

Party Funding and Political Corruption in East Asia: The Cases of Japan, South Korea and Taiwan*

PETER FERDINAND

1. Introduction

The issue of money and its effects on politics is increasingly gaining attention in the Asian continent in the same way as in other parts of the world. However, not all Asian countries have responded as quickly and comprehensively to this phenomenon as, for example, countries in Latin America, Central and Eastern Europe, and the rest of the established democracies. According to a survey of the party funding laws in over 110 countries around the world conducted by International IDEA during 2002 (see table 1 of the *Matrix*), a substantial number of countries in Asia do not have laws regulating party funding. Even in large democracies such as India and Bangladesh the regulations are focused on individual candidates and not on political parties as critical actors in the democratic political system. The survey noted that to date only Sri Lanka in South Asia has public funding of political parties, whereas in South-East Asia such laws have been introduced only in Indonesia, Malaysia and Thailand. The other countries in the sub-continent, including the Philippines, do not have public funding or laws controlling the flow of money into politics at the party level. This leaves only a few countries in Asia with experience in party funding laws and regulations for minimizing the corruptive effects of money in politics.

This chapter will focus on the experience in funding parties of Japan, South Korea and Taiwan. In the twentieth century South Korea and Taiwan were only freed from Japanese colonial rule after World War II, and after that for most of their existence they were ruled by military-backed authoritarian regimes. Coincidentally, however, both introduced or reintroduced democratization in 1987, and have since made significant progress in consolidating democracy.

In addition to geographical proximity and the fact that the three countries democratized over broadly the same period, three further factors make the hypothesis of a similar model of, or at least approach to, democratization plausible.

The first is the fact that both Korea and Taiwan were colonized by Japan from 1895 until 1945. Since Japan was nominally democratic for most of that period, there is the possibility that a common orientation towards political processes might have emerged. After all, the **single-vote multi-member constituency system for the parliaments that is still extant in South Korea and Taiwan was inherited from Japan, where it was in force for the Diet until 1996.**

The second is the **processes of economic modernization and later democratization** which are common to all three of these states. They have managed to organize and sustain political life in traditional rural settings where the traditional political culture was antipathetic to democratic values. And they developed the flexibility to do this at the same time as they reached out to more mobile sections of society who were abandoning the old-fashioned villages for industries in the new towns and cities.

The third common feature is the set of **popular expectations** in all three states about the social role and status of **elected representatives**, which is quite different from that in other parts of the world. This poses particular challenges for the funding of political parties and their regulation. Basically, representatives are supposed to be linked to their constituents by a set of reciprocal obligations as if they were part of one family. The citizens' obligations are less onerous; they are expected to cast their votes. But the representatives are expected to help constituents with all kinds of assistance when dealing with authority. In many cases this may include intervention over the application of regulations or laws by officials which might damage the livelihood of constituents. For more active political supporters this could include gifts on important family occasions, such as births, weddings and deaths.

This enormously increases the cost of being a representative. A group of younger Liberal Democratic Party (LDP) Diet members in Japan calculated in 1987 that they would need to give anything between JPY 20.000 and JPY 70.000 for weddings in families which were members of their supporters' club, and JPY 10.000

* This chapter builds on and draws from Ferdinand, P. "Building Democracies on the Basis of Capitalism: Towards an East Asian Model of Party Funding." In *Funding Democratization*, edited by Peter Burnell and Alan Ware. Manchester: Manchester University Press, 1998.

for condolence money at funerals. In one year these sums would mount up to around JPY 18 million (c. USD 120,000)¹. New Year and mid-year gifts would add a further JPY 6 million (Herzog 1993:135). In none of the three states is it conceivable that a representative in the national legislature could make do simply on the parliamentary salary. In Japan a member of the Diet receives JPY 18 million per year in salary and bonuses (c. USD 167,000). The government pays for two secretaries for each parliamentarian, but almost all employ more (Hrebencar 2000:67). Extra money has to be found, and, although citizens may in general condemn “illicit” money-gathering by politicians, they still expect gifts for their families. In a sense this has made most of society complicit in the raising of illegal political contributions. So from an early date the practice of condoning some forms of “illegal” political fund-raising became established, since all actors could see that it was impossible to make the rules work and yet satisfy all expectations. On the other hand, propriety would have been infringed by too open a hunt for money by politicians. Instead, most of the funds would be solicited and obtained by “middlemen” who could be sacrificed if some scandal emerged – although it rarely did.

Because the process of democratization has lasted far longer in Japan than in South Korea or Taiwan, this chapter begins by outlining in separate sections the initial state of affairs in each of these three countries, before returning to consider their more recent attempts at the reform of party funding. The basic argument is that the pro-business orientation of political debate in each of the three created the conditions for political parties to attract substantial funding. More recently, however, the problems of “money politics” have fueled public debate over the need for greater state regulation of party funding, and possibly for state support, so as to ensure greater accountability and greater equality of opportunity for parties.

2. Japan: The Early Post-War Years

Japan has the longest-established democracy in Asia. Its first parliament was founded in 1891 and political parties had already been established by then. Although it was supplanted by political and military extremists in the 1930s, democracy was re-established immediately after World War II on the command of the Allied administration. Since then it has prospered, as has the country. Even this shorter period of existence would

make it the longest-lived democracy in continental Asia, pre-dating that of India by two years. How, therefore, might its experience have lessons to offer to more recent democratizing regimes?

Money has always been an important issue in Japanese democracy. It was money politics and the sense of corruption which discredited the pre-war Japanese parliamentary system and favoured the takeover by the military. This mood had been exploited by extreme nationalist parties and groupings, which closely associated themselves with the army. It was one of the chief factors in the assassination of Prime Minister Inukai Tsuyoshi in 1932. The army then took advantage of this to suspend normal political activity. With World War II over, the occupying powers, especially the United States, wanted to ensure that democracy was enshrined – if possible liberal democracy. Thus on the one hand there was official encouragement from the highest level for competitive party politics to be resurrected, and in the first elections in 1946, over 260 parties put up candidates (Yanaga 1956:238. According to Kataoka, the figure was 363. Kataoka 1991:49).

On the other hand, the occupying forces came predominantly from the United States, where there was no habit of state subsidy for political parties, so it was not seriously contemplated for Japan either. Yet the **necessary costs of running parties were still high** – indeed, they were proportionately higher at that time than they became later, because the economy had been ravaged by the war and there was little money to pay for anything. Individual party leaders therefore began to search for businesspeople who could make large contributions to their organizations. In the business climate which prevailed at that time, these were predominantly to be found among black-marketeers and those who wanted to evade official scrutiny or to gain government licences to protect their markets. The profits from this type of business activity escalated rapidly as the cold war, and especially the Korean War, began in earnest. **Politicians relied on local “bosses”** – landowners, enterprise owners and so on – to deliver votes for them. In turn these local bosses used the authority of the politicians to further their business interests (Yanaga 1956:111–112). In addition, the need of the Allies to ensure that communism was defeated also meant less searching analysis of the accounts of individual parties because, if nothing else, they stood for the free world.

Very rapidly, by the 1950s, money had returned to play as prominent a role in national politics as it had in the 1930s, and so too did scandals. Official rules on campaigning laid down how much individual candidates could spend for their campaigns. These have been periodically updated to take account of new kinds of infringement. (For a summary account from 1948 until the 1980s, see Curtis 1983:160–164.) Parties, however, did not have a clear legal status in between elections, so that the state was handicapped in its attempts to control their spending activities. Politicians and donors would set up harmless-sounding associations through which money could be channelled, but whose activities were very difficult for the state authorities to penetrate. Parties reported funds which they “officially” received, but did not necessarily include funds channelled to individual politicians or groups of politicians. Candidates would set up secret deals with the rich through intermediaries. Only if it could be shown that a politician was personally aware of such dealings could legal action be taken against him.

Two major consequences followed from this:

The first concerned the orientation of political debate. Although there was no official bias in favour of one type of political view or another, the need for significant sums of money gave advantage to those parties with a pro-business outlook. The spur to the realignment of parties which took place in 1955 and lasted until 1993 was the formation of the Japan Socialist Party (JSP). This was for a short period the largest party in the Diet and caused apprehension not merely in Japan but also in the United States over the direction of Japanese politics, when the cold war was still at its height. All of this provided the glue which finally held together the alliance of the previously separate and rival Liberal and Democratic parties to provide a united pro-business party, the LDP. This became the largest party in the Diet and it managed to retain its dominant position for the next 38 years, largely because of its fund-raising ability. It was reported in 1974 that the LDP and its factions gained four-fifths of the total of JPY 51,6 billion (USD 170 million) in income reported by all the party headquarters to the Ministry of Home Affairs (Watanuki 1977:22–23).

Until 1993 the employers’ association, the Keidanren, actively collected money on the LDP’s behalf. This was by no means the only source of funds at the disposal of the LDP, but it was by far the largest. For a long time there was no official limit on

contributions which could be given to a party, and the LDP was qualitatively different from the other parties in the share of its declared income which came from donations rather than membership dues. Still in 1991 58 percent of its income came from corporate donations, while only 28 percent came from membership dues, and no other party could match that (Tan 1993:115).

The second consequence concerned the structure of the LDP’s organization. Since money became such a key issue, the party was not solely responsible for raising funds for the activities of its representatives. Individual representatives could supplement funds raised centrally with whatever they raised by their own efforts. Some were more successful than others, and so attracted followers with whom they shared surplus income. Consequently the factions which had already appeared within the LDP from its initial formation because of rivalries between individual leaders acquired a financial basis. Initially numbering eight, by the 1960s there were five factions, with the largest, the Tanaka faction, being by far the most successful.

Clearly, the existence of the factions had a major impact on policy making and the apportionment of government posts within the LDP. Not surprisingly, the larger factions also tended to be handed most of the ministerial posts. And ultimately the largest factions determined who was to become the president of the party, and thus normally the Prime Minister. No faction leader was prepared to give up his own faction for the sake of the party. The differences between the factions were based chiefly upon personalities and fund-raising ability rather than policies. Nevertheless, Tanaka Kakuei was most successful in raising funds for his faction because he exploited links with the construction industry, and the LDP governments at that time were strongly encouraging infrastructural construction. So government policies could be – and were – skewed in certain directions owing to the funding needs of individual politicians and their factions. The road and “bullet train” (*shinkansen*) networks especially benefited from this, as politically influential representatives were able to get previously isolated regions added to the shinkansen and road networks (see Woodall 1996 for several examples).

The lavishness of political funding was further exacerbated by the multi-member constituency system. Most constituencies had several representatives who ran against each other, while the electors each only had one

vote. This pitted members of the same party against each other. Some constituencies returned as many as five members, so only small variations in voting might separate the candidates. This encouraged candidates from the same party to fight as hard against each other as against other parties. The chief means of fighting was money. Thus individual members found that they needed to gain access to local funds, too, and they set up their own local political support groups (*koenkai*). (For a detailed account of how a candidate for the Diet used his *koenkai* in the 1960s, see Curtis 1971, chapters 5 and 6.) These too could raise large amounts of cash, sometimes from dubious sources.

Enforcing Funding Laws

The actual amounts raised were always difficult to establish. Although the state had laws on the reporting of political funds, parties and especially individual members were less than punctilious in reporting. Already by the early 1950s it was estimated that candidates needed to spend between five and six times more than what was allowed by law (Ike 1957:200). Factions, if they had a definite identity, were required to report what they had raised, but sometimes they opted to do so by dividing the money among individual fund-raisers within the faction. They would choose to report large or small amounts, as public expectations fluctuated or according to whether a particular faction wanted to impress or to keep a low profile. Donations to political organizations were tax-deductible, and so the largest corporations, which made the largest donations, had an interest in being straightforward about this. Small organizations, however, were less punctilious – and in any case those companies which made donations in the hope of an official interpretation of government regulations in their favour might expect better treatment if they kept silent about donations rather than publicizing them, in case the publicity caused embarrassment to the “patron”.

As mentioned above, the state was not able to demand compliance, because “everyone knew” that it was impossible. Nor were the parties very effective in policing each other’s campaigning. An indication of the strange consequences to which this could lead can be seen from Table 1. In 1953, when the cold war was at its height, the Liberal and Democratic parties reported an income that was 20 times that of the Japanese Communist Party (JCP) (the party which most prided itself on honesty). In contrast, in the 1990s, when

communism was clearly waning, the JCP was the party which made the declaration of the largest income, 20 percent higher even than that of the pro-business LDP – as can be seen from Table 2.

Yet even the LDP is prepared to admit to a total income, including local branches of the party and funds carried over from previous years, of JPY 40 billion (c. USD 371 million) in 2000 (www.jimin.jp/jimin/english/overview/04.html). Many observers suspect that the LDP’s real income is up to five times the reported figure (Hrebemar 2000:61).

TABLE 1.

JAPAN: POLITICAL PARTIES' REPORTED INCOME, 1953	
<i>Figures are in JPY million</i>	
Party	Income
Liberal (including Democrats)	229,26
Progressive	108,71
Socialist (right wing)	29,27
Socialist (left wing)	25,50
Farmer-Labour	1,07
Green Breeze	5,05
Communist	11,05
Total reported income	409,91

Source: Ike, Nobutake. *Japanese Politics*. New York: Knopf, 1957:201.

It was true that these lavish party resources caused some spectacular scandals, most notably (until the 1990s) the Tanaka Lockheed scandal in the 1970s. These caused public outcries and some tightening of the laws. But at least at that time the LDP showed skill in public relations when its leaders agreed to allow the leader of the smallest and therefore least prosperous faction, Miki Takeo, to become Prime Minister, so as to symbolize an apparent change of heart. And Miki did toughen the regulations on campaign funding, although he was soon forced from office by disgruntled leaders of the larger factions for failing to prevent the prosecution of former Prime Minister Tanaka.

One last consequence of the system should be noted: it was biased in favour of incumbents. While the laws were strict on how long an election campaign could last and what kinds of expenditure and activity candidates could engage in, incumbents could maintain their profile with electors between elections by sending them postcards or newsletters at their own expense.

Yet, for all the irregularities and the less-than-frank disclosure of funds, the Japanese system did at least

TABLE 2.

JAPAN: POLITICAL PARTIES' REPORTED INCOME AT THE NATIONAL LEVEL, SELECTED YEARS

Figures are in JPY million

	1976	1980	1985	1990	1995	2000
Communist Party	15.918	19.582	21.679	32.058	31.100	32.800
LDP	7.806	18.655	18.966	30.844	23.500	27.100
Komeito	7.130	8.388	9.807	13.490	13.400	15.900
Japan Socialist Party	3.874	5.110	6.649	6.794	14.600	4.400
Democratic Socialists	1.350	2.463	1.830	2.412	–	–
New Frontier Party	–	–	–	–	17.500	–
New Party Sakigake	–	–	–	–	1.500	–
Democratic Party of Japan	–	–	–	–	–	11.000
Liberal Party	–	–	–	–	–	3.800

Note: – = not available or not applicable (party did not exist at the date in question).

Source: Japanese Ministry of Home Affairs.

aspire to establish a “level playing field” between the parties. The rules themselves were not aimed at giving preference to one party. Indeed, in the first few post-war years the Allied administration in Japan tried to favour the JSP because it was regarded as a potentially important bulwark defending the new “peace” constitution which banned Japan from having its own armed forces, provided the JSP could be kept apart from the JCP (Kataoka 1992:48–49). As we turn to the other two systems, those of Taiwan and South Korea, we shall find that this even-handedness has been harder to achieve.

3. Taiwan and South Korea

Until they seriously began to democratize from 1987, both these states practised authoritarianism (in the case of Korea there was the exception of the brief Chang Myon government of 1960–1961). Yet it was an authoritarianism which appealed for support to the free world, so both states also attempted to create a democratic cover for their actions. They allowed elections at some levels of administration, but they restricted the opportunities for other parties to make a serious electoral challenge, in both cases citing the threat of communism.

3.1. Taiwan

For Taiwan this meant the banning of other parties than the Kuomintang (KMT) under emergency laws. Moreover, no elections could be allowed to the Legislative Yuan (parliament) for most of the seats

because the incumbents had been elected to represent the whole of China in 1947. But elections could be allowed for the seats representing Taiwan, as well as to the provincial legislature for the island of Taiwan and for posts at the county level. However, the opponents of the KMT had to stand as independents. They could not organize as parties. An attempt to found a China Democratic Party in 1960 was broken by the arrest of its organizer, Lei Chen, on the dubious accusation of consorting with communist agents. Between 1951 and 1985, KMT candidates won between 80 and 100 percent of local government posts. In local legislative elections, the KMT won between 70 and 85 percent of the seats in the provincial assembly between 1957 and 1985, and between 75 and 92 percent of the seats in the Taipei City Council from 1969 to 1985 (Lasater 1990:10).

For Taiwan, the KMT's legally protected advantage was reinforced by its opportunities for patronage. Even more importantly, it also built up its own financial empire. It had always been part of the KMT's ideology that it was aiming at a new society somewhere between capitalism and socialism. Given the difficulties of raising funds for its activities through voluntary contributions in an impoverished China during the civil war on the mainland, it had set up its own business operations in areas which it controlled, just as it also encouraged state-owned enterprises. There was a definite blurring of the distinction between private and public enterprise. Particularly at the end of World War II, the Nationalists had seemed to be in league with “carpet-baggers”, who came into areas newly liberated

from the Japanese and took over businesses from former “collaborators”, although this did then lose them support in favour of the communists. Then, when the Nationalists lost the mainland and were forced to retreat to Taiwan, they found that they largely had to start from the beginning again, having abandoned most of their assets. They also found themselves confronted by a fairly hostile local population, following massacres on and immediately after 28 February 1947, when several thousand protesters were killed. **They overcame their lack of funds by setting up their own business operations**, which they ran in association with the state.

Although the KMT has never published accounts of its businesses, they prospered as Taiwan prospered. By the early 1990s rumour suggested that these operations were worth perhaps USD 1,5 billion in total, with income for 1995 estimated at USD 450 million (*Far Eastern Economic Review* 11 August 1994:62–65; and Chiang Chingsi et al. 1992:38–39). Whether or not these figures are accurate, the KMT itself reportedly had a permanent staff in the early 1990s of 5,000 employees. On the assumption that they were each earning around TWD 3,000 per month, this would put the total wage bill at around TWD 1,5 billion per month, that is, USD 58 million, or almost USD 700 million per year (Liu Shuhui 1992:38–39).

When democratization began from 1987 onwards, the KMT was reluctant to give up its organizational wealth, or the political advantage this wealth could bring. Thus, although, as in Japan, **campaign laws were drawn up** which attempted to regulate the activities that could be carried on during election campaigns, **nothing was done about party finances for the rest of the time**. This obviously put candidates from other parties at a significant disadvantage, especially as the KMT candidates tended to be incumbents already and so could continue to use their position as members of the Legislative Yuan to keep up their profile in advance of the election.

Yet **the organization of rival parties also significantly raised the cost of electioneering**. It has been argued that in earlier times politics was much cleaner, albeit partly because of popular apathy, than in the more recent era of democratization (Ma Ch’ihua 1991:161). Reportedly, already by 1989 a candidate for the Legislative Yuan might have to spend as much as USD 1,2 million–3,2 million on a single campaign, that is, more than a candidate in elections to the US Congress (Shiau Chyuan-Jeng 1996:221). By the mid-1990s,

Robinson estimated that a campaign might cost USD 2–4 million, whereas successful candidates in US congressional races would spend only USD 600,000–1 million, even though US constituencies were twice as big (Robinson 1999). Indeed, as the pressures mounted upon the KMT in the new era of competitive politics, and as the costs of politics mounted, the party businesses became if anything more aggressive in their pursuit of new investment opportunities so as to ensure a regular supply of funds for the KMT.

The **multi-member constituency system** has had some of the same impact on the internal cohesion of the KMT as in Japan. Although it has forced individual candidates to set up equivalents of *koenkai* to raise funds locally, relatively speaking the **party headquarters controls a larger proportion of the funds at the disposal of its candidates**. Yet individual candidates from the same party are still pitted against each other in the same constituencies. Attempts by the party headquarters to give assistance to “weaker” candidates so as to increase the chances of overall party success cause resentment among the “stronger” ones, who fear that intervention may cause them to lose their seats.

There are **maximum figures** set for the amounts which individual candidates can spend on election campaigns at the various levels of government, but enforcement is extremely difficult. For example, as in Japan, it is difficult to distinguish between spending by the candidates themselves, which is restricted, and spending by their supporters, which is not. The government’s Election Commission does require reports of campaign spending to be filed by individual candidates, but these are not published. There are in any case **no restrictions on the amounts the party headquarters can spend**. This obviously continues to favour the KMT.

Unlike the other two systems considered in this chapter, Taiwan still has **extremely limited public support** for party activities. A limited amount of time is made available for free television campaign broadcasts, but no public funds are available for other election expenses during the campaign. Once elected, candidates are able to claim TWD 2 for each vote gained, but this only contributes a small amount towards their overall expenses, and is in any case paid directly to the representative rather than to the party. The chief opposition party to emerge, the Democratic Progressive Party (DPP), requires all its successful candidates to turn over a part of this payment to the

party, but even this requirement is not always observed.

On the other hand, the DPP also targeted the native Taiwanese business community for possible funds. The consequence has been that political debate has not been polarized into pro- and anti-business discourse. Nevertheless the DPP has experienced considerable and repeated financial difficulties: at one point it was only saved from bankruptcy by a personal donation from the party president.

Still, “factions” are not as important in Taiwanese politics as they have been in Japan. The residual legacy of Leninism as the basic organizational doctrine of the KMT has restrained the party’s representatives from forming several rival factions at the national level. There are factions within the party, but many are local groupings of notables with which the central leadership of the KMT has worked since the 1960s, and which have preserved a kind of separate identity. In many cases they reflect the divide between mainlanders in the centre and “native Taiwanese” outside. More recently, factions have formed within the KMT over fundamental issues of principle such as policy towards the mainland. They do not, however, have the same organizational significance as factions inside the LDP and certainly not the same financial role in determining posts in the national leadership (Hood 1996:468–482; and Lai Hsiuchen 1994:97–108).

More recently, however, the increasing salience of money politics has begun to cause a public backlash. Individual KMT representatives have calculated that they would stand a better chance of being elected if they ran against corruption, even if the corruption is associated with their own party headquarters. This has meant that they have actually refused offers of support from the headquarters. Subsequently a few of them broke away to form their own New Party, which they claim is also more firmly committed to the long-term goal of reunification with the mainland than the KMT under former President Lee Teng-hui.

As a result, there is now a groundswell of popular support for tougher action against corruption in Taiwan, and there are proposals for greater state support for parties so as both to strengthen the party system overall and to try to ensure greater accountability for party finances (Liu Shuhui 1992:45–47). Not surprisingly, the opposition candidates are in favour of this, but whether the KMT can be brought to accept it remains to be seen.

3.2. South Korea

South Korea has had a more varied political history than Taiwan since the end of the civil war in 1953. As in Japan, immediately after World War II a large number of new parties emerged – proportionately as many for the size of the population. In the 1948 Constituent Assembly elections approximately 48 parties took part. There have been military coups, but also more attempts at guided democracy. But the proliferation of political parties was unwelcome to the first president, Rhee Syngman, as well as to President Park Chung Hee in the 1960s.

What is noticeable about Korean democratization is that even when the military were in power they usually attempted to shore up their legitimacy by allowing restricted elections to the National Assembly. In the 1960s President Park formed the Democratic Republican Party (DRP) which was carefully organized by Kim Jong Pil, who was for much of the time also head of the Korean intelligence service or KCIA (for details of this attempt, see Kim 1976:25–34). By the late 1970s it allegedly had several million members. And, like the LDP in Japan and the KMT in Taiwan, the “official” parties sought to enlist the support of rural elites in elections (Kihl Young Whan 1980:85–117). These were a kind of faction. Yet no sooner was President Park assassinated in 1979 than the DRP was abolished. In the 1980s an analogous attempt was made by President Chun Doo Hwan with the Democratic Justice Party (DJP). Despite all the official bias, however, some seats were elected on the basis of proportional representation. This ensured that some opponents of the regime were elected, and opposition leaders such as Kim Dae Jung and Kim Young Sam were surprisingly successful in mobilizing support.

The regime therefore looked to business for support, and in particular money, to win over as many people as possible. Patterns of relationships between party leaders and supporters/funders developed: in particular there were very close relationships between the state and the large business corporations (*chaebol*). As a whole the *chaebol* owed a lot of their success to privileges granted by the state. It was illegal, for example, for trade unions to engage in any organized party political activity. In return the *chaebol* were expected to contribute handsomely to the ruling party. This, however, could be shielded from the public not only because of controls on the press, but also because of a highly unusual feature of the Korean economy. Until 1993 it was quite legal to

hold bank accounts in fictitious names: contributions to individual parties could thus be further disguised under meaningless names, or indeed hidden entirely.

In addition, the first Political Funds Law of 1965 introduced the principle of **some state funding for political parties**, although at that time this was intended to ensure that the money went to regime supporters.

All of this contributed to an **escalation in the costs of running election campaigns**. As early as 1967 it was estimated that in the National Assembly elections ruling DRP candidates spent an average of KRW 30 million (USD 100.000) each. At that time the main opposition party was the New Democratic Party, and it could only compete with resources on this scale by tapping contributions from those of its candidates who were successful in the proportional representation seats, allegedly to the tune of KRW 20 million each (in other words, USD 60.000) (Han 1972:134).

Expenditure on elections escalated rapidly. While the DRP by 1967 officially reported spending KRW 259.000 on elections in 1963, by 1967 the figure had risen to KRW 614.000 and by 1971 to KRW 2,5 million. But these figures seriously underestimated real spending. One commentator remarked in 1977 that campaign expenditures in Korea were 25 times as large as those of the United Kingdom, even though Korea's gross national product (GNP) was only one-seventh of the UK's (Pae 1986:188–189). According to a former director of the KCIA, in 1971 the ruling DRP spent KRW 60 billion – a sum equivalent to more than 10 percent of the overall government budget for that year – on the re-election campaign of President Park (Park Chan Wook 1994:183).

Thus, when the newly-installed president, former

general Roh Tae Wu, decided in 1987 to tolerate the development of democracy, he cast around for ways of keeping the official DJP in power. In the end this was achieved by merging it with the largest opposition party, led by then oppositionist Kim Young Sam, so as to form the Democratic Liberal Party (DLP). The intention was to create a new party that would stay in power as long as the LDP had done in Japan.

The cosy relationship between top business and political leaders did have the benefit of limiting the development of **factions** of the kind that are endemic in the LDP, especially as there were no local elections until 1995, so that there was no pressure to raise funds to fight local elections. It reinforced the tendency for leaders to dominate their parties in fund-raising as in everything else. **Parties remained the rather simple patron–client networks dominated by an individual leader** such as may be found in many other countries, rather than the complex ones found in the Japanese LDP (Yun Seongyi 1994:539–565). On the other hand, elections to the national legislature tended to be characterized in many cases by races between local notables rather than between parties, and still required large injections of cash.

An indication of the money officially declared by parties is given in Table 3. These figures show the extent to which the ruling party's income far exceeded that of its rivals. In 1994 the ruling DLP reported income equivalent to USD 256 million, 12 times greater than that of its nearest rival, the Democratic Party. Yet, as in Japan and Taiwan, the figures only tell part of the story. Yong-ho Kim has revealed that during his presidency Roh Tae Woo collected about USD 640 million in secret political contributions from over 30 business

TABLE 3.

KOREA: PARTY REVENUES 1988–1990			
<i>Figures are in KRW million</i>			
Party	1988	1989	1990
Democratic Justice Party	32.370	23.606	–
Reunification Democratic Party	14.240	5.737	–
New Democratic Republican Party	12.583	6.209	–
Party for Peace and Democracy	15.481	6.243	8.775
Democratic Liberal Party	–	–	39.895
Democratic Party	–	–	2.199

Note: 1988 was a National Assembly election year, hence the much higher expenses. KRW 700 = c. USD 1.

– = not available or not applicable (party did not exist at the date in question).

Source: Park Chan Wook. "Financing Political Parties in South Korea, 1988–91." In *Comparative Political Finance Among the Democracies*, edited by Herbert E. Alexander and Rei Shiratori. Boulder, CO: Westview Press, 1994:178.

tycoons, of which about USD 274 million went to his party and campaign expenses. In addition, something like USD 2,5 million was given to his opponent, Kim Dae Jung (Kim Yong-ho 1996).

4. Japanese Reform Proposals, the 1996 General Election, and Reforms in South Korea and Taiwan

In all three systems, then, the problem of money politics has been perceived to have become more serious in the 1990s. In Japan and South Korea attempts began to remedy it, more or less simultaneously. More recently this concern has spread to Taiwan, as well.

4.1. Reforms in Japan

In Japan the spate of financial scandals in the early 1990s finally drove the LDP to try to address the issue, although ultimately it took their loss of power in 1993 for the alternative reform coalition, led by the newly-formed opposition party Shinshinto, to actually introduce measures, the most important being the 1999 revision of the Political Fund Control Law (1948).² Basically these measures relied on a more pronounced role for the state in regulating party activities. In part this meant increasing the **controls on individual contributions**. Companies are no longer allowed to give money to individual candidates, but **only to parties and recognized political organizations**. Donations of over JPY 50.000 (c. USD 500) now have to be reported, where previously the threshold was JPY 1 million. It also meant increasing the **penalties for infringements** of regulations. Previously a candidate's victory could only be quashed if they or their campaign manager could be proved to have been involved. Now if any campaign worker is found to have broken the rules, this can lead to the result being overturned. Partly, too, it involved the redrawing of parliamentary boundaries, so that all

the multi-member constituencies were done away with. This was intended to reduce the competition between different factions of the same party which, it was thought, had contributed to escalating electioneering expenses.

At the same time, the government introduced subsidies for parties that had candidates who had succeeded in elections (the threshold was five seats in the Diet). The overall sum available was set at JPY 30 billion, which represented the official size of the population multiplied by JPY 250 per head. This is roughly equivalent to USD 250 million, and was agreed partly because it seemed to be in line with the subsidies available in West European countries, and partly because it represented roughly half the figure which politicians had calculated they spent every year on political activities.

Most of these new regulations are aimed at strengthening the political parties at the expense of factions and individuals. The hope is that this will lead to more substantive policy-oriented debate and to the parties' evolution into more impersonal institutions. It should lead to more funds being made available to the party leaderships, so that they can exercise greater real leadership over their supporters.

The paradox about these arrangements is that the state is intervening not because of a shortage of funds available for political parties, but because of parties' own weaknesses. The state may only be able to regulate party activity better by contributing its own funds and requiring proper accountability. Thus, where the original concern was with the need for viable parties to give substance to democracy, now things have changed so that the state needs to intervene to **help parties perform a more useful and effective role as part of a democratic system**.

Whether this will work obviously remains to be seen. As can be seen from Table 4, spending reported by local

TABLE 4.

JAPAN: POLITICAL SPENDING REPORTED TO THE CENTRAL AND PREFECTURAL AUTHORITIES, VARIOUS YEARS SINCE 1976

Figures are in JPY billion

	1976	1980	1985	1990	1995	2000
Central	69,3	112,8	145,6	184,5	170,7	156,8
Prefectural	40,4	78,9	106,3	153,8	185,9	175,9
Total	109,7	191,7	251,9	338,3	356,6	332,7

Source: Japanese Ministry of Home Affairs

parties and candidates to prefectural organizations after 1994 began to exceed that reported by the central parties to the central government. If this trend continues, then it would suggest that the central party apparatuses will still not find it so easy to centralize control over their party branches. Nevertheless, the Political Fund Control Law was revised so as to prevent corporate donations to individual candidates and their *koenkai* from the year 2000. Instead, they can only donate money to local branches of parties. Even if incumbents still chair these local branches, that may provide a little extra leverage for the central party leaderships.

In addition, a leak that was brought into the open in 2002 by the leader of the Japanese Communist Party, Shii Kazuo, revealed that over a period of 14 months in the years 1991–1992 the government of Prime Minister Miyazawa Kiichi distributed JPY 143.87 million (c. USD 1 million) in discretionary funds to ruling and opposition party representatives, as well as to cover personal expenses at his official residence. This was sometimes used to smooth the passage of government legislation through the Diet (www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20020414a2.htm). Nor does this seem to have been a unique period. Secret discretionary funds have been a regular feature of Japanese diplomacy and domestic politics for decades. Other party leaders claimed that the Miyazawa government must have had considerably more than JPY 144 million at its disposal. This has reinforced the widespread popular impression of corruption in politics – an impression strengthened by regular resignations of individual Diet members throughout the 1990s and up to the present over revelations of corrupt practices. Even former cabinet ministers such as the LDP's former Secretary-General of the LDP and a former contender for its leadership, Kato Koichi, have been forced to resign. The reformist Prime Minister Hosokawa Morihiro was forced to resign in 1994 over a personal financial scandal. Nor were resignations confined to the LDP. A leading figure in the Social Democratic Party, Tsujimoto Kiyomi, who had strongly criticized corrupt political practices, was forced to resign in 2002 because an aide had misused political funds. Aides to politicians were often implicated in these scandals, which suggested that the corruption was spreading more widely in political circles. (For a summary of several of the scandals of the 1990s, see Blechinger 2000).

To try to rebut increasing popular cynicism, in 2002

four members of Parliament voluntarily disclosed their political spending. Two came from the LDP and two from the Democratic Party of Japan. Two were from the Upper House of the Diet and two from the Lower. Each of them claimed to spend around JPY 40 million per year (c. USD 370,000). Although this was welcomed as a first step towards greater openness, it was also noted that another LDP Diet member, Suzuki Muneo, who had recently been forced to resign, had admitted to raising JPY 500 million per year (USD 4.6 million) for himself and colleagues (Iwai Tomoaki 2002), and the newspaper *Asahi Shimbun* claimed that a typical LDP Diet member actually took in about JPY 88 million per year, or about USD 817,000 (www.asahi.com/english/op-ed/K2002120300289.html). So the attempt at increasing openness instead reinforced popular cynicism.

One curious by-product of the new rules has been actually to encourage instability among parties, as can be seen from Table 2. Since five seats in the Diet entitle a party to receive subsidies, and the funds are assigned on an annual basis at the beginning of the new financial year, the first three months of the new year see repeated squabbling and plotting within parties as disaffected groups decide whether to jump ship in time for the next year's subsidy. This is not the only reason for new parties emerging and for the short life of some of them, but it is certainly a factor.

However, one achievement that has followed the introduction of government assistance for political parties in the 1990s is that it appears to have ended the secular increase in the costs of political activity of previous decades, although the decade-long stagnation of the Japanese economy will also have been a factor. As can be seen from Table 4, the total amount raised for political activity in 2000 that was declared to the government was almost identical to the figure for 1990. Of course, this is still an enormous figure, roughly equivalent to USD 3.1 billion. And in 2003 the Japanese business organization, the *Keidanren*, will resume the practice of donating funds to business-friendly politicians, which it abandoned ten years previously following a series of scandals. This may renew the upward pressure on the funding of politics.

4.2. Reforms in Korea

In Korea in 1993 the apparently cosy relationship between big business and the ruling party was thrown into disarray. The President of the Hyundai

Corporation, Chung Ju Yung, decided to run for the presidency by setting up his own party, the United National Party. For this he relied largely on the resources of his own corporation. In the end he was defeated, and the winner, Kim Young Sam, then arranged for a major tax audit of the corporation which found, not surprisingly, that offences had been committed. So Chung was sentenced to a jail term, although this was commuted when he agreed to resign from the corporation, since this also marked the end of his political ambitions.

This attempt to buy electoral success worried not only the established politicians but also the general public. It led President Kim to crack down on corruption in public office and to try to impose restrictions on the campaign funds of candidates for political office. He increased subsidies to political parties and introduced severe penalties for candidates who broke the law. Most surprisingly of all, he allowed the prosecution and imprisonment of his two predecessors, Chun Doo Hwan and Roh Tae Woo. Kim Young Sam came under increasing pressure to make the political playing field more even, and he responded with a series of laws intended to control corruption, including an Act on the Election of Public Officials and the Prevention of Election Malpractices (1994, revised 2000). The Political Fund Act was revised in 2000 to prevent illegal political funds and to create a basis for legal and transparent political funds. But the measures were uncoordinated and the main focus was on trying to develop a sense of ethics in public servants and an ethic of anti-corruption among citizens. In the meantime, scandals continued to surface, with even the president's own son being implicated in 1997. (For an outline of the changes in the informal practices of Korean parties, see Chon Soohyun 2000:66–81.) There was a general perception that democracy had increased the scope of corruption because lower-level and local officials and representatives could now obstruct agreements and deals, where previously the will of the president could force things through.

In part it was public exasperation with the apparently hydra-headed nature of corruption in Korea that led to the election of the other famous oppositionist, Kim Dae Jung, as president in 1997. He was the first president to be elected without any major ties to business and he was committed to reform. In 1999 he launched a national Anti-Corruption Programme. This tightened up regulations on donations and contributions,

imposing ceilings on the amounts individuals and corporate bodies could give to the central party organization or a local branch. Individuals can now give a maximum of KRW 100 million in one year to a central party headquarters (USD 83.000) and/or KRW 20 million (USD 16.500) to a local party or an individual representative. Companies can give up to KRW 200 million (USD 166.000) to a central party headquarters and KRW 50 million (USD 41.500) to a local party or an individual representative. Associations of supporters (the Korean equivalent of *koenkai*) can collect a maximum of KRW 30 billion (USD 2,5 million) in a normal year for the party headquarters and/or KRW 3 billion (USD 250.000) for a local representative, but this can be doubled in an election year.

The Political Fund Act also established an annual government subsidy for political parties calculated at the rate of KRW 800 (USD 0,60) for each vote cast in the most recent elections to the National Assembly. This is only one-third of what is allowed in Japan, but it does reward parties for overcoming voter apathy. (The subsidy in Japan is paid irrespective of voter turnout.) (For fuller details of the Korean system, see http://home.nec.go.kr/english/p_2.htm.)

The costs of political activity in Korea remain large, though not apparently on the scale of Japan. In 1998 (not an election year) the Millennium Democratic Party of Kim Dae Jung reported income of KRW 71,3 billion (c. USD 55 million), the Grand National Party (the former Democratic Liberal Party) KRW 55,7 billion (USD 44 million), and the United Democrats KRW 29,3 billion (USD 23 million). Yet no Korean believes that the figures reported are close to what is really spent (Croissant 2002:258). And, despite the efforts of the new administration to clamp down on corruption, it ended in the same embarrassment as its predecessor with the arrest of one of President Kim Dae Jung's sons on accusations of peddling influence (although this was not enough to prevent the candidate from the same party, Roh Moo Hyun, from being elected at the end of 2002 to succeed Kim Dae Jung).

4.3. Reforms in Taiwan

In Taiwan the KMT lost the presidential election in 2000 amid widespread allegations about “black gold”, i.e., corruption. This was not the only cause of the defeat: the fact that there was effectively a three-horse race with an official and a disaffected candidate from

the KMT let in the DPP candidate, Chen Shui-pian. Afterwards, however, the DPP tried to strengthen anti-corruption legislation. The fact that the KMT still had a majority in the Legislative Yuan made this difficult; nevertheless at the end of 2002 the Parliament approved a new law that regulated party spending during election periods. In return parties would be rewarded by state subsidies allocated according to the number of votes won, provided they reached a certain threshold. In elections to the Legislative Yuan, for instance, candidates in single-member constituencies who gained at least one-third of the votes would receive TWD 30 (USD 0,90) per vote, while candidates in multi-member constituencies who gained at least half of the minimum needed for election would get the same.

This was a start, but, as the Japanese had learned, it was likely to strengthen the personal role of the individual candidate at the expense of the party, widening the possible avenues for individual corruption. Although the Legislative Yuan also explored the possibility of legislation regulating party funding between elections, it abandoned the attempt for the time being on the grounds that this was too complicated. Nevertheless, even though the KMT as the party with the most to lose was reluctant to relinquish all its advantages, its candidate for president in 2000, Lien Chan, volunteered during the campaign to turn all his business enterprises over to trust funds so that the party could not be accused of directly manipulating the market for its own advantage, and it has begun to do this even though it lost the election. In 2001 it put the first tranche of TWD 2 billion (USD 57 million) into trusts. But newspapers speculated that the total remaining directly under the KMT's control was still 30 or more times this amount (Liu Yuling 2001:112).

5. Conclusion

This chapter has shown that there is no simple Asian model for funding political parties. It is true that the social context of politics in each of these states has imposed particular features on the activities of political parties and representatives which are not so obvious in other parts of the world. It is certainly true that in all three countries money is vital for electoral success. And it is certainly true that business interests have dominated those of labour and other groups in the determination of public policy.

There has been one characteristic of democratizing

politics in East Asia which sets them apart from those in, for example, Western Europe. Langdon has made the point for Japan, but it applies equally to South Korea and Taiwan: although business groups have made substantial contributions to the funding of political parties and thereby to politics itself, they have been less assertive than in, say, West Germany in using this to raise the profile of business generally. They have also been less exacting as to the use of the funds. Politicians, both individually and collectively, have been freer to make use of the funds as they chose. Langdon explained this in part by the traditional deference which the people in traditional Confucian societies have shown towards officialdom (Heidenheimer and Langdon 1968:193 and 200–201). Even though political leaders may now be democratically elected rather than appointed, they have still inherited some of the aura of the bureaucrat. And to some extent the officials have reciprocated by being less demanding than their counterparts in the West over accounting for money within companies. Thus, each side has been “generous” towards the other.

There is no doubt about the success of all these systems in raising funds for political life. None of them has suffered from the equivalent weaknesses observable in African states. If anything, these three Asian countries have been lavish in their political spending. But there are also three conclusions to be drawn.

The first concerns the implication of this study for the policies of the international economic organizations and governments in the developed world towards Third World development. Since the 1980s, and especially since the end of the cold war, it has been axiomatic that the “West” should encourage “good governance”. This is usually taken to include economic liberalization and political democratization. These two vectors of development are assumed to go together and to reinforce each other.

This account has shown, however, that in none of these states did political democratization and economic liberalization proceed in parallel. In all of them, at early stages of development once peace came after World War II and the civil wars, political parties generated funds for their organizations. They did so by linking with state officials, who directed national economic development, and with business people who took advantage of special relations with government either to make extra profits or to exploit black-market opportunities. Whatever have been the problems of

democracy in these three states, shortage of resources for the political world has not been one of them. Yet the practice of elections – even if, as in Taiwan, no opposition party was permitted to contest them until 1987 – sustained the rudiments of a democratic political culture which could then develop when more favourable circumstances permitted. And opposition parties have now won elections in both South Korea and Taiwan without any challenge to their legitimacy. Second, **public opinion in all three states is now swinging away from the toleration of past practices**, since they have been shown to have led to some individuals accumulating unheard of wealth. Many Japanese had their breath taken away after the arrest of one of the godfathers of the LDP, Shin Kanemaru, in 1993, when JPY 6 billion (c. USD 460 million) in bank debentures, gold bullion and cash were discovered in his home (Wood 1994:43). Some KMT candidates have now calculated that they stand a better chance of being elected if they openly dissociate themselves from the party's central apparatus and refuse any funds. In that way they think that they will avoid being tarred with the brush of corruption.

The chances of candidates with fewer resources winning elections are therefore increasing. As Fukui and Fukai have shown for Japan in the 1990s, money was important in the success of candidates, but the effectiveness of the *koenkai* was even more vital, and **money was not the only determining factor** (Fukui and Fukai 2000:23–41). The successes of presidents Chen Shui-pian in Taiwan and Kim Dae Jung in South Korea, despite organized business opposition, also testify to that. Their successes have led to legislation on the funding of elections, as well as on disclosure of party income. That will be positive.

The third conclusion, however, concerns the **possible role of the state in funding political parties**. All of the three countries discussed here now allow this. But the reason for this is not shortage of resources. Rather it is because it **allows the state greater access to control over party funding** so as to ensure that it is increasingly transparent and legal. In this respect all three states are now confronting many of the same problems which the United States and countries in Europe have been addressing in recent years. There, too, the issue of the relationship between the state and funding of political parties is contentious. (For an attempt to outline a theoretical justification for the state partially financing the activities of political parties because they perform

important social functions, see van der Beek 1994).

In that respect, therefore, it is **Japan which is more likely to become a “model”**, especially in Asia, for it has so far made the most effort to curtail spending by parties. Nor is its influence likely to be limited to North-East Asia. There were reports that politicians in Thailand have been watching Japan's efforts with considerable interest, given the extremely venal nature of the general election there in 1996 (*Japan Times* 18 October 1996). Indeed, this kind of corruption has become endemic throughout East and South-East Asia. A great deal of attention will be devoted to this problem (see, e.g., Council of Asian Liberals and Democrats 2002).³ But the debate will also take in studies of practices in Western Europe and the United States in the hope that they will provide useful lessons (for an extended analysis of Western practices on campaign funding see Horie Fukashi 1993). As noted above, this could involve a greater role for the state in regulating the behaviour of individual parties, as happens elsewhere in the world (see, e.g., Landfried 1994). It does, however, complicate the role of political parties and their leaders in determining the direction of state activity in a democracy.

In fact, the experience of Western democracies has shown the continuing difficulty of eliminating political corruption. However, in East Asia there is an additional problem. Will the public there accept changes in their relations with elected representatives, for instance, ceasing to expect “gifts” for major family events, as part of the price of change? This is especially a problem if the total amount available for subsidies to political parties is based upon a multiple of the total population. Every taxpayer may feel that he or she is entitled to some return for his or her contribution, especially if politicians are suspected of having raked off disproportionate benefits for themselves. In that case the extreme pressures on political funding, often deteriorating into corruption, will continue. **Without significant changes in public expectations, the problem of political corruption in East Asia cannot be fundamentally addressed.**

Endnotes

¹ Where USD conversions are inserted, these are provided by the author.

² The most important Japanese legislation is: (a) the Public Office Election Law (1950, revised most recently in 1999, 2000, 2001 and 2002); and (b) the Political Fund Control Law (1948, revised 1976, 1994, 1999 and 2002).

³ The workshops of Council of Asian Liberals and Democrats were held in conjunction with the National Democratic Institute for International Affairs in Washington and the Friedrich Naumann Foundation in Germany.

References and Further Reading

Books and Reports

Alexander, Herbert E. and Rei Shiratori (ed.s). *Comparative Political Finance Among the Democracies*. Boulder, CO: Westview Press

van der Beek, G. *Parteifinzen: Ein Ökonomisch-Finanztheoretischer Beitrag zur Reform*. Hamburg: Steuer und Wirtschaftsverlag, 1994

Chiang Chingsi et al. *Chiekou tangkuo tzupen chuyi*. Taipei: Taipei Society, 1992

Curtis, G. *Election Campaigning Japanese Style*. New York: Columbia University Press, 1971, 1983

Heidenheimer, A. J. and F. C. Langdon. *Business Associations and the Financing of Political Parties*. The Hague: Martinus Nijhoff, 1968

Herzog, P. J. *Japan's Pseudo-Democracy*. Folkestone: Japan Library, 1993

Horie Fukashi. *Seiji Kaikaku to Senkyo Taikai*. Tokyo: Ashi Sho Bo, 1993

Hrebenar, Ronald J. *Japan's New Party System*. Boulder, CO: Westview Press, 2000

Ike, Nobutaka. *Japanese Politics*. New York: Alfred Knopf, 1957

Kataoka, Tetsuya. *The Price of a Constitution: The Origin of Japan's Post-War Politics*. New York: Crane Russack, 1991

— *Creating Single-Party Democracy: Japan's Post-War Political System*. Stanford, CA: Hoover Institution Press, 1992

Landfried, C. *Parteifinzen und Politische Macht*, 2nd edn. Baden-Baden: Nomos, 1994

Lasater, M. L. *A Step Toward Democracy: The December 1989 Elections in Taiwan, Republic of China*. Washington, DC: AEI Press, 1990

Ma Ch'ihua (ed.). *Tangch'ien chengchih went'i yenchiu*. Taipei: Li Ming Wen Hua, 1991

Pae, Sung M. *Testing Democratic Theories in Korea*. Lanham, MD: University Press of America, 1986

Watanuki, Joji. *Politics in Post-War Japanese Society*. Tokyo: University of Tokyo Press, 1977

Wood, C. *The End of Japan Inc*. New York: Simon & Schuster, 1994

Woodall, Brian. *Japan Under Construction: Corruption, Politics, and Public Works*. Berkeley, CA: University of California Press, 1996

Yanaga, C. *Japanese People and Politics*. New York: Wiley, 1956

Articles, Chapters and Conference Papers

Blechinger, Verena. "Corruption Through Political Contributions in Japan." Working Paper for Transparency International, October 2000, available at www.transparency.org/working_papers/country/japan_paper.html

Chon Soohyun. "The Election Process and Informal Politics in South Korea." In *Informal Politics in East Asia*, edited by Lowell Dittmer, Haruhiro Fukui and Peter N. S. Lee. Cambridge: Cambridge University Press, 2000

Croissant, Aurel. "Electoral Politics in South Korea." In *Electoral Politics in Southeast and East Asia*, edited by Aurel Croissant, Gabriele Bruns and Marei John. Singapore: Friedrich Ebert Foundation, 2002

Ferdinand, P. "Building Democracy on the Basis of Capitalism: Towards an East Asia Model of Party Funding." In *Funding Democratization*, edited by Peter Burnell and Alan Ware. Manchester: Manchester University Press, 1998

Fukui, Haruhiro and Shigeko N. Fukui. "The Informal Politics of Japanese Diet Elections: Cases and Interpretations." In *Informal Politics in East Asia*, edited by Lowell Dittmer, Haruhiro Fukui and Peter N. S. Lee. Cambridge: Cambridge University Press, 2000

Han, Y. C. "Political Parties and Elections in South Korea." In *Government and Politics of Korea*, edited by Se-Jin Kim and Chang-Hyun Cho. Silver Spring, MD: Research Institute on Korean Affairs, 1972

Hood, S. J. "Political Change in Taiwan: The Rise of the Kuomintang Factions." *Asian Survey* 36:5 (1996)

Iwai Tomoaki. "Clearing Up the Murk in Political Finances." *Japan Echo* 29:5 (2002), available at www.japanecho.co.jp/sim/2002/290509.htm

Kihl Young Whan. "Political Roles and Participation of Community Notables: A Study of Yuji in Korea." In *Political Participation in Korea: Democracy, Mobilization and Stability*, edited by Chong Lim Kim. Santa Barbara, CA: Clio Books, 1980

Kim, C. I. Eugene. "The Third Republic and the DRP." In *Party Politics and Elections in Korea*, edited by C. I. Eugene Kim and Young Whan Kihl. Silver Spring, MD: Research Institute on Korean Affairs, 1976

Kim Yong-ho. "South Korean Party Politics" 1996 (unpublished paper)

Lai Hsiuchen. "Taichungshih tifang p'aihsi t'echih." *Lilun yu chengts'e* (Taiwan, 1994)

Liu Shuhui. "Chengtang chingfeide yenchiu." In *Minchu chihthu shechi*, edited by Lin Chiats'ang et al. Taipei: Chang Yungfa Foundation for National Research, 1992

Liu Yuling. "Taiwan tich'ü chengtang chengchih chih fachen tangchi chi tangnei minchu chih t'anso" (unpublished MA Thesis of the Graduate Institute of Political Economy, National Cheng Kung University). Taiwan, 2001

Park Chan Wook. "Financing Political Parties in South Korea, 1988–91." In *Comparative Political Finance Among the Democracies*, edited by Herbert E. Alexander and Rei Shiratori. Boulder, CO: Westview Press, 1994

Shiau Chyuan-Jeng. "Elections and the Changing State-Business Relationship." In *Taiwan's Electoral Politics and Democratic Transition*, edited by Hung-Mao Tien. New York: M. E. Sharpe, 1996

Yun Seongyi. "A Comparative Study of Party Faction in Japan and Korea." *Korea Observer* 25:4 (1994)

Electronic Sources

Asahi Shimbun, www.asahi.com/english/op-ed/K2002120300289.html

Council of Asian Liberals and Democrats, reports of workshops held in 2002 on "Political Party Strategies to Combat Corruption", available at www.cald.org/website/ndiintgen.htm and www.cald.org/website/ndiextnep.htm

Japan Times, www.japantimes.co.jp/cgi-bin/getarticle.pl5?nn20020414a2.htm

Japanese Liberal Democratic Party, www.jimin.jp/jimin/english/overview/04.html

South Korean National Election Commission, http://home.nec.go.kr/english/p_2.htm

Robinson, James A. "What Do You Think About Taiwan's Democracy?", www.cosmos-club.org/journals/1999/robinson.html