

Overview of Central-Local Relationships in Japan
- What was changed and What is challenged -

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1. Reform 2000

The collective decentralization law was enforced in April, 2000, and a center and a local governmental relationship of Japan will turn a rudder to an equal and cooperative relationships. The room in which a local government can perform the activity based on original judgment spread greatly. However, this reform is not considered to be sufficient decentralization reform. Professor Masaru Nishio who bore the big role by this decentralization reform put the reform as “ an unfinished reform.” I want for what to change by the decentralization reform in April, 2000, and to show clearly what is challenging in the reform in this report.

About the perspective which analyzes local autonomy of Japan, a framework called separation and interfusion is shown besides a framework called centralization and decentralization (Amakawa 1986). Following this framework, the center and local governmental relationships of Japan were understanding as a centralization fusion type.

A framework of centralization or decentralization is a classification depended for a “local body to be able to determine by how much the intention autonomously by the relation with the central government according to the intention of the residents in the zone” (Amakawa 1986:119). A framework of separation or interfusion is a typology depend on “ a degree of administrative function between central government and a local governments,what body carry out the issues, policies, and administrative functions of the central government in that region” (ibid.). That is, it is the view of <separation> that the central government’s organization shares the central government’s function uniquely even if it is a thing in the zone of local body. And it is the view of <interfusion> that a local body shares the peculiar administrative functions even if it is the central government’s functions (ibid.)

Professor Muramatsu (Muramatsu 1994:160-189) presents a “horizontal political competition model.” He combined a framework of a political level and an administration level in a center and local governmental relationships and a framework of control and competition between a center and local governmental relationships. And he called the traditional model of Japanese central and local governmental relationships as a “a perpendicular administrative control model”, and called the model obtained from own analysis as a “horizontal political competition model.” In the amount of activities, the Japanese local governments are greatly dealing with many types of functions that the

administrative purpose has been realized based on the needs of an area, using skillfully the territorial fight comparing with the European and American local governments. From his point of view, although it seemed that the control of the central ministries was strong to local governments, local governments have a high flexibility about which individual programs can be chosen, so the degree of autonomy of local governments is not so much low.

These perspectives and analysis will guide us to the division on notions of “the quality of autonomy” and “the quantity of autonomy.” The quality of autonomy shown by the range of the flexibility of action which local officers can be taken. The quantity of autonomy shown by the amount of functions which local governments execute (Nishio 2001:65-6). From this point of view, since there is little changes on the quantity of local governments raised by the decentralization reform in 2000, there is a lot of changes on the quality of local governments.

On the other hand, when observing a central and local governmental relationships of Japan from the side of the interdependence relationships between a center and local a district, it is necessary to observe how the local source of revenue is secured. In this decentralization reform of 2000, change is not fundamentally made about source-of-revenue distribution of the central government and the local government. Therefore, it is in the situation that it cannot but depend for many of sources of revenue on the central government as usual though flexibility increases about program execution, in local governments of many of scarce independence sources of revenue.

Although the 2000 reform of a central and local governmental relationships of Japan will make differences how from now on but a route is not clear. It can be said that control of the local governments from the central ministries by the individual subsidy is working in the direction which maintains the dependence to the autonomous central government. The Japanese local government does not have changes in the autonomous amount of functions by the decentralization reform, although the flexibility of judgment of administrative affairs increased. However, since the Japanese local governments depend for many of sources of revenue supporting the amount of their functions on judgment of the central government, and since there are many central government’s controls about the purpose for spending of individual subsidies, the improvement in the autonomous quality of Japanese local governments can also be called middle of a way.

2. What was changed and what was not changed by 2000 reform

2-1 Local government of Japan from World War II

In order to look back upon what was changed and what was not changed by reform in 2000, I will look back upon the fundamental structure of Japanese central and local governments relationships briefly. We can see the local autonomy of Japan after World War II in the new constitution which has

a chapter of “local autonomy.” By the new constitution (The Constitution of Japan), article 92 shows “Regulations concerning organization and operations of local public entities shall be fixed by law in accordance with the principle of local autonomy.” And article 95 shows “A special law, applicable only to one local public entity, cannot be enacted by the Diet without the consent of the majority of the voters of the local public entity concerned, obtained in accordance with law.” So we can say that the Japanese constitution structure put a considerable high grade on the local government’s independence.

Simultaneously of the constitution enforcement, the “Local Government Act” enacted, and a law institution of central and local governmental relationships of Japan prepared. However, an agency delegated function is preserved and command and supervisor of the central government (especially central ministries) had affected the policy process of a local governments.

2-2 Fundamental center and local governmental relation system

Japan has taken fundamentally the structure which makes the local government a two layer system (prefecture and municipal). This design was maintained also in reform in 2000 (all prefectures are 1 *do* 1 to 2 *fu* 43 *ken*, and the number of cities, towns and villages is about 3200). For example, problems, such as a state regional system and a big city, were not considered, because coincidence of an opinion among local governments was unlikely to be obtained.

Although an expansion of the scale of cities, towns and villages, i.e., promotion of a consolidation of municipalities, had gone up to subject as a “saucer” of decentralization, it did not carry out advancing a consolidation of municipalities compulsorily simultaneously by the initiative from a country. About the city, a system of the core city with middle scale and authority and a system of the special case city was founded, maintaining the big city system of a certain government ordinance specification city from the former.

2-3 Matters of reformed

The main items of the reform in April, 2000 are as follows.

a. Abolition of agency delegated function

Abolition of agency delegated function which is the system that ministers of central government delegate a part of their functions to the chief executives of local governments as their subordinate.

It had the following functions on the Local Government Act.

(1) the minister in charge has all right to the governors right of a command and supervision about the function of a prefecture carried out, (ex-article 150)

- (2) the governors in charge have the right of cancellation or stop the functions which mayors of cities, towns and villages do,
- (3) there is a ministerial order clause to the chief executives of local government (ex-article 151 second clause),
- (4) there are lists of agency delegated functions .

b. Establishing autonomous functions and legally entrusted functions

Formally delegated function divided to locally autonomous functions and legally entrusted functions. In addition, the mayors of a local government are entitled executing power about all functions they can execute (article 148 first clause amendment). So, it becomes clear the managing and executing power of the functions of local governments.

c. Shift from administrative control to legal and judicial control

In connection with the agency delegated function having been abolished, it was clarified that the control from central government to local government has to be a legislation and judicial control other than administrative control as then.

d. Clearance of each government roles “in accordance with the principle of local autonomy”

It clarified on the law that it had to be carried out along with “the main object of local autonomy.” That is, the following role assignments were specified in the Local Government Act. Moreover, the concerned thing (article 148 articles first) for which the functions of a municipal corporation is usually managed by mayors, and this is executed was specified on the law, and, as for the merit of a local government, management and executive power on autonomous functions and legally entrusted functions were clarified. The relation between the nation and local governments became the “role assignment” instead of “a functional assignment.”

e. Installation of the mediation committee on national and local government conflict management

When the dispute on a law interpretation arises between the national and a local government, it will be examined by the neutral dispute processing committee and a processing measure will be shown. The principle that it was not what forces a law interpretation of the nation on a target on the other hand in a local government was complemented.

f. Equal partnerships between national and local government

As for the above change, the relationships of the all prefectures and cities, towns and villages i.e. relationships of local governments clarified that it was an equal relation.

3. What is challenging

3-1 Dependency of local government's officials

Although the decentralization reform in 2000 increased the flexibility of policy judgment of a local government, the officials of local governments who will take charge of an actual statute interpretation grow familiar with the traditional interpretation system by the ministries. In recent years, there is a tendency to aim at improvement in the local government official's law interpretation capability and regulations planning capability in the word "policy judicial work." There is also a local government where the personnel demonstrate high capability by some local government towards the regulations establishment highly motivated which is not in the former. However, there is also an example of the local government which asks for presentation of a model regulations proposal, requests planning of regulations from a consultant company extensively, or does similar imitation for the regulations of the local government which already defined similar regulations.

3-2 Subsidy system

Although flexibility increased about policy judgment of a local government, reform of source-of-revenue distribution was not completely attached. So we could say the so-called "horizontal competition" between the local governments involving acquisition of a national subsidy was preserved. For this reason, the structure in which ministries of the nation controls a local government through subsidy distribution has not changed so much with the former.

3-3 Taxation autonomy

The authority which can impose the earmarked tax outside authorization by law was granted to the local government by 2000 reform. However, the width of discretion did not necessarily spread about the resident tax and fixed property tax which occupy many of tax amount. Moreover, source-of-taxation distribution between the nation and localities is not described at all by this reform, either. About this, although recognized as it being the subject which must be urgently treated by decentralization reform of the second round, the concrete plan of various variations is shown, and by the time the direction of reform becomes settled.

4 Future of decentralization reform

4-1 Optimistic prediction

The contents of system reform will permeate in 2000 and spontaneous efforts of a local government are performed. About a financial problem, recognition that promotion of decentralization

leads also to curtailment of a budget deficit progresses, and the motion towards radical revision of a Money-paid-out-of-the-national- system and a local grant tax system activates.

4-2 Pessimistic prediction

In spite of having performed decentralization reform, local governments might not be able to utilize the result of these reform enough. By the complication of a proposal with various source-of-revenue distribution problems, extracting the direction of reform might not be able to be finished after all and reform of present distribution of local grant tax and a national subsidy might not progress. Although the local government of the depopulated district to which aging went turns into a deficit reconstruction association from door to door, the prospect of reconstruction might not stand.