslide victory in the 2005 Lower House election thanks to then-prime minister Koizumi’s popularity highlighted the unreliability of urban supporters, who preferred programmatic policy competition.

It was Ichiro Ozawa who orchestrated the shift in DPJ’s strategy from programmatic policies to more clientelist exchanges. Ozawa, who joined the DPJ in 2003, was the secretary general of the LDP in the early 1990s. Rather than disputing policies implemented by the then-governing LDP, Ozawa started to introduce populist clauses that promised scattering benefits to a large number of voters, such as the introduction of the monthly child allowance and the individual/household income support system for farmers (Mulgan 2005: 296-97). After he became the president of the DPJ in 2006, he targeted interest groups to support the DPJ in exchange for various benefits. The strategy bore fruits in 2007 and 2009 when the party won many electoral districts in rural areas, which had been traditionally strongholds of the LDP, while the DPJ also won urban districts as the image of the party as pro-urban.

---

9 The Lower House selects Prime Minister.
10 He was the president of the DPJ from 2006 to June 2009, when he resigned as a result of money scandal. After the DPJ’s victory in August 2009, he became the secretary general of the party. For more on Ozawa, Masahiro Matsumura, “Ozawa: Japan's secret shogun,” Japan Times, February 4, 2010.
Ironically, the LDP’s response to DPJ’s expansion since 2003 is the choice of the maverick, pro-reform Juni’chiro Koizumi in 2001 as the party’s president. Koizumi insisted on privatization of Postal Services and Public Highway Corporations, deregulation, and cuts in public works, all of which took the spoils away from special-interest groups, overthrowing traditional clientelistic networks of the LDP (Mulgan 2005). The result was both the historic victory of the 2005 Lower House election and devastating losses in the following elections. While Koizumi’s pro-reform slogan and his charisma attracted swing voters in 2005, after he left the prime minister’s office, the LDP without the traditional support network based on clientelist exchanges could not stay in power.

In 2010, the DPJ is attempting to consolidate support from targeted interest groups by promising public works, subsidies, and other sorts of pork while cutting benefits for groups that continue to support the rival LDP.\footnote{The DPJ government allocated road-building budget for the fiscal year 2010 based on electoral needs and requests from its support groups, not on cost-benefit calculations. "Minsyu yobou de haibun ni kakusa," \textit{Nihon Keizai Shim bun}, February 12, 2010, p.1, "Uwazumi gaku kyuwari chinjo wo hannei," \textit{Asahi Shim bun}, February 16, 2010, p.8.} Even though the party’s support rate has dropped dramatically due to successive money scandals that involved both Prime Minister Hatoyama and Secretary General Ozawa, securing the support of well-organized interest groups can bring another victory to the party in the upcoming Upper House election scheduled in July. Such support is quite important because the number of local parialliamentarian, who had long worked as a important part of the vote-gathering machine of the LDP, has decreased drastically as a result of massive municipal merger, and the organizational and financial support in electoral campaings from the construction sector is more important both for the LDP and the DPJ to secure a stable part of votes under the highly uncertain and flexible electoral market.

As in the case of Italy, the fact that clientelist strategy persists does not mean that there is no shift from clientelist to programmatic competition. Major parties in Japan publish detailed policy platforms, or “Manifestos,” before major elections since 2003. The DPJ made the budget making process more transparent at least in comparison to the past. However, under the MMM electoral system, clietnelist strategy remains to play an extremely important role in the electoral campaign at the battlefront of tight electoral races.

\section*{5. Conclusion}
The study of clientelism has important implication for the understanding of party systems.

\begin{thebibliography}{99}
\end{thebibliography}
comparison of Italy and Japan provides interesting theoretical puzzles and empirical insights. In this paper, the authors examined why political clientelism still persists in advanced democracies, and in particular, why the fates of the one-party dominant regimes in Italy and Japan diverged in the 1990s and converged in the 2000s by looking into the transformation of political clientelism in these two countries.

In Italy, highly institutionalized local machines of the DC expanded excessively in a very competitive political scene of the 1980s and could not bear sudden depletion of financial resources and fierce political assault on the party. On the other hand, flexible and individual-based machines in Japan expanded in a relatively moderate way in the 1980s and could get through many political and financial hardships in the 1990s. The underlying transformation of these institutions that supported the one-party dominance was not readily seen from outside. On the surface, the two regimes seemed to stay alike in the 1980s. However, the “exit” from the local machine of the DC went on, as some of the supporters gradually shifted their enthusiasm to other organization or movements. In Japan, on the other hand, despite the rapid increase in the “non-affiliated voters” that were not part of the LDP machines, the traditional supporters in the clientelist networks remained steady. The contrast between the quiet erosion of the party machine in Italy and the stability of core supporters in Japan explains the seemingly sudden end of the parallel political regimes in the early 1990s. Yet, in the 2000s, nevertheless, the diverged paths of the party systems crossed again. In both Italy and Japan, pork-barrel politics remains critical to winning elections, while programmatic electoral competition is increasing its importance. Tighting party competition for power and ongoing devolution, coupled with severer fiscal constraints, have given renewed influence to the clientelist networks at regional and local politics.

Although there is no more room, a simlar logic can be applied to recent development of political clientelism in other countries like France, Belgium and Austria. As a result of political reforms for majoritarian democracies and of organizational decline of traditional vote gathering machines, and large-scale devolution coupled with fiscal cetralization(except the case of Belgium), intensifying competition between two-blocs in a highly uncertain electoral market has give a new or renewed lverage to clietelistic linkages.

Theoretically, we found that the changes in clientelist institutions were long-term, gradual ones, which fit the framework of historical institutionalism. The structure of political machines established in the early postwar period had lock-in effects on the later developments of one-party dominant regimes. Moreover, similar external constraints, such as fiscal tightening, affected the fates of the clientelism-based regimes differently, as the timing of fiscal austerity differed in these two countries. At the same time, to explain more dynamic process of divergence and convergence, we should pay more attention to the relationship
between the development of clientelism and the structure of party competition in changing party system and decentralizing state institution, where parties inevitably rely on clientelistic linkages at least partly. Despite the fact that they are both fully industrialized, well-established democracies, which are expected to have “modern” political structure, the institutional legacy of clientelist politics had enduring effects when faced with devolution and fiscal austarity. The destiny of two birds is influenced by their similar, but not exactly the same, feather.

This paper shows the paradox of mixed reform. It is certain that each political or economic reform can be recognized based on the goodwill and designed to promote political competition, but the mixture might bring about unexpected and undesirable results.

[References]
Dyson, Kenneth and Kevin Featherstone. 1996. “Italy and the EMU as a `Vincolo Esterno': Empowering the Technocrats, Transforming the State.” In South European Society and Politics, 1-2, 272-300.


