Past, Present and Future of Decentralization

1. History of Japan’s Local Autonomy System

The Local Autonomy Law was implemented on May 3, 1947, the same date as the Constitution of Japan. This shows the importance of the Local Autonomy Law in Japan’s post-war democratization. Nevertheless, the local autonomy system was not a totally new one in the post-war era.

With respect to the post-war amendment to the local autonomy system, laws pertaining to the city system, municipality system, prefecture system, Tokyo Metropolitan system and so on, which were the basic laws of the local autonomy system in the pre-war era, were amended and the system of direct public elections for governors and city mayors was introduced in 1946, the year after Japan had been defeated in war. In the following year, 1947, the Local Autonomy Law, which was the core of the present local autonomy system, was enacted by combining and integrating the foregoing laws. Thus, Japan’s local autonomy system was built on the systems of the pre-war era, the original model of which was the municipal system (enacted in 1888).

The Meiji Government enacted the municipal system the year before the Constitution of the Empire of Japan (1889) was enacted, and introduced the prefecture system the following year. The leaders of the Meiji Government considered that the local autonomy system was essential to the construction of a modern country and worked hard to maintain the local autonomy system for about 20 years after the Meiji Restoration.

Initially, the local autonomy system was heavily centralized and controlled. However, as democracy developed and political parties were established, democratic reforms such as the introduction of male popular elections and the reduction of involvement of the Ministry of Internal Affairs were implemented, and the right of autonomy was expanded. However, these reforms failed as the wartime atmosphere spread, and mainly in an attempt to strengthen the air defense system, the Tokyo Metropolitan Government (the system of To and Ku) was established by unifying Tokyo Fu and Tokyo City, and other measures were taken.



More than 60 years have elapsed since the implementation of the Local Autonomy Law, and many reforms have been implemented. However, the core of the local autonomy system based on the following items has not changed:

・ Dual representation system in which the chief executive and assembly members are elected by residents directly;

・ Application of two-tier system consisting of prefectures, which are regional governments, and municipalities, which are local governments, to all the areas;

・ The resident autonomous system, in which the representative democracy is the basis and the system of direct political participation, such as direct petition concerning the enactment of local ordinances, referendum for the dissolution of the assembly and the removal of the chief executive and assembly members, is introduced in a supplementary manner;

・ Positioning of local public entities as comprehensive administrative entities that are capable of handling the affairs of the area, without limiting the category of works, unless such handling violates laws and regulations.

2. Goal of decentralization

There are various arguments concerning the goal of decentralization. However, decentralization is considered to contain at least the following reforms and movements:

○ Transfer of authorities, financial resources, organizations, and personnel to local public entities  
Also, transfer from regional governments (prefectures) to local governments (municipalities)

○ Expansion of freedom of local governments  
From laws, cabinet orders, ministerial ordinances to local ordinances

○ Restructuring of government covering both the central government and local governments such as streamlining of the central government

On the other hand, the process of promoting decentralization also needs to address the following tasks, for example:

○ To properly reflect the opinions of residents in the operation of local governments

○ To secure the fair and transparent operation of local governments

○ To maintain the administrative system of local governments (merger of municipalities, etc.)

The term “decentralization” sounds reform-oriented, but Japan has a long history of handling decentralization.

“Reasons” with long sentences attached to the municipality system (1888) start to state that “the purpose of the system is to implement the principle of autonomy and decentralization”. One of the subjects for domestic politics during the era of party politics which started in Japan for a short period was decentralization. For example, in the election of the House of Representatives in 1928, the Rikken Seiyukai promoted decentralization in its election campaign.



Further, some of the opinions submitted to the Governors’ Meeting held in 1936 as the climate of war developed are similar to those being discussed today, such as greater decentralization, transferring the authority of central ministries and agencies to local governments, organizing the involvement of competent ministers, participation of local representatives in the Cabinet Research Bureau and so forth. It has been pointed out that decentralization scarcely developed for more than 80 years, and it is also true that decentralization has continued to be promoted but is a difficult domestic political issue involving various interests.

3. Enactment of Omnibus Decentralization Law

The largest amendment to the decentralization reform in the post-war era is the amendment by the Omnibus Decentralization Law (1999), the major items of which are as follows.

○ Clarification of Division of Responsibilities between National and Local Governments

・ Local governments are widely responsible for implementing regional administration autonomously and comprehensively.

・ National government should concentrate on:

a) duties pertaining to the nation’s position in the international community;

b) activities of the people that should be specified in a unified, nationwide manner, or affairs relating to basic principles pertaining to local autonomy;

c) implementation of policies and undertakings that must be handled from a nationwide scope and viewpoint; and

other matters that should usually be dealt with by the nation.

However, these principles are not fully embodied in individual laws and regulations, and the division of responsibilities remains to be clarified.

○ Abolition of the system of delegated functions

The system of delegated functions are affairs of the central government performed by enforcement organs of local governments (governors, mayors, etc.) as an agency of the central government under the direction and supervision of ministers, which was introduced in the Meiji Era with reference to German laws, and was used by the central government as a means of forcing local governments to deal with its works. Abolition of this system has been a longstanding issue.

○ Legalization of involvement and maintenance of dispute resolution procedures

This system amendment has established the principle by which local governments are positioned as independent administrative entities and legal entities, and their relation is regulated by law. The system has thus been established in which the involvement of the central government has become categorized by law, and local public entities that are dissatisfied with the involvement by a minister, such as a demand or instruction to make corrections, may apply to a third-party agency to examine the case, and may also file a suit in the high court.



4. Merger of municipalities ― maintenance of the administrative system

Decentralization contains the important element of giving local public entities authority, thus enabling them to do more by using more personnel and financial resources. The maintenance of the administrative system for local governments, in particular for municipalities, is an important issue.

Municipalities have been merged to maintain the administrative system for municipalities; this was implemented intensively over three periods and the number of municipalities decreased.



The Heisei Consolidation lasted about 10 years, and an amendment to the laws in March 2010 announced its completion for the time being. With respect to mergers, some favor the reduction of professional staff, allocation of personnel and administrative costs related to social security, etc., but there has been criticism of dilapidation of surrounding areas and loss of sense of unity of local governments.

5. On-going decentralization reform

The Hatoyama Cabinet and Kan Cabinet that started after the change of government in 2009 have redefined decentralization as the “Local Sovereignty Reform” and intend to promote reforms including legal maintenance.

The following chart shows the concept of the reforms.



It is true that the Omnibus Decentralization Law establishes provisions concerning the division of responsibilities between the central government in the Local Autonomy Law. However, in reality, the central government, centering on local agencies, handles much of the work that is closely related to people’s lives. As a result, the local agencies of the central government tend to perform dual administration alongside local governments, in particular prefectures and designated cities, leading to inefficiencies.

Further, as the central government introduces laws and detailed standards for a variety of works and regulates matters in a uniform manner, it is difficult for local governments govern according to the local situation. In addition, as permissions, approvals, consultations and so forth from the central government are required in many cases, and as the usage of subsidies allocated to local governments is restricted, the administrative needs of local governments cannot be fully met. Furthermore, the negotiating costs for petitions, advance arrangements, reporting and the like are immense.

In view of the diverse needs of residents and the serious financial state of both the central government and local governments, it is necessary to return to the principle of the Local Autonomy Law to clarify the division of responsibilities between the central government and local governments. This is not to reduce the role of the central government. Rather, it is required to purify and strengthen the role of the central government, and the central government should serve as the control tower of the nation for national defense, diplomacy, maritime security, currency, justice, creation of the private law system, securing of fair trade, directly controlled roads and rivers (limited to important ones), large-scale disasters, etc. in a reliable manner. It is necessary to make necessary arrangements for areas where the central government should play a role but the necessary personnel and budget are not allocated.

The reforms should, after such arrangements have been made, make local governments responsible for a wide range of administration in their area at their own discretion.

Specific items for reform are as follows.

○ Organization and rationalization of local agencies of the central government  
\*Also, transfer of authorities of the central government to prefectures and designated cities



○ Reduction of involvement, etc. of the central government

・ Reduction of the establishment of standards by laws and regulations of the central government, and expansion of the scope entrusted to local ordinances;

・ Establishment, etc. of involvement by the central government and of standards based on clear rules;

・ Abolishment and reduction of individual involvement such as permissions, authorizations, and consents.





○ Transfer of authorities of prefectures to municipalities;

○ Establishment by law of opportunities for consultation by the central government and representatives of local governments;

○ Organization and rationalization of subsidies by creating a lump-sum allocation.

6. Changes in Japanese society and the future of decentralization

In promoting decentralization reforms in the future, it is important to consider how Japanese society will change. As is well known, the population is decreasing and becoming older, and this will continue for a long time.



In addition, a serious problem that emerged last year was the fact that many elderly people who were registered in the residential basic ledger or family register and who were thought to exist had in fact already died or were missing. This showed that Japan has become an “unlinked” society, and highlighted the decay of family and regional communities. Further, although the companies that supported the post-war economic growth provided their employees with lifetime employment and welfare including family members, such companies are on the decline, and many people are anxious about the future.

It is a common concern that “A human cannot live alone, and yet no family, region or company will take care of me”.

On the other hand, the national finances are in a critical state, the population is becoming concentrated in the major cities centering on Tokyo, and local areas are clearly declining, as symbolized by marginal villages and shuttered streets.

In view of this situation, public services have a major role to play. Efforts must be made to strengthen and enhance the social security safety net. There have been recent calls for the central government to provide benefits in specie, and for local governments to provide benefits in kind, and for the transfer of authority for work accordingly.

Another important issue for decentralization in the future is the restructuring of the relationship between the central government and local governments.

It is necessary to strengthen consultations and adjustments by legislating opportunities for consultation with the central government and local governments. However, the central and local governments cannot reach an agreement, a mechanism for resolving such disagreement must be sought. In particular, regarding differences of opinion on the interpretation of laws, it is necessary to institutionalize litigation procedures so that such disagreements can be settled by judicial proceedings. A dominant trend would be from advance regulation to subsequent correction.

If the transfer of authority, financial resources, organization and personnel progresses, the role of local governments will become greater. The desires of residents must be reflected on the operation of local governments more appropriately and sensitively. Therefore, attention is focusing on the stance of the assembly, which is decides the collective will of the local government.

Another issue is the institutionalization of referendums as a means of citizen participation to supplement representative democracy.

The loss of function of family and regional communities must be supplemented by local governments offering a helping hand to each resident whose ties are being loosened, in cooperation with NGOs, companies and residents’ associations.

With respect to local governments (municipalities) in Japan, efforts were made to expand the size as a whole by merging municipalities, but this has increased the distance between government and local people. Similar remarks have long been made in major cities.

It is necessary to make progress with decentralization within local governments and, for example, to create a system of “autonomous district” with a predetermined organization and system and to build a system that provides, in smaller units, resident services and to listen to their problems. The Local Autonomy Law now has provisions for regional districts, and it is necessary to consider granting juridical authority to such regional districts and to strengthen their role with the participation of residents. In this sense, the system of Ro, Men and Don in Korea has long been the subject of attention and research. It is required to enhance the system by making reference to such system.

In addition, the system for largest cities including the ward system in Tokyo (which was created in 1943) and the system of designated cities (which was created in 1956) have failed to adjust to subsequent changes in the socio-economic situation. The time has come to review the system from various points of view to eliminate dual administration of prefectures and designated cities, the concentration of tax collection in major cities, and the promotion of internal decentralization.



