

Political Dynasties and Democratic Representation in Japan*

Yasushi Asako[†] Takeshi Iida[‡] Tetsuya Matsubayashi[§]
Michiko Ueda[¶]

Abstract

Dynastic politicians have occupied a sizable portion of political offices in many parts of the world. This paper develops and tests a model of dynastic legislators, who are defined as those whose family members have also served for the same legislature in the past. Our model, drawn from the citizen candidate model and the legislative bargaining model, predicts that; (1) dynastic politicians bring a larger amount of fiscal transfers to their districts compared to non-dynastic counterparts, but they implement policies that are not necessarily preferred by the majority of citizens in the district; (2) dynastic politicians face a less competitive electoral contest; and (3) dynastic politicians may be socially inefficient because they win an election even if the median voter prefers a non-dynastic candidate to a dynastic candidate. We test these predictions using the municipality-level data on fiscal transfers from the national to local governments in Japan between 1997 and 2007. We also use an opinion survey of candidates for the House of Representatives in order to measure their positions.

Keywords: political dynasties, fiscal transfer, citizen candidate, legislative bargaining

JEL Classification Numbers: C72, D72, H72, N41

*We wish to thank Yusaku Horiuchi and Jun Saito, and Masahiko Asano for generously sharing their data. We acknowledge financial support from Waseda University Organization for Japan-US Studies. Views expressed in this paper are those of the author(s) and do not necessarily reflect the official views of the Bank of Japan.

[†]Bank of Japan (yasushi.asako@boj.or.jp).

[‡]Waseda University (tksiid@aoni.waseda.jp).

[§]University of North Texas (tmatsubayashi@unt.edu).

[¶]California Institute of Technology (michiko@caltech.edu).