

Japan

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Japan has two levels of intermediate government. The upper regional tier consists of forty-seven *todofuken* (prefectures) which have an average population of about 2.7 million. The lower regional tier consists of 90 cities: twenty *seirei shitei toshi* (government ordinance designated cities), 54 *chūkakushi* (core cities), and sixteen *tokureishi* (special cities). Collectively, these 90 cities govern over almost 55 million inhabitants (about 43 per cent of the total population) and their average population is about 530,000. There are also eight regions which serve as statistical categories.

Japan's post-war jurisdictional architecture was laid down in the constitution (C 1946) and a law on local autonomy law (Law No. 67/1947), which empowered *todofuken* and installed prefectural governors and directly elected assemblies. The local autonomy law established 43 prefectures (*ken*), two urban prefectures (*fu*, Osaka and Kyoto), one territory (*dō*, Hokkaido), and one metropolis (*to*, Tokyo) which all have the same competences. *Todofuken* had administrative responsibility for economic development, social assistance, child care, public health, agriculture, environment, policing, and primary and secondary education (CLAIR 2002, 2010). *Todofuken* have no authority over own institutional set up, local government, police, or residual powers. The extent of subnational authority was determined by the center within the confines of uniform laws for the country as a whole. Subnational competences were formally described as “agency-delegated functions,” by which is meant that governors acted as agents of the national government under the relevant central ministry's supervision (Ikawa 2008).

Designated, core, and special cities are assigned as such by an ordinance from the central government.¹ Each type of city has a minimum population threshold and cities should have secured the approval of their city and prefectural assemblies before they candidate themselves (OECD 2016: 93–94). *Seirei shitei toshi* (designated cities) must have more than 500,000 inhabitants and they are required to subdivide themselves into wards (*ku*) which function as deconcentrated city government (Law No. 67/1947, Arts. 252.19–252.20).² The first five designated cities were established on September 1, 1956 and this number gradually expanded to twenty in 2002 (Jacobs 2011). *Chūkakushi* (core cities) were introduced by amending the local autonomy law in 1995 (Law No. 67/1947, Art. 252.22) in an attempt by the central government to encourage municipal mergers (Jacobs 2011). Core cities should have a population of 300,000 or more, a land area of at least 100 km², be a key employment center in the region, and have a greater daytime than nighttime population (the final two criteria were abolished in 2000; Konishi 2010). The first core cities were established on April 1, 1996. A third category of *tokureishi* (special cities) was introduced in the local autonomy law in 1999 (Law No. 67/1947, Art. 252.26) and the first special cities were

¹ The gradually growing number and total population size of designated, core and special cities is taken into account in the annual country scores.

² The mayor can decide to establish councils at the ward level with members appointed by the mayor.

designated in April 2000. *Tokuereishi* should have a population of 200,000 or more. The category of special cities was abolished on April 1, 2015 and cities with a population of 200,000 or more can request to become a core city. The sixteen special cities (in 2018) which not have been promoted into core cities (yet) retain their autonomy and are called ‘special cities at enforcement’ (*shikōji tokureishi*).

Designated, core, and special cities enjoy the same autonomy as municipalities but they also exercise competences which are delegated by the prefectures. Designated cities can also receive delegated tasks through an order from the central government. The list for designated cities is larger than for core cities which list is subsequently larger than for special cities. *Seirei shitei toshi* administer tasks in children’s welfare, social workers, physically handicapped, poverty, mentally handicapped, welfare of widows and aged people, food sanitation, cemeteries, and urban planning on behalf of the *todofuken* (Jacobs 2011; Law No. 67/1947, Art 252.19). The lists of competences for *chūkakushi* and *tokuereishi* are essentially the same but “with the exception of those functions for which it is not appropriate for a core [or special] city to perform because they can be performed more efficiently by the *to*, *do*, *fu* or *ken* acting comprehensively, than by the core [or special] city” (CLAIR 2010; Law No. 67/1947, Arts. 252.22 and 252.26-3). In their capacity as municipalities, designated, core, and special cities have wide-ranging competences including fire service, garbage disposal, water supply, sewage, welfare, roads, parks, urban planning, libraries, childcare, and school buildings (CLAIR 2010). *Seirei shitei toshi*, *chūkakushi*, and *tokuereishi* score 2 on policy scope.

Japan embarked on meaningful decentralization with the 1999 Omnibus Decentralization Act (*Chiho Bunken Ikkatsu Ho*), which amended 475 laws. First of all, the Law established the principle that central state control of subnational government policy requires an explicit statutory basis. The goal was to constrain the informal pressures that central ministries had previously exerted on subnational governments. Second, the Law explicitly deepened subnational autonomy over more than half of the previously “agency-delegated functions.” These now became “inherent functions” of subnational government. Third, the Law abolished the central government’s authority to remove a popularly elected *todofuken* governor or city mayor if he or she defied a government order (Law No. 87/1999). The omnibus decentralization law transformed the relationship between central and prefectural government “from a ‘superior–subordinate or master–servant’ type of relationship to one based on ‘equality between partners and co-operation’” and “increased the decision-making power of local governments” (Tanaka 2010: 6; see also CLAIR 2010). The central government’s ‘agency-delegated function system’ covered 40 per cent of municipal duties and 80 per cent of prefectural duties and 60 per cent of the duties controlled by central government became autonomous duties of subnational government (Mochida 2006: 152). Hence, before the omnibus decentralization law *todofuken* had limited rights to enact bylaws in economic, cultural–educational, and welfare policy (Matsufuji 2010),^a but authoritative competences in these policy areas significantly increased from 2000 (Konishi 2010) and we increase policy scope from 1 to 2 for *todofuken* to capture this change.

FISCAL AUTONOMY

Todofuken administer budgets amounting to around 35 percent of general government expenditure and about 25 percent of *todofuken* revenues consist of shared income and national value added taxes, plus a local allocation tax and a local consumption tax, of which the base and rate are set by the central government (Ikawa 2007; Ogata 2007). Around 20 percent comes from ear-marked central grants (Joumard and Yokoyama 2005). Both types of revenue are designed to redistribute income across the *todofuken*.

Since 1950, *todofuken* can increase the rate of the corporation income tax, a major tax, above the standard rate set by national government (up to a maximum of 20 percent in the 2000s) (Matsufuji 2010: 34–35; Mochida 2006).^a The base of the corporation income tax is set by the national government. *Todofuken* also have thirteen of their own taxes, specified in a local tax law (Law No. 226/1950), including inhabitant tax, house tax, and a land tax, for which they can set the rate (Harada 2009).

The local tax law (Law No. 226/1950) assigns thirteen taxes to *seirei shitei toshi*, *chūkakushi*, and *tokuereishi* including a property tax, a resident tax, and a city planning tax for which they can set the rate within limits set by the central government (CLAIR 2010; Mochida 2006). An amendment to the local tax law in 2000 increased tax autonomy for subnational governments. *Seirei shitei toshi*, *chūkakushi*, and *tokuereishi* (and *todofuken*) can establish their own tax under three conditions: the tax rate is not excessively high, the tax does not obstruct the distribution of goods, and the tax does not counter national economic policy. Many designated, core, and special cities have established an industrial waste tax, hotel accommodation tax, or recreational fishing tax (Mochida 2006).

BORROWING AUTONOMY

Until 2006, Japan's *todofuken*, *seirei shitei toshi*, *chūkakushi*, and *tokuereishi* could only borrow for the purpose of financing capital outlays (Mihaljek 1997). They needed prior authorization by the central government or, in the case of designated, core, and special cities, prior authorization by the prefecture governor (CLAIRE 2010; Law No. 109/1948; No. 67/1947, Art. 230; Matsufuji 2010). Rules governing the authorization process were specified in the annual local loan program (Joumard and Kongsrud 2003). The 1999 omnibus decentralization act (Law No. 87/1999) replaced this system of strict central control with a consultation process. Starting in 2006, *todofuken*, *seirei shitei toshi*, *chūkakushi*, and *tokuereishi* may now borrow without seeking formal prior authorization by the central government or the prefecture governor. They do, however, need to consult with the ministry of internal affairs and communications or the prefecture governor prior to issuing bonds. These relaxed rules do not apply to highly indebted *todofuken*, *seirei shitei toshi*, *chūkakushi*, and *tokuereishi* which still require central government or prefecture governor approval prior to issuing bonds (CLAIR 2010; Konishi 2011: 22–24; Tanaka 2011). Further restrictions on the issuance of bonds apply when the debt expenditure ratio exceeds 20 percent or when the deficit exceeds 5 percent, and the central government retains the right to impose a financial rehabilitation plan when the deficit exceeds a certain level (Mochida 2006).

REPRESENTATION

The *todofuken* assembly as well as the governor are directly elected every four years (C 1946, Art. 93). The assemblies and mayors of *seirei shitei toshi*, *chūkakushi*, and *tokuereishi* are directly elected every four years and these elections take place at the same time as *todofuken* elections through so-called unified local elections (CLAIR 2010; Law No. 67/1947, Art. 17-19). Before 1992 governors and mayors were obliged to act as agents of the central government even if they were popularly elected (Law No. 67/1947, Art. 150; Mochida 2006: 151–152). If a popularly elected governor or mayor were to defy a government order, he or she would be dismissed (Matsufuji 2010: 16). We score this as a dual executive.^β In 1992, the central government's authority to remove governors and mayors from office was abolished (Mochida 2006: 151).

Shared rule

Seirei shitei toshi, *chūkakushi*, *tokuereishi* and *todofuken* do not have shared rule. The upper house (House of Councillors) does not qualify as a chamber with regional representation. Its composition combines senators elected in the *todofuken* with senators elected on nation-wide party lists. Until 1998, the first type constituted the majority, but seats are allocated in proportion to their population.

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Self-rule in Japan

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
To/do/fu/ken	I	1950-1991	2	1	3	1	2	1	10
	I	1992-1999	2	1	3	1	2	2	11
	I	2000-2005	2	2	3	1	2	2	12
	I	2006-2018	2	2	3	2	2	2	13
Seirei shitei toshi	II	1957-1991	2	2	1	1	2	1	9
	II	1992-1999	2	2	1	1	2	2	10
	II	2000-2005	2	2	2	1	2	2	11
	II	2006-2018	2	2	2	2	2	2	12
Chūkakushi	II	1996-1999	2	2	1	1	2	2	10
	II	2000-2005	2	2	2	1	2	2	11
	II	2006-2018	2	2	2	2	2	2	12
Tokuereishi	II	2000-2005	2	2	2	1	2	2	11
	II	2006-2018	2	2	2	2	2	2	12

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