

# LOCAL SELF-GOVERNMENT

## Growing citizen awareness and a push for local authority

### Central and Local Government Relationship

Japan's system of local self-government is founded on two main principles. First, it provides for the right to establish autonomous local public entities that are, to a certain extent, independent of the national government. Second, it embraces the idea of "citizens' self-government," by which residents of these local areas participate in and handle, to varying degrees, activities of the local public entities. Japan's system of local self-government originates in the pre-World War II period, primarily from the concept of autonomous local entities. After the war, the concept of citizens' self-government was incorporated to a greater extent.

Japan's fundamental principles of local self-government are set forth in the Local Autonomy Law (*Chiho Jichi Ho*), which gives specific legal validity to the principle of local autonomy as insured by chapter VIII of the Constitution of Japan. The Local Autonomy Law specifies the types and organizational framework of local public entities, as well as guidelines for their administration. It also specifies the basic relationships between these local entities and the central government.

Japan's fundamental local public entities, namely cities, towns, and villages (*shichoson*), the special wards of Tokyo (*tokubetsuku*), and prefectures (*todofuken*) are referred to as local governments. As of October 2016, Japan has a total of 791 cities (*shi*), 744 towns (*cho*), and 183 villages (*son*), for a total of 1,718 *shichoson*. With the addition of Tokyo's 23 special wards this total rises to 1,741. Japan has 47 prefectures: 1 *to* (Tokyo



**Tokyo Metropolitan Government Buildings**

*To*), 1 *do* (Hokkaido), 2 *fu* (Osaka *Fu* and responsible for prefectural taxes, municipal Kyoto *Fu*), and 43 *ken*.

The Ministry of Internal Affairs and Communications is the central government entity that oversees local government affairs, with such matters being primarily the responsibility of three ministry bureaus. The Local Administration Bureau is concerned with localization, municipality consolidation, local public servant systems, election systems, city-based town planning, and promotion of local IT use. The Local Finance Bureau handles local finance systems, local finance plans, the local allocation tax, local bonds, local financial conditions, and local public enterprises. The Local Tax Bureau is

taxes, fixed property taxes, and other local taxes.

After World War II, in accordance with the provisions of the constitution and the Local Autonomy Law, Japan's local governments gained broad recognition of their autonomy and self-standing, both at the formal level and at the operational level in terms of their actual dealings with the central government. However, although they are considered autonomous entities, as the source of their funding and orientation comes from the central government, it is the central government who exercises control in various ways.

In April 2000 a package of decentralization-related law revisions was implemented that delegated a wide range of administrative operations from the central government to local governments. As part of the reduction of the system of central government control of local administration, a significant portion of the Local Autonomy Law was also revised. In order to improve the level and efficiency of administrative services at the local level, and thereby help local governments better handle delegated authority and deal with problems such as population aging and the severe fiscal situation, the national government is actively promoting the consolidation of cities, towns, and villages into larger units.

In August 2002, the government implemented the Basic Residential Register Network System. This system links the basic residential registers that serve as the basis for local government administrative activities. The goals of the system are to increase administrative efficiency and improve the level of service provided to all citizens.

## Local Governments

As stated in the Local Autonomy Law, prefectures are administratively headed by governors (*chiji*), while cities, towns, and villages are headed by mayors. These officials represent the local governments in their external dealings and serve in an executive position vis-à-vis the elected local assemblies, the forums for discussion of local

issues. Governors and mayors are elected for four-year terms by direct popular vote and are responsible to the local citizenry.

Local assemblies are composed of members elected by local voters. Among the functions of these assemblies are establishing or abolishing local ordinances, determining local government budgets, and approving settlements of accounts. They also check work undertaken by local bodies on their own initiative or when delegated to do so by organs of the central government. Likewise, they request audits by local government audit commissions and have a say in the selection of important local officials (vice governors, deputy mayors, etc.). Their work is carried out largely by standing committees (*jonin iinkai*).

As organs for discussion and decision-making, the local assemblies, together with the executive organs centered on the offices of the governors and mayors, are the most important constituents of local government. However, it has been pointed out that the autonomous initiatives and activities of these assemblies tend to be inadequate, as the majority of proposals they consider are in fact initially drafted and presented by the office of the governor or mayor.

The heads of local governments are directly elected by the citizenry. This stands in contrast to the indirect way in which the prime minister is chosen, namely, through votes cast by members of the Diet. The local assemblies, which are deliberative and decision-making organs, and the local government heads, who are, so to speak, the executive organs, are both chosen by local citizens and have a sort of parallel standing. The establishment of this democratic pattern is meant to contribute to the realization of appropriate self-government through the mutual checks that the assemblies and heads of local governments exercise on one another.

People who are employed by local public entities at or below the prefectural level are called local public servants. This term usually refers to persons in ordinary public service posts, excluding such special posts as governor, vice governor, mayor, deputy mayor, chief accounts officers, and so on. Matters having to do with the recruitment, remuneration, and working conditions of local public servants are decided in accordance

with regulations that are similar to those affecting national public servants and that are set out in the Local Public Servants Law.

## The Large-City System

In response to the special administrative needs of larger cities, the Local Autonomy Law designates for such cities a number of special regulations that differ from those affecting ordinary cities, towns, and villages. By means of government ordinances, large cities can be assigned to a number of special categories, with the largest being the “designated city” (*seirei shitei toshi*), which must have a population of at least 500,000 (half of the cities are over 1,000,000). As of October 2017, there were 20 such cities (the national capital, Metropolitan Tokyo, is in a category by itself); they are: Sapporo, Sendai, Saitama, Chiba, Yokohama, Kawasaki, Sagami-hara, Niigata, Shizuoka, Hamamatsu, Nagoya, Kyoto, Osaka, Sakai, Kobe, Okayama, Hiroshima, Kita Kyushu, Fukuoka and Kumamoto.

In these cities, authority over 19 categories of public activity (welfare, hygiene, urban planning, etc.) ordinarily under the administration of the prefecture and its governor is transferred to the city’s decision-making and administrative mechanisms. Additional legal authorizations transfer still other elements of prefectural control and authority to these cities, with the result being that they are treated, for all practical purposes, on a par with the prefectures. Each of these cities is divided into several wards to facilitate the work of city administration, and each geographical subdivision has a ward office that employs a ward head and other public servants.

The second largest designation category is that of the “core city” (*chukaku shi*), which must have a population of at least 200,000. Core cities, which numbered 48 as of January 2017, are delegated most of same responsibilities as the designated cities, with the exceptions being functions that are more efficiently handled at the prefecture level.

The third largest designation category is that of the “special city” (*tokurei shi*), which

must have a population of at least 200,000. Authority for environmental preservation and city planning etc. connected with the prefecture was transferred to, and handled by, the special cities in a similar manner to that of core cities; however, the system was abolished on April 1, 2015. When special cities were abolished, they were renamed anew as “special cities at the time of the effective date” and a mechanism enabling them to handle authority which they previously had under the name of special cities was subsequently created. Until March 31, 2020 special cities at the time of the effective date can be granted designation as a “core city” without attaining the required “population of 200,000” that is normally a stipulated requirement for core cities. As of January 1, 2017 there were 36 special cities at the time of the effective date.

As internal entities of Metropolitan Tokyo, the 23 Tokyo wards (*ku*) were in the past subjected to a variety of restrictions with respect to their administrative and fiscal authority, as compared to cities (*shi*). Reforms implemented in April 2000, however, defined the wards as local public entities on a level similar to that of cities.

## Local Public Finance

Each year the cabinet must put together a document giving the total estimated amount of revenue and expenditures of the local governments for the next fiscal year. This document must be made public and submitted to the Diet. Ordinarily called the local finance plan, it becomes the main guideline for local government financial operations. The scale of local finances peaked at 101.6 trillion yen in fiscal 1999 and has declined annually since then. However, in fiscal 2009 finances were almost at their low point at 96.1 trillion yen in a year-on-year increase of 7.2%. And in fiscal 2015 they recovered to 98.4 trillion yen. Approximately 58% of the country’s total public expenditures are channeled through local governments.

Local taxes (*chihozei*), which constitute an autonomous sort of revenue for local governments, are collected by local



administrations within the limits of their authority to levy taxes. There are both prefectural taxes and taxes levied by cities, towns, and villages. Both types of taxes are subcategorized into special-purpose taxes, to be used for certain designated ends, and ordinary taxes, whose use is not specifically designated. A system of local consumption taxes was instituted in 1997 as a means of increasing local government financial resources in order to promote local autonomy.

The “trinity reforms” were carried out on the local tax system between fiscal 2004 and 2006. As a result local taxes are gradually rising, and in fiscal 2017 they accounted for 45.1% of all local government revenue. The shortfall is made up by other sources, notably local allocation and transfer taxes (*chiho kofuzei* and *chihoujoyozei*; 21.7%), national treasury disbursements (*kokko shishutsukin*; 15.6%), and local government bonds (*chihosai*; 10.6%).

Local allocation taxes are used by the central government as a means of adjusting local financial administration with a view to ensuring a certain level of administrative equality throughout the country. The monies are allocated as general revenues that local governments can use as they see fit.

In particular, the trinity reforms have resulted in local allocation taxes being substantially reduced (by roughly 5.1 trillion yen). On the other hand, roughly 3.0 trillion yen was transferred from the central to local governments by means of reducing income taxes (national taxes) and increasing individual inhabitant taxes (local taxes). Treasury subsidy reform was also carried out, resulting in a reduction of 4.7 trillion yen. The reforms also worked to clarify the respective burdens borne by the central and local governments with relation to contributions for public projects under direct control of the national government, a longstanding demand of local governments. As a result, local governments contributed about 641.5 billion yen to such projects in fiscal 2011.

## Growing Citizen Awareness

Japan’s local self-government has provisions

for direct democracy not seen at the national level. For example, after collecting signatures from 2% of registered voters in a given local area, residents may request that heads of government establish, change, or abolish a certain ordinance. Or, with the same percentage of signatures, local residents may demand that a local audit commission perform an audit of work carried out by a local public entity or local elected leader. In principle, by collecting the signatures of one third or more of registered voters, petitions can be made to local election administration commissions to dissolve local assemblies or to dismiss an elected leader or local official. In addition to these types of direct petition, local residents are guaranteed by the constitution (article 95) the right to vote directly on special laws applicable only to one local public entity.

As a result of changes in the political environment and local political awareness, a growing number of local governments are establishing voting ordinances allowing residents to vote yes or no on important local issues. This trend is not based on the Local Autonomy Law but on the constitutional right to establish local ordinances. At present, local ordinances have been established in this way with respect to such issues as the building of nuclear power stations, plans to fill in seaside marsh areas, the continued presence of U.S. military bases, and the building of waste disposal facilities.

Reflecting the need to respond to resident complaints about local government, systems have been established for employing a local ombudsman charged with investigating aspects of local administration, with the first such system being created in 1990 in the city of Kawasaki in Kanagawa Prefecture. The ombudsman has the necessary powers of investigation to resolve complaints, and in cases where it is judged that the reasons for complaints are grounded in systemic defects or administrative shortcomings, the ombudsman will make his or her views public and advise the local administrative leader to correct the problems.