

1. Tide of Decentralisation

1.1 Background

There have been many proposals to promote decentralisation since the Shoup Recommendation of 1949. Particularly in recent years, there have been strong demands to cope with the changing international community and the ageing society, and to correct the uni-polar concentration in Tokyo while building local communities with individual character. There have been demands voiced for the thorough reexamination of the existing centralised government system, and the creation of a decentralised society where people can truly experience comfort and prosperity.

1.2 Advances in Administrative Decentralisation

In face of the need to develop dynamic, unique regional societies where citizens are able to live comfortable, affluent lives, the role of the local government continues to grow as the comprehensive administrative entity in the region. At the same time, however, it must respond to the socioeconomic changes of globalisation, demographic changes of a declining population and birthrate and the aging of society, and advances in the IT revolution as well as the diverse needs of the people.

To respond to the needs of the people, administrative decentralisation, founded on the conviction that local government services should be handled closer to the people in their local communities, has become an important issue. For this purpose, the Decentralisation Promotion Law, aimed at promoting systematic and general advances in government decentralisation, was legislated in May 1995. The Decentralisation Promotion Committee, formed under the Law, examined specific guidelines in developing a decentralisation plan and submitted five recommendations over a period of time, including the abolition of the delegated administrative service system, to the Prime Minister.

On the national government level, the Decentralisation Promotion Plan was adopted with Cabinet approval, and the Omnibus Decentralisation Act was adopted in July 16, 1999. The Act marked the transition from the centralised government administration system that was developed in the Meiji Period to a decentralised scheme and holds great significance in promoting the transfer of power to local governments. The Act was enacted in April 2000, and the promotion of decentralisation is entering full-scale implementation.

1.3 Basic Principles and Anticipated Effects of Government Decentralisation

The basic principles of decentralisation are, according to Article 2 of the Decentralisation Promotion Law, to define clearly “the roles to be fulfilled by the national and local governments,” increase “the autonomy and independence of local governments,” and develop “dynamic, unique regional societies.”

The effects anticipated from switching to a decentralised administrative system include the development of a decentralised society. The realisation of such a system signifies the transition from a

master-servant relationship among national, prefectural, and municipal governments to one based on equality and cooperation and a transition from a uniform, vertically structured administrative system under the leadership of the central government to a general and distinctive administrative system led by the people.

1.4 Description of Decentralisation Reform

Major points of the decentralisation reform under enforcement of the Omnibus Decentralisation Act are the following.

i) Clarification of the respective roles of central and local government

The central government should assume responsibility primarily for international affairs and matters in which nation-wide unified decision-making is desirable, while the administration of affairs close to the people should, to the extent possible, be entrusted to local government.

ii) Abolition of the system of delegated functions

In order to build a new equal and cooperative relationship between central and local government, the system of delegated functions will be abolished and the functions of local government will be restructured into self-governing functions and statutory entrusted functions. Accordingly, the local administrative officials system (a system for handling public employees who are temporarily assigned as national government employees to work in administration of specific delegated functions) shall be abolished.

iii) Re-examination of central government participation

The Local Autonomy Law establishes the basic principles for participation, the basic types of participation for new administrative categories, the procedures for participation, and the procedures for handling disputes concerning such participation. Participation pertaining to Individual Laws is kept to a bare minimum in line with the basic types.

iv) Promotion of the delegation of authority

Central government authority is transferred to prefectures, and prefectural authority is transferred to cities, towns, and villages in accordance with the amendment of the Individual Laws. In conjunction with this, the special case city system was established in accordance with the amendment of the Local Autonomy Law. (Refer to 2(2) Special Case Cities)

v) Curbing regulatory obligations

Out of respect for the self-organising rights of local governments and to promote more rational and effective administration, the system wherein central government regulations impose obligations on local government to establish organisations or employment shall be abolished or relaxed in accordance with the amendment of the Individual Laws.

vi) Establish local government administrative systems

Promote voluntary mergers of municipalities, revitalize local assemblies, and ease the requirements for core cities (Refer to 2(1) Core Cities) in order to improve the administrative and financial capabilities of local government and establish local administrative systems.

2. Improvement of the Local Administrative Structure

As the trend towards decentralisation continues, the public has become aware of the need to address the task of improving the structure of local government, the driving force behind decentralisation. A series of changes in the system have been made towards strengthening the administrative and financial capabilities of local authorities. On their part, the local authorities are stepping up their own efforts to improve their administrative structures.

2.1 Core Cities

The Core City System was introduced by a partial amendment to the Local Autonomy Law in June 1994. The system was designed to give stronger authority to larger cities which, in reality, are functioning as the core of their respective regions. Its purpose is to provide government services at a level as close to the residents as possible.

The qualifications for becoming a core city are to have a population of at least 300,000 but less than 500,000, land area of at least 100 sq km. Core cities are designated by a cabinet order upon application from qualified cities.

Core cities may undertake all the functions delegated to the designated cities as prescribed by cabinet order with the exception of those which are more efficient if collectively handled by prefectures. Examples of such functions include: granting permission to operate and overseeing nursing homes for the elderly; granting permission for development projects within an urbanisation promotion area or urbanisation control area; and granting permission to install, and carrying out on-the-spot inspections of, general-waste treatment facilities. The core cities are required to set up public health centres and carry out functions delegated to the executive heads of the municipalities that set up the public health centres.

After the system was instituted, Utsunomiya City, Niigata City and 10 other cities became core cities on April 1, 1996; followed by five more cities, including Akita City and Koriyama City on April 1, 1997; and again by Toyota City, Fukuyama City and two other cities on April 1, 1998; Iwaki City, Nagano City and two other cities on April 1, 1999; Asahikawa City and Matsuyama City on April 1, 2000; Yokosuka City on April 1, 2001; Nara City and Kurashiki City on April 1, 2002; and six other cities, including Kawagoe City and Funabashi City, on April 1, 2003 for a total of 35 cities (this total decreased by 1 when Shizuoka City and Shimizu City merged on April 1, 2003).

2.2 Special Case Cities

The Special Case City System was introduced on April 1, 2000 in accordance with the amendment of the Local Autonomy Law by the enactment of the Omnibus Decentralisation Act. This system is intended to promote the conveyance of authority to cities, towns, and villages. Cities must have a population of at least 200,000 to qualify, and qualified cities are designated as special cities by cabinet order upon application. Special case cities may undertake all the functions delegated to core cities with the exception of those that may be more efficiently handled in an integrated manner by prefectures. One example would be granting permission for development projects. As of April 1, 2004, there are 40 special cities.

2.3 Wide-Area Union System

The Wide-Area Union System was introduced by the same partial amendment to the Local Autonomy Law that introduced the Core City System. The system is intended for local authorities to deal appropriately and efficiently with the diversifying demand for wide-area services, and to improve their preparedness for more authority to be transferred from the central government.

A wide-area union may be created by ordinary local government units and special wards that have agreed upon a set of operational rules, for joint management of affairs that are more efficient or appropriate if handled in an integrated manner over a wide region. A union including a prefecture in its membership requires the approval of the Minister of Public Management, Home Affairs, Posts and Telecommunications, and one that does not, the approval of prefectural governors.

Wide-area unions may be considered a kind of union of local authorities, but unlike partial unions, unions with prefectural membership can accept delegation of authority or functions directly from the State, and the others from prefectures. They can also demand delegation of powers and functions to the State or prefectures, as applicable, for increasing effectiveness of the power transfer. The system is designed to reflect the will and desires of the residents: assembly members and executive heads of wide-area unions can be elected only by direct or indirect elections; and as is the case in ordinary local government units, residents are entitled to make direct demands to the unions.

The first wide-area union was formed in April 1996 from eight towns and villages in Ono County, Oita Prefecture, and a total of 79 wide-area unions have been established as of June 2002.

2.4 Municipal Merger Law

The 1965 Law for Exceptional Measures on Municipal Mergers provides for exceptional measures to be applied to associated laws to facilitate the voluntary merger of municipalities. It was granted 10-year extensions in 1975, 1985, and 1995, and its current expiration date is March 31, 2005.

Required amendments were made in 1999 based on the Decentralisation Promotion Plan. The expiration date remains the same.

The Municipal Merger Law has a provision for declaring the intent to promote voluntary municipal mergers. Unlike the so-called “merger rush of the Showa era” in the 1950s, when the nation or prefectures took the lead and promoted mergers (municipalities reduced their numbers by about two-thirds, from 9,868 in 1953 when the Municipal Merger Promotion Law was enacted, to 3,975 in 1956 when the law expired), this provision intends to create a favourable environment for promoting municipal mergers with respect for municipal initiatives as a premise. In line with the provision, a wide range of extraordinary measures were systemised for the benefit of merged municipalities.

To ensure that merged municipalities would not be disadvantaged by mergers, fiscal measures such as the extension of the grace period before recalculation of the ordinary local allocation tax for merged municipalities, and development loans for extraordinarily depopulated areas are stipulated. There are also provisions on special consideration for issuing local government bonds to finance costs of city planning after merger.

Other measures to facilitate municipal mergers include special treatment of the term and number of local assembly members, the electoral districts of prefectural assembly members, and the requirements to become a city.

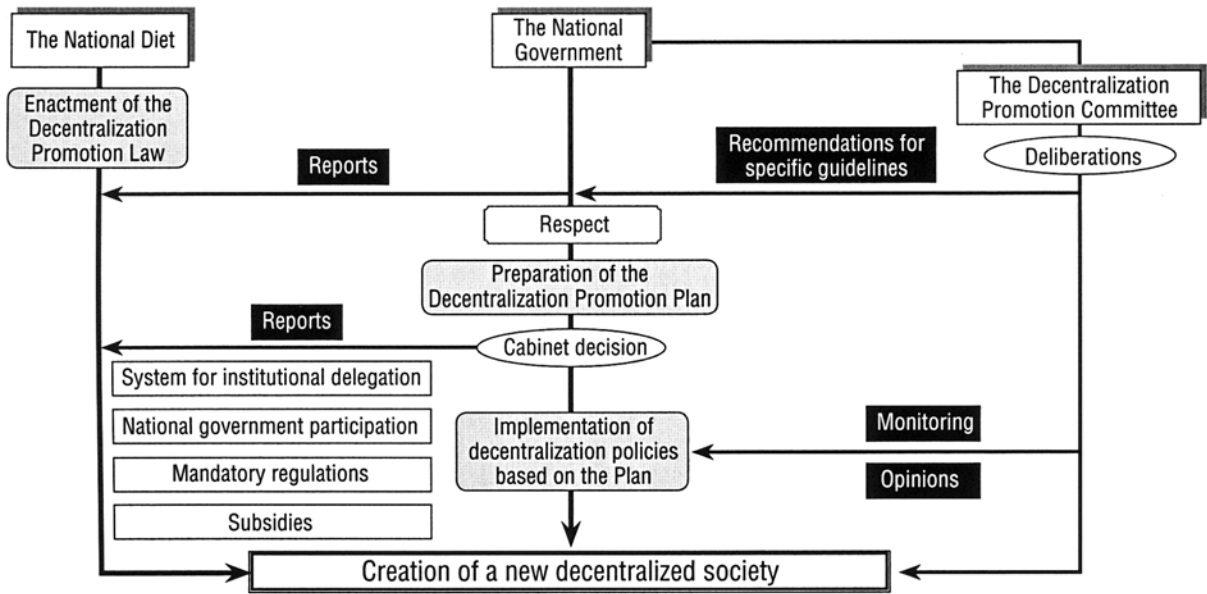
Moreover, a residents' initiative system was created. With the signatures of at least 1/50th of the local electorate, residents can demand the organisation of a merger conference, allowing them direct participation in the merger process. The merger conference is a conference based on the Local Autonomy Law and organised by municipalities intending to merge. It is a forum for discussing conditions for merger including the propriety of the merger itself. It was held in every merger case conducted under the Municipal Merger Law.

As of June 24, 2002, a total of 136 residents' initiatives have been presented in 83 regions. Of these, 16 regions have led to the establishment of a merger conference. On April 1, 2002, Gushiken Village and Nakazato Village in Okinawa Prefecture merged to become Kumejima Town, the first merger under this system in the country.

2.5 Efforts at Administrative Reform

To deal with progress in decentralisation, local authorities need to establish simple and efficient administrative systems in support. In addition, local governments are now under extremely severe financial conditions, with local government debt now expected to total about 193 trillion yen by the end of fiscal 2002, and the combined central and local government debt projected to reach about 698 trillion yen (excluding overlapping amounts in the Special Account for Local Allocation Tax). In this situation, the nation has high expectations for local authorities to undertake the radical fiscal and administrative reforms that are so urgently needed.

Under such circumstances, based on their general plans for administrative reform, which take into account the opinion of residents, the individual local authorities have been making wide-ranging efforts such as re-examining their work, reviewing their organisational structure, rationalising the number of staff and wages, and encouraging the skills development and enhanced awareness of their staff.



Population and Area by Prefecture

Prefecture		Total Population	Total Area (km ²)	No. of Cities	No. of Towns and Villages
1	Hokkaido	5,650,573	83,396.97	34	(184) ³ 178
2	Aomori	1,479,358	9,606.75	8	59
3	Iwate	1,405,060	15,278.63	13	45
4	Miyagi	2,350,026	7,285.30	10	59
5	Akita	1,173,722	11,590.20	9	60
6	Yamagata	1,225,990	9,323.39	13	31
7	Fukushima	2,116,210	13,782.75	10	80
8	Ibaraki	2,991,804	5,892.89	22	61
9	Tochigi	2,006,717	6,408.28	12	37
10	Gunma	2,022,780	6,363.16	11	58
11	Saitama	6,980,889	3,797.64	41	49
12	Chiba	6,001,032	5,156.51	33	46
13	Tokyo	12,082,143	2,177.48	23 ² 26	13
14	Kanagawa	8,600,109	2,415.69	19	18
15	Niigata	2,455,996	12,582.48	21	77
16	Toyama	1,118,661	4,247.34	9	26
17	Ishikawa	1,175,071	4,185.39	9	30
18	Fukui	824,824	4,189.01	8	26
19	Yamanashi	882,678	4,460.67	8	48
20	Nagano	2,200,896	13,585.22	18	99
21	Gifu	2,106,917	10,598.18	20	60
22	Shizuoka	3,773,140	7,714.84	22	47
23	Aichi	7,027,499	5,161.01	32	55
24	Mie	1,857,773	5,776.38	14	52
25	Shiga	1,353,893	3,347.11	8	42
26	Kyoto	2,565,424	4,608.16	13	26
27	Osaka	8,651,977	1,893.73	33	11
28	Hyogo	5,566,566	8,393.34	23	62
29	Nara	1,439,040	3,691.09	10	37
30	Wakayama	1,073,434	4,725.67	7	43
31	Tottori	614,650	3,503.13	4	35
32	Shimane	752,534	6,707.46	8	51
33	Okayama	1,957,269	7,105.54	10	68
34	Hiroshima	2,869,555	8,477.58	14	51
35	Yamaguchi	1,512,333	6,110.94	13	40
36	Tokushima	823,304	4,145.46	4	46
37	Kagawa	1,029,356	1,876.16	7	30
38	Ehime	1,496,929	5,676.76	12	50
39	Kochi	809,554	7,104.87	9	44
40	Fukuoka	5,010,859	4,973.95	24	72
41	Saga	877,040	2,439.31	7	42
42	Nagasaki	1,511,064	4,094.02	10	61
43	Kumamoto	1,862,895	7,404.31	12	75
44	Oita	1,227,107	6,338.82	11	47
45	Miyazaki	1,177,455	7,734.76	9	35
46	Kagoshima	1,769,932	9,187.34	14	82
47	Okinawa	1,362,128	2,273.23	11	41
Total		126,824,166	376,788.90 (376,849.92) ¹	695	2,405 (2,411) ³

*1 Parentheses () indicate total land area of Japan including Lake Towada, in which the boundary between Aomori and Akita Prefectures is not defined.

*2 Indicates the 23 wards in Tokyo. This number is not included in the total number of cities.

*3 Parentheses () indicate the adjusted figure if the six villages in the Northern Territories (Kuril Islands) are included.

Area and Population of Designated Cities, Prefectural Capitals and Core Cities

Cities	Prefecture	Area (km ²)	Population
⊕ Sapporo	Hokkaido	1,121.12	1,849,650
▲ Asahikawa	Hokkaido	747.60	360,065
● Aomori	Aomori	692.43	295,624
● Morioka	Iwate	489.15	281,515
⊕ Sendai	Miyagi	783.54	994,232
▲ Akita	Akita	460.10	312,543
● Yamagata	Yamagata	381.34	250,160
● Fukushima	Fukushima	746.43	288,614
▲ Koriyama	Fukushima	757.06	333,210
▲ Iwaki	Fukushima	1,231.34	361,204
● Mito	Ibaraki	175.90	247,386
⊕ Utsunomiya	Tochigi	312.16	448,051
● Maebashi	Gunma	147.34	282,892
⊕ Saitama	Saitama	168.33	1,047,902
▲ Kawagoe	Saitama	109.16	327,428
⊕ Chiba	Chiba	272.08	894,973
▲ Funabashi	Chiba	85.72	561,126
23 wards	Tokyo	616.69	8,137,651
⊕ Yokohama	Kanagawa	437.35	3,495,117
★ Kawasaki	kanagawa	142.70	1,270,259
▲ Yokosuka	Kanagawa	100.67	434,451
▲ Sagami-hara	Kanagawa	90.41	608,358
⊕ Niigata	Niigata	231.94	515,772
⊕ Toyama	Toyama	208.81	320,966
⊕ Kanazawa	Ishikawa	467.77	440,542
● Fukui	Fukui	340.60	249,248
● Kofu	Yamanashi	171.88	188,476
⊕ Nagano	Nagano	404.35	359,825
⊕ Gifu	Gifu	195.12	401,696
⊕ Shizuoka	Shizuoka	1,374.05	730,150
▲ Hamamatsu	Shizuoka	256.88	578,729
⊕ Nagoya	Aichi	326.45	2,122,977
▲ Toyohashi	Aichi	261.26	358,584
▲ Toyota	Aichi	290.11	346,213
▲ Okazaki	Aichi	226.97	342,150
● Tsu	Mie	101.86	159,699
● Otsu	Shiga	302.33	297,034
⊕ Kyoto	Kyoto	610.22	1,386,309
⊕ Osaka	Osaka	221.96	2,495,769
▲ Sakai	Osaka	136.79	788,194
▲ Takatsuki	Osaka	105.31	352,415
⊕ Kobe	Hyogo	550.13	1,488,637
▲ Himeji	Hyogo	275.96	477,009
⊕ Nara	Nara	211.60	363,416
⊕ Wakayama	Wakayama	209.23	388,059
● Tottori	Tottori	237.20	149,375
● Matsue	Shimane	221.38	147,655
⊕ Okayama	Okayama	513.29	627,827
▲ Kurashiki	Okayama	299.37	436,052
⊕ Hiroshima	Hiroshima	742.03	1,123,032
▲ Fukuyama	Hiroshima	430.30	407,610
● Yamaguchi	Yamaguchi	356.90	138,661
● Tokushima	Tokushima	191.37	262,092
⊕ Takamatsu	Kagawa	194.34	334,717
⊕ Matsuyama	Ehime	289.42	476,250
⊕ Kochi	Kochi	144.98	326,786
★ Kitakyushu	Fukuoka	485.55	993,983
⊕ Fukuoka	Fukuoka	340.60	1,326,875
● Saga	Saga	103.76	163,762
⊕ Nagasaki	Nagasaki	241.32	417,146
⊕ Kumamoto	Kumamoto	267.06	656,969
⊕ Oita	Oita	360.97	440,855
⊕ Miyazaki	Miyazaki	287.07	307,810
⊕ Kagoshima	Kagoshima	289.92	546,599
● Naha	Okinawa	38.99	308,294

● Prefectural Capital ★ Designated City ⊕ Designated City and Prefectural Capital ▲ Core City ⊕ Core City and Prefectural Capital April 2004