

# **Japanese Decentralization Reform in the 1990s: Great Reform or Status Quo?**

Tetsuya Kitahara  
Professor, School of Law  
and Letters,  
Ehime University  
Ehime, Japan



## Japanese Decentralization Reform in the 1990s: Great Reform or Status Quo?

### The Move Toward Decentralization Reform in the 1990s

In Japan "decentralization reform," namely, the transfer of authority over public affairs and revenue resources from central to local government, has been repeatedly discussed, sometimes intensely, for years, but with few achievements. Looking back upon the history of local government in Japan, one quickly notices not only a lack of decentralizing reform, but also a local governmental system almost unchanged in the half century since the postwar U. S. occupation reforms. Decentralization reform has been the unobtainable goal of supporters who call for increasing local autonomy, in the conviction that the centralized system of government instituted during the Meiji Restoration has in its essentials survived right up until today (Osugi 1991; Numata 1994, 78-80).

In the late 1990s, however, an opportunity for realizing decentralization reform, perhaps even on a large scale, has arisen. Decentralization reform became an important political issue in the 1990s as 38 years of Liberal Democratic Party political dominance collapsed, followed by a series of coalition governments. A Decentralization Promotion Law, which established a Decentralization Promotion Council (DPC), was passed in 1995; the DPC has since issued four sets of recommendations, and it is anticipated that the cabinet will accordingly adopt a working program for decentralization and revise the necessary laws by 2000.

Such decentralizing reform represents not only reform of the local governmental system, but may conceivably lead to transformation of the Japanese national governmental system itself; indeed, the DPC went so far as to describe this reform, if completed, as the "Third Great Reform" since the Meiji Restoration.<sup>(1)</sup>

The Joint Diet Resolution for Promotion of Decentralization (June 1993), the Cabinet's decision on the Guidelines Concerning Promotion of Decentralization (December 1994), and the enactment of the Decentralization Promotion Law show that the Diet, along with the Cabinet, has resolved with the Cabinet to change the centralized administrative system which has lasted since the Meiji Restoration into a new, decentralized administrative system. This is an epoch-making change of heart for the government, rarely seen in Japanese constitutional history. It is a reform which could lead to change in Japan's fundamental political and administrative structure, its effect deep and wide. It might well amount to a "Third Great Reform," necessitating revision of countless related laws in the near future.

Moreover, the DPC explained the background of and reasons behind the need for decentralization: faced with serious challenges such as Japan's response to a chang-

ing international society; the counteracting of the tendency toward demographic, political, and economic over-concentration in Tokyo; the enhancement of the distinctive features of local communities; and the response to the advent of an aging and low-birth-rate society, the over-centralized administrative system of today has reached a state of institutional exhaustion. It explained this "exhaustion" of the centralized administrative system as follows:

The centralized administrative system which took shape gradually after the Meiji Restoration was further strengthened during World War II. The postwar reforms brought significant transformation, but did not completely eliminate the centralized system, as may be seen in the maintenance or multiplication of "agency-delegated affairs." While the volume of administrative activity grew in the decades of rapid economic growth, new types of centralization also grew up, including the intensification of "tutelary communication" (for example, ministerial notifications, or *tsutatsu*, to local governments) and the expanding system of central government subsidies. Certainly, this centralized system managed to mobilize scarce resources at the center and reallocate them across regions and functions strategically and efficiently, contributing in a major way to the rapid modernization and economic development of Japan and enabling the country to catch up with the developed Western countries in a relatively short time. However, the centralized administrative system exerted certain harmful influences: it limited local autonomy for the sake of the unity of the nation state and undermined the base of local economies for the sake of development of the national economy. While authority, financial resources, human resources, and information were concentrated at the center, the resources and energy of localities were sapped. Nation-wide uniformity and equality were so heavily emphasized that the diversity of local conditions was not respected and local cultures lost their distinctiveness. Japan is like a living organism whose brain and nerves are abnormally developed, while its other organs have atrophied.

This quotation needs no elaboration; the metaphor of an organism with overdeveloped brain and nerves and atrophied extremities expresses quite straightforwardly the DPC's negative view of Japanese local autonomy, and what the DPC was aiming at was the transformation of the centralized administrative system into a decentralized system. One recommendation which symbolizes the entire effort is abolition of the system of agency-delegated affairs, an administrative practice in which the national government makes locally elected governors or other local actors implement national policy as subordinate agents of the state itself. This practice, along with central government subsidies, has been one of the essential factors making up the centralized governmental system. The DPC examined all 561 agency-delegated functions and, excepting a few functions which it assigned to the national government, divided them into properly local affairs and legally-entrusted affairs. The result was that over 70% of agency-delegated functions (which account for fully three-fourths of prefectural activities) were assigned to local government. Further,

the DPC recommended rearranging central government interventions in the affairs of local government in such a way as to minimize such intervention.

It is also important that the DPC emphasized the feasibility of reform, in order to escape the pie-in-the-sky destiny of earlier recommendations: the DPC, in its Second Recommendation, took pride that "All of the recommendations below are practical and feasible proposals which can be incorporated into the government's Program for Decentralization Promotion." This assurance of feasibility was made possible by the DPC's style of reaching its recommendations: it consulted repeatedly with concerned ministries on each matter and acted only vis-a-vis functions upon the allocation of which it and the ministries reached consensus. Such recommendations were of necessity more moderate than the distinctly progressive "Interim Report," but this process did bring a high degree of feasibility to the recommendations.

The intent of this paper is to investigate the characteristics of this "Third Great Reform" of central-local relations. To do so, one should know the full history of the Japanese local governmental system, but here I can only introduce the historical trajectory of reform of the local governmental system presented by Masaru Osugi (1997). Osugi distinguished 8 periods of change since the Meiji Restoration:

- (1) The Meiji government's creation of a local governmental system in the 1870s and 80s, in the context of building a modern nationstate.
- (2) Transformation of the Meiji local governmental system in the 1910s and 20s, under the influence of movements calling for increased local autonomy.
- (3) The expansion of administrative affairs under wartime mobilization around 1940.
- (4) Construction of decentralized and democratic institutions under the Allied Occupation after World War II (1945–1952).
- (5) The "new centralization" which distinguished the period of high economic growth, during which governmental services greatly increased (the 1960s).
- (6) Arrival in the late 1960s and 70s of the "age of localism" through the eruption of citizens' environmental movements, the rise of progressive local governments opposed to conservative central rule, and autonomous local promotion campaigns.
- (7) The "time of administrative reform" in the 1980s, when the Special Commission for Administrative Research and the Council for Promotion of Administrative Reform recommended reform of local government in the context of reducing the scope of government overall.
- (8) The "time of decentralization reform" in the 1990s.

Below, I shall examine the debates on Japanese local government since the end of the war with the aim of clarifying the characteristics of the decentralization reform of the 1990s introduced above.

### **The Paradox of Postwar Japanese Local Autonomy**

After Japan's defeat in 1945, reform of the Japanese local governmental system was carried out under the American occupation. The leading themes were de-

centralization and democratization. Some of the successfully implemented reforms included the inclusion of an article on local autonomy in the new constitution, which legitimized its strengthening; the popular election of prefectural governors, which transformed the prefectures into *de facto* autonomous units; strengthening of the authority and financial power of municipal governments; and the weakening of the centralized administrative authority structure, built around the Home Ministry-prefecture relationship, by abolishing the ministry. Although after the end of the occupation the state reassessed these reforms, reversing and recentralizing some of them (for example, abolishing municipal police departments and locally-elected boards of education), the basic system of local government which had been established remained almost unchanged (Osugi 1994; Takagi 1986).

The postwar reforms have provoked considerable controversy: What were they? How democratic were they really? And how decentralized did Japan become? The most influential viewpoint has been a localist approach demanding even more decentralized policy, maintaining that although the postwar system had been nominally decentralized, a high degree of prewar centralization still remained. The ideal behind this view was an Anglo-Saxon type of local autonomy in which local governments are separate from the national government, or so its proponents (mostly intellectuals and journalists) imagined. The allegation of nominalism was based on, first, the existence and multiplication of agency-delegated functions and, second, the weak financial resources of local governments and their consequent dependency on the state. The theory of separated local government implied not only that local governments should seek maximum authority and financial autonomy from the state, but also that the responsibilities of center and locality should be clarified by strictly separating local from central governmental functions. From such a viewpoint, postwar Japanese government appeared centralized, and local autonomy immature. This theory of "autonomism" or "separatism" was the dominant paradigm in the field until the 1970s, and is still influential today.

The separatist view, however, has rarely been connected to real reform. The reason for this ineffectiveness lies partly in the less progressive attitudes and behavior of the public servants who actually run local governments. Basically, they have not been dissatisfied with the existing local governmental system, except on minor points. Of course, central bureaucrats always sought more power over local government, while local officials demanded wider local discretion and more financial resources. It is, however, noteworthy that they did not pursue major reform of the system, being satisfied to work on improvement of the operation of existing institutions. This powerful orientation toward functional improvement has prevented major change in the Japanese local governmental system during the past half-century, along with the fact that the system has proved so highly adaptable and flexible in the face of a changing political, economic, and social environment. The local officials who have accepted the reformed postwar status quo and focused on improving its functioning might be described as realists, as opposed to the idealistic autonomists or separatists described above.

Of course, this is not to say that a drive for centralizing reform (especially

among retired or active Home Ministry officials who desired to recreate a strong Home Ministry on prewar lines, which would comprehensively control local affairs) did not exist. Nevertheless, the view that recentralization of authority is necessary was surprisingly rare. Even central ministerial bureaucrats, though seen as recentralists by the autonomists, have accepted the system of local autonomy and decentralization stipulated in the new constitution (although they attempt to expand their authority within this status quo). Thus they too may be included among the "functional improvement" group described above. The autonomists see the status quo as a centralized one and are hypersensitive about any movement toward recentralization; from their perspective these central and local bureaucrats are all centralizers.

In any case, by the end of the 1970s there appeared counter-arguments against the prevailing autonomist approach, which had tended to minimize the present extent of local autonomy. Beginning in the late 1960s anti-LDP coalitions won numerous mayoral and gubernatorial elections, increasing the number of progressive local governments, and numerous local promotional organizations and policies appeared, none of which could be understood without assuming a strong level of local independence (Reed 1986; Muramatsu 1984, 1988). In light of these phenomena, reassessments of Japanese local autonomy began to gain ground in the late 1970s. In Japan governmental units which deal comprehensively with local affairs do exist; on this there is no debate: their activities account for roughly 60% of all governmental expenditures in Japan. Thus it cannot be said that local governments play a small role, regardless of their autonomy. Moreover, their executives are popularly elected, and they have elected assemblies also. Besides, observation of the *activities* of local governments made some suspect that they were not so centralized as the institutional *structure* suggested. But one must note that in these evaluations, only the autonomous powers of local governments were seen as improving, assessments of local democracy, or civic participation in local government, were not particularly positive. Certain municipalities and prefectures enjoy high rates of civic participation in government but, generally, citizen participants in local government are passive in comparison with other developed countries (Reed 1986, 168-170).

The approach underlying this viewpoint was new not only in its evaluation of practice, as noted above; it also criticized the orthodox theory of decentralization for focusing only on the institutional structure of central-local relationships (and consequently urging that decentralization was essential and critical), while insufficiently analyzing empirically the *process* of central-local relations. Moreover, it argued that in the modern welfare state, with its increased functions, managing central-local relationships according to the autonomist vision would be very difficult due to the increasing interdependence of central and local governments. Therefore it insisted that it was pointless to discuss institutional reform without analyzing the interdependence in relationships.

According to this theory, for example, it is not denied that during the periods of high-speed economic growth and expansion of welfare and environmental policy some centralization took place. But this can be seen largely as the consequence of the qualitative and quantitative increase in governmental functions overall, the autono-

mous activities of local governments did not weaken, and they did not signify enhanced submissiveness to the state on the part of local governments. This point has been made most emphatically by Michio Muramatsu, who described the reality of intergovernmental relations in Japan as "operating on an intense level of communication, under which the state makes localities implement policy and the localities apply pressure on the state;" the result is an "equilibrium" system in which "all concerned actors benefit." Decentralizing reforms should be undertaken on the basis of an analysis of "the conditions under which this equilibrium collapses, changes, or moves to a new equilibrium." (Muramatsu 1994, ch. 6) Alternatively, Terry MacDougall (1989, 166) drew the following lesson from Japanese local governmental practice: "interdependence between different governmental levels can provide more levers to local authorities for shaping public policy than any ideal notion of local autonomy based only on a strict separation of functions and finance."

One of the puzzles concerning Japanese government is that, notwithstanding the fact that the scope of government is far smaller than is the case in Europe and America, Japan has generally been envisioned as a strong state, as symbolized by the terms "Japan, Inc.," and "developmental state." (Johnson 1982) Even today's administrative reforms always adopt governmental "slimming-down" as an objective. Another paradox of Japanese government concerns local government: although local governments perform two-thirds of all governmental functions and deploy considerable independent fiscal resources (and are in this sense of greater moment than in other developed countries), Japan is always thought of as a centralized country in which local governments have little independence. The answer to the first puzzle, Why is a small government so strong? is to be found in the independent relationship between the market or the people, and the government, as exemplified by the "reciprocal consent state" (Samuels 1987) and "network" or "relational" state (Okimoto 1989) concepts. Similarly, the "Why is big local government so weak?" puzzle can be solved by looking at the interdependence of central and local governments.

### **A Diagnosis of Decentralization Reform: The Arrival of Decentralized Society?**

At present it is uncertain what results the recommendations of the DPC will have. Nonetheless, their feasibility is high, due to the DPC's strategy, which attached such importance to this consideration. As explained after the publication of its final recommendations by Masaru Nishio, a leading member of the DPC, "We negotiated with the central ministries again and again, and reached consensus after consensus of which execution was assured, as no one ever had before. If we had just said everything we wanted to say, but it hadn't been implemented, how would our work be evaluated?" (*Asahi Shimbun* October 10, 1997) As parts of the strategy of enhancing feasibility, Hiromi Muto (1996) highlighted the following recommendations: limiting the role of the state (including the codification of rules governing the coordination of intergovernmental relations, or "IGRs"), abolition of agency delegation, the role of scholars, maintaining the present 2-level (prefectural-municipal) local



governmental system, and the establishment of decentralization as the principle of political leadership. Such a feasibility strategy means that certain issues, such as reform of legislative and judicial powers, the structure of centralization, and local assemblies and elections, were not addressed, and that these reforms will be imperfect; still, the DPC's feasibility strategy appears reasonable in its current political environment.

However, my point is that the recommended, feasible reforms constitute a significant, but still incomplete, step, which cannot lead to fundamental change in Japanese central-local relations. That is, the formal transfer of institutional authority cannot dramatically change the interdependent pattern of real central-local operations; it only confirms the ongoing process of decentralization via operational adaptation. In this sense it stops at the level of institutional *bricolage* and it is probably for this reason that the central ministries accepted it. Of course, this hypothesis implies (a) a failure to reform local fiscal resources, (b) local government wariness of decentralization in the absence of fiscal reform, and (c) that the reallocation of authority from state to prefectures involves only administration and is not directly connected to the livelihood of the people (a far more serious problem in this sense is cuts in public works and welfare, which entail concrete losses and benefits). The point to be made is that institutional transfers of authority like the abolition of agency-delegated affairs and the transformation of over 60% of them into local affairs are not going to bring about great changes in the reality of IGRs.

As confirmation of this hypothesis I offer urban planning, which is seen as the most impressive policy area in terms of results deriving from the DPC's recommendations.<sup>(2)</sup> If even the widely-applauded recommendations in this area have not brought effective decentralization, one must rethink the description of the decentralization reforms as a "Third Great Reform." As I shall show below, even if the reform proposals are implemented, the practice of urban planning will be left largely intact.

I shall begin with an outline of recommended reforms in urban planning. According to the recommendations, all administrative functions concerning urban planning, many important ones of which have been designated as agency-delegated to date, are in principle to become localized, subject to independent local government decisions. First, municipalities are to take the central role in urban planning decisions, while prefectural decisional power is restricted to broad or fundamental planning issues which transcend municipal boundaries; prefectural intervention is largely reduced to issues of land use, urban facilities, urban development, etc. Second, central government intervention in prefectural affairs is restricted to particularly important cases requiring state coordination in view of interprefectural planning or national interests such as national land use planning. For example, the population size of municipalities which are required to obtain state approval for their plans is to be raised from 100,000 to 300,000. Third, tutelary intervention by the state in prefectural affairs and by prefectures in municipal affairs is generally eliminated: national, prefectural, and municipal governments are in principle equal. However, one should note here that even if urban planning is a prefectural or local affair, municipalities must hold "prior consultations" with prefectures, and prefectures with

the state. Even more questionably, local governments must along with these consultations obtain the "agreement" of the central government in, for example, decisions on urban planning areas and, within them, the demarcation between zones slated for urban development and those in which urbanization is to be restricted, a distinction at the core of the Japanese urban planning system.

It thus appears certain that, institutionally, state intervention in the prefectures and prefectural intervention in municipalities will be limited. But I shall argue that this apparently dramatic decentralizing reform will turn out to be less a radical reform than a change of degree, little different from the piecemeal decentralization policies implemented earlier.

For example, in the realm of urban planning, in order to ensure the much emphasized feasibility of its recommendations, the DPC's work progressed in a context of negotiation and collaboration with the Construction Ministry's City Bureau (with jurisdiction over planning) and Central Panel on Urban Planning (or CPUP, which advises on structural changes). A look at the the City Bureau's and CPUP's views of decentralization provides us with an insight into the real nature of its epoch-making recommendation that "all urban planning functions should be local functions." We can look at the CPUP's "On the Future of Urban Policy" (June 3, 1997), which came out almost simultaneously with the DPC's Second Recommendations, to see how the Panel understood the issues surrounding decentralization. First, on the subject of the relationship between national law and local government ordinances:

Under existing law, in which urban planning severely restricts the property rights of citizens, a basic framework which ensures fairness and equality is essential, as can be seen in the goals and meaning of the Urban Planning Law. From this perspective, the system already enables local governments to establish their own regulatory ordinances, as long as these powers are delegated by law, as in the case of local regulation of the built environment in restricted scenic areas. Even if urban planning functions were conceived of as local affairs, it should not be supposed that this constitutes a fundamental change in this framework.

Furthermore, of the the directive and enforcement powers of the Construction Ministry (which thus far has had final say in matters of urban planning as an agent-delegated function), the Panel explained that:

Article 24 of the Urban Planning Law [the direction and enforcement system], when it was enacted [in 1968], provided for the transfer of all decisional powers to local government units. Even though [the previous decentralizing reforms made] urban planning decisions autonomous local functions, it was essential to provide this sort of a framework in order to ensure that appropriate decisions and changes would be made in areas like urban planning which affect vital national interests.

In other words, in principle, the national government decides on urban planning

institutions; it is only within these institutions (constitutionally, "within law") that local governments can issue ordinances concerning urban planning. Moreover, in order to ensure "basic fairness and equality" in the operation of these institutions, prior consultation with the national government is required; in cases of "urgent necessity" the Minister of Construction's powers of direction and enforcement apply. Given this, it appears that even in the area of urban planning, usually cited as producing the most results of all the DPC's recommendations, administrative reality is almost unchanged. One might well wonder what the purpose is, then, of saying that "all urban planning is local affairs," but one can also now understand why the Construction Ministry, which was initially opposed to "all...local affairs," changed its position and accepted the recommendations.

Incidentally, the same sort of understanding had already become apparent in the negotiating process between the DPC and the Construction Ministry over the DPC's "Interim Report." One DPC member expressed his appreciation for the Ministry's response to the report, stating, "we intend, in order to keep national intervention in prefectural urban planning to a minimum, to reconsider the scope of such intervention and clarify its guidelines." A ministry official replied that "Ever since the Urban Planning Law was passed in 1968 we have taken such a stance; we are presently consciously accommodating it. However, we also recognize that coordination between local government and the ministry is important until agreement is reached." (DPC, Session 60, July 25, 1986) It sounds as if the Ministry means that there is no difference between their "reconsideration" and the way they have always done business.

### Misunderstanding Decentralization Reform

What explains why decentralization reform struck out? One can, of course, point out numerous obstacles to the promotion of decentralization: state bureaucrats opposed to decentralization, local governments unenthusiastic about ending up with new unfunded obligations, parties and politicians who saw little positive benefit in decentralization (with the exception of the Democratic Party, which alone saw gain in using the issue as a political symbol), and so on. The factor I would like to emphasize here is that one major characteristic of the reform process was the leadership role played by academics whose distorted views of Japanese local government had a major impact on the content of reform. That is, as I have explained, the decentralization called for in the DPC recommendations simply did not fundamentally alter the *activities* of the national government agencies; in other words, change in the formal allocation of authority was not linked to major change in the actual interdependent pattern of IGRs. Rather, the recommendations stopped with affirmation and institutional adjustment of the ongoing process of decentralization which already characterized the operation of IGRs. Consequently the central ministries accepted them. Looked at thus, one reason that reform struck out is the institutionalist bias in the DPC's view of Japanese local autonomy.<sup>(3)</sup>

The first fundamental error in the DPC's view of Japanese local government is

that they viewed Japan as a thoroughly centralized system with insufficient local autonomy; the primary culprit in this system was agency delegation, reform of which is the major strategy for producing a decentralized system. Reforming agency delegation was the major theme; thus the more recently developed academic approach of analyzing local autonomy in the context of the interdependent relations between national and local governments was abandoned. As a result, the DPC overlooked the increasing *de facto* decentralization which has characterized IGRs in practice. If they had begun by properly appreciating the content of *de facto* decentralization, they would not have harbored any great illusions about reform via institutional restructuring, and at the least would not have grandly portrayed a reform which really just maintained the status quo as a "Third Great Reform." Certainly, there is significance in affirming this status quo and adjusting formal structure to match practice; this alone deserves credit. However, it doesn't mean that the reality of IGRs, much less the structural substance of Japanese society, will change greatly.

There is also a more negative view of the DPC's reforms: Takayose Shozo (1997, ch. 1), for example, forcefully criticizes the limits of reform based on reallocation of functions. According to him, eight welfare-related laws (including the Welfare for the Aged Law) were amended in 1990, transferring the administration of regional welfare from the prefectural to the municipal level and changing it from an agent delegated function to a completely delegated function similar to a local function. However, "although the form of administration has changed, there has been no change whatsoever in actual conditions.... Municipalities are still bound hand and foot by laws and subsidies." In this regard there has been no change, and he expects the recent reforms to meet the same fate unless local financial dependency is changed. His view, which is shared by many local government officials, is that the subsidy system is to blame, and that without its reform there cannot be real decentralization: "If the subsidy system is demolished the system of central control will collapse naturally." Of course, financial dependency is only one factor in the analysis of IGRs, and its function is being transformed in the process of interdependency; still, it is certainly more significant for promoting decentralization than is the abolition of agency delegation.

### The Future of Decentralization Reform in Japan

I shall conclude with some comments about the future of decentralization reform in Japan, an issue which surged in the 1990s, although not to the extent of constituting a "Third Great Reform." Given space limitations here, I would like only to make a few points regarding the major actors in the decentralization drama.

First, the attitude of the business community is important. Indeed, it is possible that business community support accounts for the appearance of decentralization reform on the national political agenda in the first place. Since the administrative reform movement of the 1980s the business community has been a central force for administrative "slimming-down," deregulation, and other types of administrative reform on both the national and local levels. One could say that the business

community has become involved in decentralization, and has given prominence to it, due to its contributions to the simplification of administrative procedures and deconcentration of authority, that is, as one way toward broad administrative reform. This was demonstrated by the selection of business leader Ken Moroi as the chairman of the DPC. He always emphasized that decentralization had to be connected to the downsizing of government overall; it should never stand in the way of deregulation. Even if decentralization brought a reduction in the scope and authority of the central government, it should not be allowed to lead to bloating, multiplication of regulations, and governmental strengthening at the local level (see the chairman's brief appended to the First Recommendations, December 20, 1996). But since the dominant view among the pro-decentralization forces favors reallocation of state authority to the local level and discretionary regulation of local units by local governments, there is a great likelihood that the pro-decentralization camp will be divided (Kamo 1997). For example, in the area of urban planning, should the land-use regulation powers of localities be strengthened and the regulatory process become quite different from one locality to another, the business community is unlikely to support decentralization.

Next is the question of those who will bear the decentralized powers of governing. There are conflicts of interest between big and small, metropolitan and provincial, and wealthy and poor units of government, and between prefectures and municipalities concerning degrees of state intervention and the types of local governments as repositories of decentralized prerogatives and finances. The existence, among the actors involved, of these kinds of divisions concerning decentralization has prevented the realization of radical reform of local government in general, not just decentralizing reform. There is a very good chance that in the future this sort of conflict among local governments will surface, and that the local government camp will fall apart as a result.<sup>(4)</sup>

Third, the firmest believers in decentralization are found in the mass media and academia. But, although the current attempt at decentralization reform has progressed largely at the initiative of scholars, energetically backed up by journalists, it is unlikely that this political situation will persist for long. The window during which they can make advantageous use of the ongoing realignment of political parties and the present atmosphere of political reform is limited.

Finally, I would like to clarify the political situation in which academics have become the central actors in reform. At present, decentralization reform, along with administrative reform, is still a symbolic issue in the partisan political struggle for control of the government. However, if it loses this symbolic significance, the political support for reform will soon fade, because politicians and political parties have no intrinsic, positive interest in decentralization. Moreover, the more power is concentrated at the center, the larger is the arena for members of parliament; consequently, at best, their motivation to work positively for decentralization will fade. Thus far, as long as decentralization is treated as a political symbol, they have been unable to oppose it.

What is the future of decentralization reform? As shown above, one may expect

that many of the DPC's recommendations will be implemented, but their substance will consist not of dramatically greater decentralization but rather of reaffirmation of the status quo of decentralization to date, and the adjustment of the governmental system to it. If one considers the tendencies of the actors and the political situation discussed here, it appears unlikely that much additional decentralization is going to result. Japan is unlikely to make any great strides in decentralizing IGRs, much less toward producing some new form of Japanese society. What can be said is, rather, that Japanese local government has to date taken firm steps toward decentralization in practice.

#### Notes

- (1) The first was the Restoration itself, and the second was the U.S. occupation. The texts of the Interim Report (March 29, 1996), the First Recommendation (December 20, 1996), the Second Recommendation (July 8, 1997), the Third Recommendation (September 2, 1997), and the Fourth Recommendation (October 9, 1997) are available on the internet homepages of the Prime Minister's Office and the Ministry of Home Affairs. The Recommendation of the Central Panel for Urban Planning, materials related to the DPC, etc., as shown below, can be found in the homepages of Japanese governmental agencies such as the Ministry of Construction and the Management and Coordination Agency. In this paper I have quoted from these homepage texts without reference.
- (2) Not only Yoriaki Narita (1997, 8), a leading member of the DPC, but also people critical of the recommendations (Muto et al. 1997, 33-34) are agreed on this point.
- (3) Similar opinions are found in Nakamura (1997) and Mizuguchi (1996). For example, Nakamura argues that the DPC's reforms, like others to date, is institutionalist and, in its desire to change society overall through decentralization reform, normative; in that the negative aspects of this are insufficiently considered, the whole project is idealistic. However, he refers little to the future or to the consequences of reform discussed in this essay. The best recent example of the institutional and normative, idealistic approach, similar to the DPC's own "Third Great Reform" view, is Jinno et al. (1996)
- (4) As stressed by Masaru Nishio (1996), a leading member of the DPC, one of the DPC's major strategies was to avoid splits within the local government camp. For a general discussion of "bureaucratic politics" in both local and national government, see Amakawa (1986).

#### References

- Amakawa, A. (1986) "Ideas for Reforming the Local Governmental System." In Omori, W., et al., eds., *Japanese Local Government*, Tokyo: Tokyo Daigaku Shuppan Kai. (in Japanese)
- Jinno, N., et al. (1996) "Why Is Decentralization Needed Now?" *Sekai*, no. 625. (in Japanese)
- Kamo, T. (1997) "Rethinking Decentralization Reform: On the First Recommendation by the DPC." *Toshi Mondai*, vol.88 no. 4. (in Japanese)
- MacDougall, T. E. (1989) "Democracy and Local Government in Postwar Japan." In Ishida, T. and Krauss, E. S., eds., *Democracy in Japan*, Pittsburgh: University of Pittsburgh Press.
- Mizuguchi, N. (1996) "Decentralization Reform and Central-Local Relationships." *Public Administration Annual*, no. 31. (in Japanese)
- Muramatsu, M. (1984) "Central-Local Political Relations in Japan: A Lateral Competition Model." *Journal of Japanese Studies*, vol. 12, no. 2.
- (1988) *Local Government*. Tokyo: Tokyo Daigaku Shuppan Kai. (in Japanese)

- (1994) *The Japanese Administrative System*. Tokyo: Chuo Koron. (in Japanese)
- Muto, H. (1996) "Strategies for the Promotion of Decentralization." Paper presented to the annual meeting of the Japanese Political Science Association. (in Japanese)
- et al. (1997) *Does Decentralization Reform Change the Way Government Works?* Tokyo: Chiho Jichi Sogo Kenkyujo. (in Japanese)
- Nakamura, A. (1997) "The Japanese Decentralization Reform Issue: An International Comparison of Decentralization Issues." *Public Administration Review Quarterly*, no. 77. (in Japanese)
- Narita, Y. (1997) *Decentralization Reform and the Second Recommendation of the Decentralization Promotion Council*. Tokyo: Chiho Jichi Sogo Kenkyujo. (in Japanese)
- Nishio, M. (1996) "The Promotion of Decentralization." *Public Administration Annual*, no. 31. (in Japanese)
- Numata, R. (1994) *New Aspects of Decentralization: A Design for Our Government*. Tokyo: Kojin Sha. (in Japanese)
- Osugi, S. (1991) *The Non-Decision-Making Process of Postwar Local Government Reform*. Tokyo: Urban Administration Institute of Tokyo University. (in Japanese)
- (1994) "Administrative Reform and Local Government Reform." In Nishio, M. and Muramatsu, M. eds., *Koza Gyoseigaku*, vol. 2. Tokyo: Yuhikaku. (in Japanese)
- (1997) "Japanese Local Government Reform." Paper presented at the annual meeting of the Japanese Political Science Association. (in Japanese)
- Reed, R. S. (1986) *Japanese Prefectures and Policymaking*. Pittsburgh: University of Pittsburgh Press.
- Takagi, S. (1986) "The Formation of the Postwar System: Central Government and Local Government." In Omori, W., et al., eds., *Japanese Local Government*, Tokyo: Tokyo Daigaku Shuppan Kai. (in Japanese)
- Takayose, S. (1997) *Decentralization and Subsidy Reform*. Tokyo: Kojin-no-tomo Sha. (in Japanese)

Author's Note:

The Author thanks Professor James W. White ( The University of North Carolina at Chapel Hill) for his excellent English editing of this paper, which is almost close to translating.